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## ACRONYMS

|         |   |
|---------|---|
| CBHI    | Community-Based Health Insurance                        |
| CBO     | Community-Based Organisation                            |
| CBRS    | Common Beneficiary Registry System                      |
| CCC     | Community Care Coalition                                |
| CSA     | Central Statistical Agency                              |
| CSO     | Civil Society Organisation                              |
| DRM     | Disaster Risk Management                                |
| EHIA    | Ethiopia Health Insurance Agency                        |
| FA      | Focus Area  |
| FeMSEDA | Federal Micro and Small Enterprise Development Agency   |
| FSPC    | Federal Social Protection Council                       |
| GTP     | Growth and Transformation Plan                          |
| HABP    | Household Asset Building Programme                      |
| IBCI    | Index-Based Crop Insurance                              |
| IBLI    | Index-Based Livestock Insurance                         |
| KSPC    | Kebele Social Protection Council                        |
| MFI     | Micro-Finance Institutions                              |
| MIS     | Management information system                           |
| MoANR   | Ministry of Agriculture & Natural Resources             |
| MoE     | Ministry of Education                                   |
| MoFEC   | Ministry of Finance and Economic Cooperation            |
| MoFED   | Ministry of Finance and Economic Development            |
| MoH     | Ministry of Health                                      |
| MoJ     | Ministry of Justice                                     |
| MoLF    | Ministry of Livestock and Fisheries                     |
| MoLSA   | Ministry of Labour and Social Affairs                   |
| MoUDHo  | Ministry of Urban Development and Housing               |
| MSE     | Micro and Small Enterprise                              |
| NGO     | Non-Government Organisation                             |
| NRMD    | Natural Resources Management Directorate                |
| NSPP    | National Social Protection Policy                       |
| NSPS    | National Social Protection Strategy                     |
| OVC     | Orphans and Vulnerable Children                         |
| PCDP    | Pastoral Community Development Programme                |
| PLHIV   | People Living with HIV                                  |
| POESSA  | Private Organisations' Employees Social Security Agency |
| PSCSA   | Parliamentary Standing Committee for Social Affairs     |
| PSSSA   | Public Sector Social Security Agency                    |
| PSNP    | Productive Safety Net s Programme                       |
| PwD     | Person with Disabilities                                |
| RSPC    | Regional Social Protection Council                      |
| RuSACCO | Rural Savings and Credit Cooperatives                   |
| SHI     | Social Health Insurance                                 |
| SME     | Small and Medium Enterprise                             |
| SRS     | Single Registry System                                  |
| TVET    | Technical and Vocational Education and Training         |
| URAP    | Universal Roads Accessibility Programme                 |
| WSPC    | Wereda Social Protection Council                        |

## INTRODUCTION

The Ethiopian economy has been growing at more than 10 percent per annum for the last ten years. In spite of sustained economic growth, the absolute number of people living in poverty declined only very slightly from 24.4 to 24.3 million due to high population growth<sup>1</sup> and increased vulnerability to various shocks. At the time preparing this strategy (2015); about 10.2 million people were affected by the global El Niño phenomenon requiring food assistance.<sup>2</sup> Chronic malnutrition still affects 40 percent of children in Ethiopia<sup>3</sup>, which is of particular concern due to the lifelong irreversible impacts on physical and intellectual development of children. In view of these realities, GTP II (2015:4) confirms the Government's commitment to sustaining inclusive and pro-poor development strategy over the coming years to further address the poverty, unemployment and underemployment challenges.

The Government recognized social protection as one of the key instruments for promoting inclusive and pro-poor growth and development. To this end, the National Social Protection Policy (NSPP) has been developed and endorsed with vision “to see all Ethiopians enjoy social and economic wellbeing, security and social justice”<sup>4</sup>. The policy identified five integrated focus areas as strategic directions. These are:

- **Productive safety nets:** poor and vulnerable households will receive transfers in the form of cash or food, which will enable them to increase their consumption of food, to access essential services, and to make productive investments. These transfers may or may not be conditional depending on local circumstances (e.g. target group, availability and quality of services to which conditions are attached).
- **Livelihoods and employment support:** poor households will be supported with demand-led technical and financial support and/or information on employment opportunities, to enable them improve their on and off-farm livelihood activities.
- **Social insurance:** expansion of mandatory insurance for formal sector workers and innovative insurance products for the rural poor and urban informal workers will enable people to better manage the risks they face.
- **Access to health, education and other social services:** health fee waivers, subsidised health insurance, specialised services for people with disabilities (PwDs), pregnant and lactating women, and school feeding, together with support from an expanded social work system, will improve access to services for the most vulnerable

- **Addressing violence, abuse and exploitation:** a range of interventions both to prevent and respond to violence, abuse and exploitation will protect and empower some of the most disempowered and marginalised members of society

The objectives of social protection as set out in the NSPP are to:

- Protect poor and vulnerable individuals, households, and communities from the adverse effects of shocks and destitution;
- Increase the scope of social insurance;
- Increase access to equitable and quality health, education and social welfare services to build human capital, thus breaking the intergenerational transmission of poverty;
- Guarantee a minimum level of employment for the unemployed;
- Enhance the social status and progressively realize the social and economic rights of the excluded and marginalized;
- Prevent and respond to abuse, violence, neglect and discrimination.
- Ensure that different parts of society are taking appropriate responsibility for the implementation of the social protection policy.

The planned interventions will have important social and economic impacts and contribute substantially to the objectives of the Second Growth and Transformation Plan (GTP-II). As a matter of fact, the five focus areas put together are ingredients for social transformation that is complementary to the on-going economic transformation. Social transformation broadly defined is a process of change that happens across the society affecting the lives of each and every citizen. The social protection strategy will contribute to and accelerate this process by meeting the needs of the poorest of the poor, the marginalised and neglected members of society which otherwise would have been left out of the transformation agenda.

Social protection interventions provide access to income for spending on food, healthcare and schooling. They allow poor people to engage in the market economy that enable them benefit from and contribute to growth. Social transfers have direct impact on reducing poverty of the poorest households; they also re-circulate in the economy and stimulate demand for goods and services, thereby having wider economic impacts.

**The strategy development process:** The strategy development process is a continuation of the policy development process that began with a mapping and gap analysis exercise. The findings initiated a national dialogue on social protection and formed a basis for generating ideas for the National Social Protection Policy from all regions of the country. A multi-stakeholder national platform was established to guide the process. Members included government, development partners, UN agencies and non-government organisations with

considerable experience in social protection provisions in Ethiopia. The strategy development process benefited from a comprehensive review of the literature and documented best practices in the five focus areas identified in the policy. It also benefited from a parallel design process of the rural and urban safety nets. A series of stakeholder consultations were organised at different stages of the strategy development culminating in a national validations workshop.

**Structure of the strategy document:** Following this introduction, the document has six sections:

**Section 1** begins by a definition of social protection in the Ethiopian context and sets out the rationale for a social protection system. It also shows how the five focus areas given in the National Social Protection Policy link both to each other and to the four expected social protection outcomes – protective, preventive, promotive and transformative.

**Section 2** outlines the overall development context of Ethiopia and analyses the poverty and vulnerability situation. The section provides the information and analysis to elucidate the choice of strategy focus areas and instruments. **Section 3** explains relevant strategic issues for the development of the social protection system. **Section 4** presents the key instruments and interventions under each focus area.

**Section 5** gives a broad timeframe with major milestones over the next 10 years. It describes the proposed institutional arrangements to facilitate multi-stakeholder coordination, capacity building and systems development.

**Section 6** deals with broad issues pertaining to financing the strategy. It defines the fiscal space for social protection and outlines the major sources of finance.

## SECTION ONE: WHY A SOCIAL PROTECTION SYSTEM?

### 1.1 What is social protection?

Social protection is defined differently according to country context and professional interests.<sup>5</sup> The National Social Protection Policy defines social protection broadly as part of social policy framework that focuses at reducing poverty, social and economic risk of citizens, vulnerability, and exclusion by taking measures through formal and informal mechanisms to ascertain accessible and equitable growth to all. This entails:

- Strengthen and work with community based social support mechanisms
- Provide social assistance to enhance access to basic social services
- Expand the coverage of social security services
- Enhance the availability of gainful employment opportunities
- Implement appropriate laws, directives and action plans and strengthening institutional arrangements that ensure the poor and vulnerable equitably benefit from the growth of the country

A social protection system is a system of ***protection, prevention, promotion and transformation***. Although there is some degree of overlap between these four, they also have some distinct features as explained below.

Social protection interventions ***protect*** the poorest citizens from economic and social deprivations, including hunger and lack of access to essential services that result from poverty. Protection from deprivation is particularly critical at key stages in the life cycle, notably during pregnancy, early childhood, and adolescence. At times, individuals need protection because they are unable to work and generate income due to old age and/or disability. Conditional or unconditional cash/food transfers are typical instruments for smoothing consumption and reducing hunger.

Social protection also ***prevents*** poor and vulnerable households from resorting to harmful coping strategies such as reducing food intake, withdrawing children from school or selling their productive assets in time of shock. The availability of cash transfers or insurance payouts can help prevent this situation, enabling households to access food, income, health services and investment in human capital.

By supporting livelihoods and employment opportunities, social protection ***promotes*** the accumulation of assets and skills that enables poor households to move sustainably out of poverty. The ***transformative*** role of social protection is through economic empowerment of vulnerable and marginalised people and protecting their rights and responding to abuse and violence.

Most social protection instruments have effect across several of these dimensions and there are important synergies. Harmonised implementation under all five of the focus areas set out in this strategy maximises positive impacts across the dimensions. **Table 1** highlights the most important effects of the five focus areas of the NSPP in terms of protection, prevention, promotion and transformation.

The focus areas are not mutually exclusive. For example, poor households targeted for Focus Area 1 will need access to interventions in Focus Area 5 if they are abused and their rights violated in anyway. Similarly, women and youth groups engaged in employment and livelihood activities (Focus Area 2) would need social insurance to reduce the risk of failure (Focus Area 3). This interaction is also important for strategy design, action plan preparation and grassroots implementation.

**Table 1:** Focus Areas mapped to the four objectives of social protection

| Focus Area (FA)  | Protection from deprivations   | Prevention of deprivations   | Promotion of livelihoods   | Transformation and empowerment  |
|--|--|--|--|---|
| <b>FA1: Promote Productive Safety Nets</b>   | Social transfers improve food security and access to essential services  | In case of shocks, social transfers prevent loss of life, catastrophic asset depletion, the irreversible damage caused by infant malnutrition and the separation of children from their families | By enabling productive investments, social transfers promote livelihoods   | Social transfers can empower women and vulnerable groups by increasing their control over cash and food                           |
| <b>FA2: Promote Employment &amp; Improve Livelihoods</b>   |  |  | Tailored support promotes employment and livelihoods of the poor   | Increased implementation of labour standards protects the rights of vulnerable workers  |
| <b>FA3: Promote Social Insurance</b>   |  | Social insurance prevents/ mitigates the negative (and sometimes irreversible) effects of shocks on lives and livelihoods  | By enabling households to better manage risks, social insurance enables engagement in activities with higher returns       |   |
| <b>FA4: Increased Access to Basic Services</b>   | Fee waivers, health insurance subsidies and social transfers increase access to essential services for the most vulnerable | In the case of a health shock, fee waivers, health insurance subsidies and social transfers prevent loss of life and depletion of household assets   | By enabling investment in children's health and education, their long-term productivity is enhanced                        | If vulnerable children are educated, they will be more aware of their rights and responsibilities than if they were not educated. |
| <b>FA5: Address Abuse, Violence, Neglect &amp; Exploitation and provide legal protection and support</b> | Rehabilitation of victims of abuse, violence, neglect and exploitation   | Victims have access to legal, social and financial support mechanisms....  | Identify and campaign for voicing for the voiceless against different forms of abuse, violence, neglect, exploitation, etc | By preventing and responding to abuse, violence, neglect and discrimination, the rights of the most vulnerable are promoted       |

## **1.2 Rationale for a social protection system**

The development of this strategy has gone through an extensive review and documentation of the rationale for social protection in Ethiopia. Based on this evidence, the Government developed and endorsed the National Social Protection Policy in October 2014. These rationales are summarised in three key points:

First, the right to social protection for all citizens enshrined in the Ethiopian Constitution, Articles 41 and 90 in particular.<sup>6</sup>

Second, Ethiopia has also ratified a number of UN and AU documents that require government to develop policies, strategies and programs on social protection.

Third, social protection interventions can contribute to overall economic and human capital development through (i) investments in education, health and nutrition; (ii) reducing idiosyncratic and covariant risks; (iii) increased market engagement for the poor and vulnerable; and (iv) local economy multiplier effects.

## **1.3 Building a sustainable system**

There are three key dimensions to a 'sustainable social protection system'. First, it involves the progressive realisation of social protection objectives to provide a decent standard of living and equitable access to services for all citizens.

Second, a social protection system puts poor and vulnerable citizens first. The overall package of social protection support received within such a system is comprehensive and joined-up, appropriate to people's needs and adequate to substantially impact their poverty and vulnerability. Furthermore, the support evolves over time to address different needs at different points in the life cycle and to reflect changing individuals' and households' circumstances. This evolution means that individuals and households with productive capacity will be supported to graduate from one type of social protection support to another at the appropriate time, and eventually to market-based non-subsidised protection (social insurance, micro-insurance and other financial services), where possible. Likewise, individuals and households without productive capacities will be provided with predictable and long-term support.

Third, the concept of a system implies a set of arrangements or provisions that enable actors to work collaboratively and to effectively deliver services. In Ethiopia, the system is underpinned by a shared commitment to the objectives of social protection as expressed by in strong partnerships between a wide range of Government ministries and agencies, development partners, civil society and to some extent private sector organisations.<sup>7</sup>

Therefore, sustainable social protection system requires new institutional arrangement that will enhance co-ordination; strengthen capacities for implementation; and develop systems and tools, such as the Single (National) Registry System (SRS) also known as the Common (or National) Beneficiary Registry System (CBRS).

Importantly, development of a social protection system entails advancement towards a social protection framework appropriate to Ethiopia's future status as a middle income country. Anticipated continuation of Ethiopia's promising economic growth will enable this system to be increasingly funded from domestic sources, thereby building social cohesion by ensuring that everyone participates in and benefits from economic growth.

## SECTION TWO: BACKGROUND

### 2.1 Development and policy context

**(i) Sustained economic growth and human development-** Ethiopia's economy has been growing at an average of 10.5 percent per year during the first GTP period (2010/11- to 2013/14) which is double the Sub-Saharan Africa average growth rate of 5 percent. This growth has contributed to a major reduction in the percentage of the population living below the national poverty line, down from 45.5 percent in 1995/6, to just 26 percent in 2010/11<sup>8</sup> and projected to fall to 16.7 percent by the end of GTP II in 2019/20. Human development indicators have also shown improvements. For example, the under-five mortality rate declined from 123 deaths per 1000 live births in 2005 to 88 in 2011 (CSA, 2011); and primary school gross enrolment increased from 74 percent to 91 percent between 2004 - 2011 (CSA, 2012).

The long-term effects of malnutrition, stunting in particular, are well recognized and efforts are underway to eliminate all forms of malnutrition. Progress so far shows that Ethiopia is (i) one of the countries that has a sustained reduction in stunting of 2 percent or more per year; (ii) among countries where wasting is constant or declining; and (iii) among countries where there are fewer overlapping malnutrition - presently stunting and wasting only (Global Nutrition Report 2014). With the adoption of nutrition sensitive agriculture and increasing the number of nutrition specific interventions,<sup>9</sup> the Government seeks to accelerate the decline in rates of malnutrition.

**(ii) The demographic dividend: opportunities and challenges** – The population of Ethiopia is projected to be 95.2 million with 20.4 percent living in urban areas. By 2037, 30 years after the 2007 census, the population is projected to be 135.6 million (see Table 2).<sup>10</sup> The change in the population structure and hence the population dividend is as follows:

- *Child population* - The CSA projections show that the proportion of children (0-14) among the population is declining. It is expected to come down from about 43.8 percent in 2007 to 27 percent with high fertility decline rate or 34 percent with low fertility decline. This is a welcome sign as it would mean less number of children per population in the working age or a lower dependency ratio (young).
- *Working age population* - The CSA projections also show that the proportion of working age population (15-64) among the population will increase. That is, the number of people in the working age group will increase from 39 million in 2007 to about 91.2 million in 30 years (nearly 64 percent of the projected total population). Though it is likely that larger number of people in the age group 15-24 would be in educational institutions, there will still be a high growth rate in the economically active population.

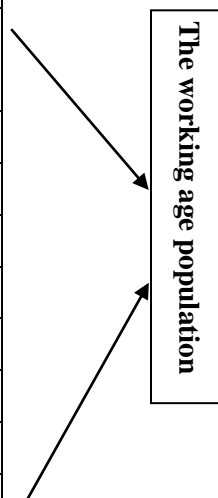
- *Population aged 65 and over* - In 2007, about 3.3 percent of the population was aged 65 years and above (elderly population). There would be tremendous growth in the number from 2.5 million in 2007 to about 6.4 million in 2037, which is 4.5 percent of the projected total population.

Change in the age structure of a population also comes with a challenge of absorbing new entrants to the labour market. The rate of unemployment at national level in 2013 was 4.5 percent showing a declining trend compared to 1999 (8.06 percent) and 2005 (5.06 percent). The corresponding rates of unemployment of males and females were 2.7 percent and 6.5 percent, respectively. This indicates unemployment is more of a problem of females than males in the country.

Open unemployment, which is largely an urban phenomenon, is 16.5 percent while 2.0 Percent in rural areas in June 2013. About 27 percent of urban women and 14 percent of urban men are unemployed. The rate is even higher among young urban people aged 20-24 (37 percent for women and 23 percent for men). With respect to the duration of unemployment, over half of the unemployed have been without work for less than six months and only one quarter for more than one year.<sup>11</sup>

**Table 2: Population projections for Ethiopia**

| Age group    | 2007              |             | 2037              |            |
|--------------|-------------------|-------------|-------------------|------------|
|              | Population ('000) | %           | Population ('000) | %          |
| 0-4          | 11995             | 16.2        | 13495.3           | 9.9        |
| 5-9          | 10796             | 14.6        | 13353.3           | 9.8        |
| 10-14        | 9607              | 13.0        | 13255.7           | 9.7        |
| <b>15-19</b> | <b>8426</b>       | <b>11.4</b> | <b>13055.7</b>    | <b>9.6</b> |
| <b>20-24</b> | <b>6983</b>       | <b>9.5</b>  | <b>12623.3</b>    | <b>9.3</b> |
| <b>25-29</b> | <b>5785</b>       | <b>7.8</b>  | <b>11787.7</b>    | <b>8.7</b> |
| <b>30-34</b> | <b>4496</b>       | <b>6.1</b>  | <b>10855</b>      | <b>8.0</b> |
| <b>35-39</b> | <b>3643</b>       | <b>4.9</b>  | <b>9939.3</b>     | <b>7.4</b> |
| <b>40-44</b> | <b>2888</b>       | <b>3.9</b>  | <b>8747.3</b>     | <b>6.5</b> |
| <b>45-49</b> | <b>2333</b>       | <b>3.2</b>  | <b>7529.7</b>     | <b>5.6</b> |
| <b>50-54</b> | <b>1824</b>       | <b>2.5</b>  | <b>6093.7</b>     | <b>4.5</b> |
| <b>55-59</b> | <b>1440</b>       | <b>2</b>    | <b>4881.3</b>     | <b>3.6</b> |
| <b>60-64</b> | <b>1140</b>       | <b>1.5</b>  | <b>3592.3</b>     | <b>2.6</b> |
| 65-69        | 871               | 1.2         | 2655.7            | 2.0        |
| 70-74        | 627               | 0.8         | 1803.3            | 1.3        |
| 75-79        | 401               | 0.5         | 1123.7            | 0.8        |
| 80+          | 588               | 0.8         | 819               | 0.6        |
| All ages     | 73843             | 100         | 135611.3          | 100.0      |



Source: Based on CSA (2013). Population figures for 2037 are the mean of the three scenarios (High, Low, Medium)

Addressing the needs of increasing older population is another challenge the country will be facing. The number of older persons aged 65 and above will continue to grow reaching 6.4 million in 2037. This is still small in relation to total population but numbers notwithstanding, it is important to recognize that the needs of older persons are often given lower priority in household spending. Analysis based on age and sex disaggregated measures assume that resources are shared equitably between, for example, younger and older household members, which is not often the case. As people get older, they become more marginalised;

they live alone and therefore need care and support. The traditional support systems will continue to be relevant in this context.

Finally, increased population also means the country will find it difficult to reduce the absolute number of people living below the poverty line even if rates continue to decline. At the present 26 percent of the population below the poverty line, Ethiopia has 25.7 million people below the poverty line.

**(iii) Poverty reduction policies and strategies** - The Government of Ethiopia has developed a number of over-arching policies, plans and strategies to reduce poverty and promote economic development. Following the successful implementation of Ethiopia's first generation Agricultural Development Led Industrialisation Strategy and the Development and Poverty Reduction Programme (2002-2004), Government implemented the Plan for Accelerated and Sustained Development to End Poverty (2005-2009).

These poverty reduction strategies served as building blocks to develop the first Growth and Transformation Plan (GTP I) which was implemented between 2010/11 and 2014/15. In the past five years, GTP I has contributed to the goal of reducing poverty through economic growth in all areas of the economy and is the foundation for all sectoral policies, including social protection. The overarching objective of the second Growth and Transformation Plan (GTP-II 2016-2020) objective is to realize Ethiopia's vision of becoming a lower middle income country by 2025. Thus, GTP II aims to achieve an annual average real GDP growth rate of 11 percent within stable macroeconomic environment while at the same time pursuing aggressive measures towards rapid industrialization and structural transformation (National Planning Commission, 2015).

**(iv) Specific provisions for the most vulnerable** - Within the social protection sector, the Government has put in place policies, regulations and action plans to address the needs of the vulnerable groups.<sup>12</sup> For example, for children key commitments are expressed in various plans and programs including the Ethiopian women and children development plan (2010), draft child policy (2011), Alternative Child Care Guidelines (2009), National Policy Framework for Early Childhood Care and Education (2010) and the Guidelines on Standards of Service Delivery for OVCs (2011).

Similar commitments exist for older persons and persons with disabilities. These include Proclamation No. 568/2008 that provides for the right to employment of people with disabilities; Proclamation No. 515/2007 to address the special needs of PwDs in public service employment; Directive 36/98 (updated as directive 41/2008) provides for tax-free import of Motorize Bicycle, Automobile, wheel chairs & crutches for particular for person with

person mobility problems; Proclamation No. 624/2009 to promote better access for PwDs to buildings; and National Plan of Action of Persons with Disabilities (2012-2021).

For persons living with HIV, the multi-sectoral HIV/AIDS policy (2012) is a key provision that advocates non-discrimination in relation to schooling, housing, employment, and healthcare. Mandatory HIV testing for employment is strictly prohibited under Ethiopian labour law and the Civil Service Workplace HIV/AIDS Guidelines protect PLHIV from discrimination by employers.

## **2.2 Poverty and vulnerability context**

The design of the National Social Protection Strategy is informed by a thorough review of poverty and vulnerability context in Ethiopia through the gender lens and lifecycle approach.<sup>13</sup> This section gives a brief highlight.

The poor and vulnerable people identified in the National Social Protection Policy fall into three major categories.

First, there are households that live below the poverty line and these are ‘consumption poor’. Given that food makes up the largest portion of consumption expenditure for poor Ethiopian households, consumption poverty is closely related to food insecurity.

Second, for some households, poverty is ‘multi-dimensional’, which means they face a broader range of deprivations, related to mortality, health, nutrition, water, sanitation, education and other basic necessities of life.

Third, some or all of those vulnerable individuals and households face ‘social exclusion’. They are excluded from various functions in society simply because they can’t afford to pay for entry fees or they are physically or mentally impaired to join in. Therefore, people may be actually deprived (poor) or at risk of deprivation (vulnerable) on any of these dimensions. The matrix in Table 3 shows this overlap.

Of course, these categories are not mutually exclusive. People living in consumption poor households are more likely than others to face multi-dimensional deprivations and vulnerabilities. On the other hand the categories are by no means entirely convergent. That is, women, children, PwDs and elderly people may find that they lack a voice and are at risk of abuse or violence, even if they live in relatively well-off households.

The Government recognises that there are policy and programmatic implications of addressing multiple dimensions of poverty. The five focus areas of the NSPP (and of this strategy) are well-positioned to address multiple dimensions of poverty and vulnerability. They are not mutually exclusive. For example, to fulfil the rights of people suffering abuse or neglect (Focus Area 5) within their household, handing cash transfer to the head of

household is not sufficient. It is necessary to take measures that empower marginalised groups/individuals. Providing employment and livelihood opportunities (Focus Area 2) in a risky environment is not enough. It is necessary to provide access to micro insurance services (Focus Area 3).

**Table 3: Dimensions of Poverty and Vulnerability**

|  | Consumption measure  | Multi-dimensional/Human  | Social Exclusion  |
|--|--|--|---|
| <b>Poor (actually deprived)</b>            | Households living below the poverty line and/or in food insecurity.              | Household/individuals who are in poor health. Children who are stunted or acutely malnourished or who lack access to education.  | Individuals who, as a result of their powerlessness, find themselves subject to abuse, violence, neglect or exploitation in the home, community or workplace.   |
| <b>Vulnerable (at risk of deprivation)</b> | Households at risk of falling below the poverty line and/or into food insecurity | Households without health insurance or means of covering health/school fees; or without access to clean water and a healthy environment.<br>People with life-cycle related biological vulnerabilities (e.g. infants and pregnant women). | Individuals/households who due to gender, disability, HIV status, age, orphan hood, ethnicity, location or other factors face marginalisation from society, or discrimination in access to services or work.<br>People who are powerless and voiceless within their household or community. |

## 2.3 Mechanisms for responding to poverty and vulnerability

### 2.3.1 Community based support mechanisms

Community-based social support mechanisms have a long history in Ethiopia<sup>14</sup>. These mechanisms are often the first line of response to both idiosyncratic and covariant (community wide shocks). They serve the four objectives of social protection to a varying degree. Protection and prevention are the main functions of community based support systems; promotion to some degree and transformation to a lesser degree.

Although the exact number of community-based support institutions is unknown (except CCCs), it is common knowledge that *iddirs*, *ikubs* and *mahbers* are the most widespread type of community-based support mechanisms<sup>15</sup> and the vast majority of Ethiopians belong to at least one *iddir*: about 87percent and 70percent of urban and rural dwellers, respectively.<sup>16</sup> The membership criteria are (i) residence, (ii) registration fee and (iii) monthly contribution. For example, a typical urban *Iddir* member may contribute Birr 10 per month plus registration fee of Birr 500 or more depending on the asset the *Iddir* has accumulated.

By and large, *iddirs* are believed to be inclusive - poor households are no less likely than the better off to belong to one.

*Iddirs* payout cash in the case of death of the registered member (equivalent to policy holder) or close family members. The payout is used to cover the costs associated with funerals. *Iddirs* also provide “psychosocial support”<sup>17</sup> that helps survivors get through the bereavement. Some *iddirs* have diversified to cover other contingencies, such as house fires or hospitalisation and support to orphan children and PLHIV<sup>18</sup>.

Apart from *iddirs*, other community-based support mechanisms are:

- *Ikubs* - revolving funds that enable members to overcome short term financial problems or to invest. Their scope varies between rural and urban areas. Whereas in rural areas they remain small, in urban areas they can mobilise large sums for starting or expanding business.
- *Gudifecha* (adoption) - ensures the survival and development of vulnerable children. Better off families take a child (often boys) from a poor relative and bring them up like their own. Natural parents may have to give up their right of parenthood. *Gudifecha* is a global phenomenon and there are also efforts underway to encourage and revamp domestic *gudifecha* (adoption of Ethiopian children by Ethiopian families).
- *Hirpa* and *dabare* are support mechanisms in pastoral areas. They involve transfer of livestock and other resources to households that have experienced shocks and are characterised by *reciprocity* and exchange, implying that a recipient today is expected to donate tomorrow and vice versa.<sup>19</sup>
- *Deboljigi* – a labour pooling mechanism that help rural households address labour deficits, particularly during land preparation, planting and harvesting. These systems are less prominent than they were in the past due to various factors including changes in social structure, expansion of education and to some extent increased use of improved agricultural technologies (e.g. pesticides and herbicides).
- *Community Care Coalitions (CCC)* have recently evolved as social support mechanism.<sup>20</sup> They are formed by groups of individuals and/or organizations at local level that join together for common purpose of expanding and enhancing care for HIV/AIDS infected and most vulnerable children in communities. They typically include representatives of churches, volunteers and other faith based organizations, the government, businesses, and other local NGOs or CBOs in the community. The service they provide ranges from material, financial to physical support.<sup>21</sup>

The distribution of CCC in Ethiopia is given in Table 4. Assuming one CCC per kebele, the current coverage is only 9 percent. Tigray has 100 percent coverage; Amhara, Gambela and Oromiya have 98.5, 11.7 and 0.7 per cent coverage, respectively. There are even fewer number of CCCs in Afar, Harari, Dire Dawa and Benshangul regions. Therefore, since CCCs are key instruments for the implementation of the social protection strategy, efforts must be accelerated to expand their coverage.

Table 4: Number of CCC by region

| Region          | Number of kebeles<br>(both rural and urban) | Number of CCCs | % of CCCs to total<br>kebele |
|-----------------|---|----------------|------------------------------|
| Tigray          | 802   | 802            | 100                          |
| Afar            | 410   | 0              | 0                            |
| Amhara          | 3496  | 3445           | 98.5                         |
| Oromiya         | 6886  | 50             | 0.7                          |
| Ethiopia Somali | 985   | 26             | 2.6                          |
| Benshangul      | 475   | 0              | 0                            |
| SNNPR           | 3887  | 160            | 4.1                          |
| Gambela         | 256   | 30             | 11.7                         |
| Harari          | 36  | 0              | 0                            |
| Dire Dawa       | 47  | 0              | 0                            |
| Addis Ababa     | 116   | 0              | 0                            |
| Total           | 17388                                       | 1590           | 9.1                          |

Source: MoLSA

## 2.3.2 Formal social protection programs

### 2.3.2.1 Rural PSNP IV (2016-2020)

The Government of Ethiopia launched the Productive Safety Net Program (PSNP) in 2005 as one of the major components of the Food Security Program. The PSNP addressed the needs of chronic food insecure households in rural areas. The intended outcomes of the PSNP are to (i) assure food consumption; (ii) prevent asset depletion; (iii) stimulate the markets through cash transfers; (iv) enhance access to services; and (v) rehabilitate the natural environment through public works.

PSNP IV covers 411 weredas focusing on the poorest/chronically food insecure rural people in these weredas and reaches 10 million rural people of which 8.3 million are chronic food insecure and 1.7 million are those facing acute food insecurity. About 83 percent of the PSNP households received transfers conditional on their participation in public works and 17 percent of households with no labour capacity receive unconditional transfers (direct

support). Women and men account for 51 and 49 percent of the total beneficiaries, respectively.<sup>22</sup>

Evidence from both internal and external reviews indicated the PSNP has served its purpose. Thanks to the strong community-based targeting system, PSNP benefits go to the intended targets and there is little or no elite capture; compared to many safety nets programs around Africa. PSNP is also largely credited for averting a major food crisis in 2011 which affected the Horn of Africa. However, PSNP households are far from being resilient as most of them are affected by the El Nino induced drought in 2015.

The Household Asset Building Programme (HABP) was designed as the second component with a view to diversify income sources and increase productive assets for food insecure households. Over the last five years, HABP provided technical assistance through the Agricultural Extension Service and financial services through Microfinance Institutions (MFIs) and Rural Savings and Credit Cooperatives (RuSACCOs). However, HABP has not reached the scale of PSNP: only 9percent of PSNP public works participants, 4percent of direct support beneficiaries and 3percent of recent PSNP participants have received both extension services and credit (MoA, 2014). In order to address the problem of program linkages, in PSNP IV safety nets and livelihoods components are integrated into a single program and under one management. That means, safety net households now have greater chance of participating in livelihood activities than in the previous years.

#### **2.3.2.2 Urban PSNP and other interventions**

Although Ethiopia remains predominantly rural, urbanization is taking place and as the urban population increases, poverty is likely to become more urban. In recognition of this emerging phenomenon, the government of Ethiopia and its development partners have a long tradition of supporting the urban poor and vulnerable. Government has adopted several programmes to improve access to urban housing for poor people, including constructing condominiums for low income households (with priority given to women). It also takes measures to stabilize food price inflation, by releasing stock at below market price from the national grain reserves, subsidising grain costs for low income households, reducing taxes on grains, and regulating grain export.

The Urban PSNP builds on this experience and aims to improve the income and livelihoods of poor urban households and individual through financial and technical support. It also builds the capacity of implementers to make them more effective. The initial pilot phase will start in 11 major cities, one each from the Regional States plus Addis Ababa and Dire Dawa. The population of these pilot cities is about 5.0 million of which 1.0 million (20 percent) are

below the poverty line. The pilot phase will reach 604,000 of those below poverty line (55.2 per cent).

Addis Ababa and the largest urban center will take 75 per cent of the resources. The urban safety net will eventually expand to all 972 cities and towns reaching 4.5 million urban poor and vulnerable.<sup>23</sup> The basic components of the urban PSNP are the same as the rural PSNP – public works (84 percent) and direct support (16 percent).

The public works planned under urban PSNP are more diverse than the rural PSNP and include labour intensive small scale infrastructure and social services development and maintenance, urban beautification, watershed development, clean river basins and sewerage system, and urban agriculture.

For the pilot phase, the urban direct support beneficiaries are the labour constraint household and urban destitute. These are individuals unable to work due to old age, disability and various chronic illnesses. The last resort for this group is often begging and engaging in petty works that do not generate sufficient income. As the program expands and scaled up, it is expected to benefit the whole range of vulnerable groups identified in the NSPP.

#### 2.3.2.3 Expansion of contributory social security

Formal Public contributory social security in Ethiopia dates back to 1963 when a scheme was established to provide social insurance for public sector workers, including the civil servants, the police and members of the defence forces. The contributors receive a minimum of Birr 500 when they reach a retirement age. They also receive invalidity benefits and cover for injury at work. Survivors are entitled to a proportion of the benefits. Presently, there are about 1 million contributors and 700,000 beneficiaries of the public sector contributory insurance scheme; and, in 2013, the Government paid out Birr 1.87 billion and collected 5 billion in contributions.<sup>24</sup>

However, this scheme reached only 1percent of the population and, so, until recently, poor households in the informal sector and those self-employed were reliant on their own coping mechanisms, community social protection and humanitarian response. As part of this process, the Government established the Private Organizations Employees Social Security Agency (POESSA) in 2011 to manage the private sector social security fund. Presently, 800,000 private sector employees are contributing and about 6000 are drawing benefits. According to Proclamation No 715/2011, this scheme is also open on a voluntary basis to informal sector workers, employees of religious, political organisations, NGOs and Civil Society Organisations. The contributors receive a minimum of Birr 540 when they reach a retirement age. The payment structure is similar to the public sector.<sup>25</sup>

Government is committed to expanding the coverage of social insurance to cover key contingencies for employees in both the public and formal private sectors, including the charitable sector. Two health insurance schemes are in place. First, the Social Health Insurance (SHI) is a payroll based insurance scheme for formal sector workers in the public and private sectors. According to Proclamation No. 690/2010 both employees and employers contribute to the social health insurance. The Government makes additional contributions for pensioners. The Ethiopian Health Insurance Agency (EHIA), established by Council of Ministers' Regulation 191/2010, has completed setting up the system including opening 24 branches around the country.

Second, the Community-Based Health Insurance (CBHI) is non-payroll designed for informal sector workers and the rural poor. It was piloted in 198 weredas and planned in five years to achieve national coverage. To this end, a scaling-up strategy of CBHI is prepared by the EHIA. Among other things, the strategy calls for strengthening the legal and institutional framework for CBHI. The premiums for CBHI are calculated based on several indicators including (i) family size, (ii) frequency of visits to a health facility in a given period of time and (iii) household/individual expenditure.

#### **2.3.2.4 Expansion of access to basic health services**

Within the framework of the Health Sector Development Program (HSDP) the Health Extension Programme (HEP) provides basic health services in an equitable manner to the rural and urban population. The program uses 38,000 health extension workers (HEA), almost all women, to reach out to communities and households at a ratio of 3 to 1 kebele or 1 to 500 households. Thanks to largely these grassroots health workers, under five child mortality rate is down from 204/1000 in 1990 to 64/1000 in 2013/14. In addition, the maternal mortality rate declined by 69 percent over the same period and during the last four year GTP implementation period, it has been declining by 11 percent per annum (Planning Commission, 2015).

#### **2.3.2.5 Expansion of access to education**

Over the past 20 years, access to education in rural and urban areas has shown significant growth. The Education Sector Development Programme IV (2010/11-2014/15) includes specific commitments to improve the participation of difficult to reach groups, including children in pastoral areas and children with special educational needs. Affirmative articles are included in the education proclamation No 72/2003 to increase access to education of PWDs.

As a result, in 2014, the Gross Enrolment Ratio (GER) in primary education (grade 1-8) was 101.3 percent (97.8 percent for girls). The total number of children with special needs enrolled in primary (1-8) education is 70, 477 (41.8 percent female). In addition, there are over 7000 special needs students at secondary level. In secondary lower level (Grades 9-10) the number is around 6,115 and secondary upper level (Grades 11-12) it is around 1,258. The Government recognises that the number of children with special education needs exceeds this figure as there might be misunderstanding of the concept of special needs education among staff who record this information.

The Alternative Basic Education Centres (ABE) is another mode of education used to increase access for the difficult to reach. It is estimated that over 900,000 rural children (65 percent girls) living beyond the reach of the formal education system access basic schooling (MoE, 2015).

School feeding is a non-contributory transfer of resources to households. It functions similarly to other food- or cash-based transfers and has educational and nutrition benefits. Within a social protection framework, school feeding acts as a reliable income transfer to poorer families; offsets education and food costs; provides important nourishment for children in chronically food-insecure families; allows households to return to normality during and after crises; and reduces the risk of withdrawing children from school.<sup>26</sup> Presently, 650,000 students in 1200 schools with low enrolment in chronically food insecure areas are covered. The Ministry of Education in collaboration with the Ministry of Health and the Ministry of Women and Children has developed a policy framework on Early Childhood Care and Education (ECCE).

#### **2.3.2.6 Nutrition**

The National Nutrition Programme, which is under revision at the time of developing this strategy, aims to improve the nutritional status of the most vulnerable mothers and children. Historically, the focus was on acute malnutrition, but since 2011 there has been stronger attention to reducing chronic malnutrition and stunting. Nutrition is one of 16 health packages implemented by the HEWs. The key messages are improved infant feeding practices, increased birth spacing, and improved nutrition and intake of micronutrients by women of reproductive age.

The Government has taken measures to implement nutrition sensitive agriculture. The agriculture extension system has developed a strategy for nutrition sensitive agriculture which will encourage farmers to produce crops and livestock that can contribute to diversified diet in rural communities and society at large. DAs are receiving training on nutrition

sensitive agriculture. Furthermore, food security interventions such as the PSNP have become increasingly nutrition sensitive.

### **2.3.2.7 Other social services**

In 2005 the government ratified Universal Access Program (UAP) that enables to provide safe water to all citizens. To meet this commitment, GTP I aimed to increase access to clean water supply to 98percent, 100percent and 98.5percent for rural, urban and the nation, respectively. By June 2014, the water supply access was 75.5 and 84.1 percent in urban and rural areas respectively. It was 76.7 percent at national level.<sup>27</sup> It is worth noting that these achievements were supported by, among others, the Protection of Basic Services (PBS) program which contributed to expanding access and improving the quality of basic services in education, health, agriculture, water supply and sanitation, and rural roads (World Bank, 2013).

### **2.3.2.8 Disaster Risk Management and Climate Resilience**

Ethiopia is one of the countries prone to natural and man-made shocks. Drought and floods are the most common natural shocks whereas social and economic crisis are among the man-made shocks. In response to these shocks, government and non-government agencies have been responding in a variety of ways (food and non-food). The country has increasingly improved its early warning and response mechanisms moving from crisis management to disaster risk management as laid out in the Disaster Risk Management Policy and Strategic Programme Investment Framework (DRM-SPIF) and the Climate Resilient Green Economy (CRGE strategy).

There are efforts to introduce and expand Index-linked weather insurance that triggers payments when rainfall is below a certain minimum. This is in collaboration with private insurance companies and NGOs such as the Nyala Insurance Share Company, the Oromiya Insurance Share Company and Relief Society of Tigray (REST) in Tigray.

The Nyala Insurance Share Company offers both weather-indexed crop and livestock insurance. The evaluation of the early pilots found that most participants were better-off farmers and poorer farmers tended not to take up the insurance (Makaudze, 2012) suggesting that the insurance schemes need to be more innovative to attract poorer farmers. To this end, Tigray region launched the Harita/R4 multi-partner (public/private/NGO) to provide index linked weather insurance to poor farmers as part of a holistic disaster risk

management approach. It is linked to public works to give participants the option of paying their premium partly in kind (labour contribution) and partly in cash. There are knock on positive productive effects in that beneficiaries can use the micro-insurance as collateral in accessing micro-credit. Similarly, ILRI and the Oromiya Insurance Share Company are also piloting Index-linked livestock insurance in Borena Zone of Oromiya Region.

### **2.3.2.9 Employment and labour rights**

Livelihoods opportunities for poor and vulnerable households depend not only on their own capacities and on support they receive but also on the wider economic and policy environment. In this regard, the Government has policies, strategies and programs/projects that aim to promote growth and rural/urban development including the Rural Development Policy and Strategy (2002), the Urban Development Policy (2005), the Micro and Small Enterprise Development Strategy (2011), the Pastoral Development Policy (2008) and Pastoral Community Development Project (2003-2018), and the draft National Employment Policy (2014).

Enhancing productivity, through building human capital, and micro and small enterprise (MSE) development are both at the centre of the country's development strategy. In the past five years, over 4 billion birr of micro finance credit has been issued and 1.2 million people have received technical and vocational education and training, which has contributed to the creation of approximately 1.5 million new jobs in MSEs. FMSEDA's network of 'one-stop shops' providing support to the unemployed to start their own businesses or find employment has expanded across the country.

Labour Proclamation No. 377/2003 covers health and safety at work, harmonious industrial relations, and minimum workplace standards to address workplace vulnerabilities. It prohibits employment of children below the age of 14 years and the engagement of young workers (i.e. between 14 and 18 years of age) in types of employment that are considered 'hazardous'.

Seasonal labour migration is very common in many part of Ethiopia. However, labour market information is not well developed. More often than not employment takes place on market days with young men and women transported to distance places with little or no security. In rural areas farmer training centres (FTCs) have the potential to serve as centres of labour market information as well as training. These centers are financially supported by the government, and by projects such as IPMS. Farmers also cover some of the costs. Extension workers provide marketing information on the FTC billboards, and update this every week. The marketing committee, an ad-hoc committee of farmers, visits markets in

other areas (or contacts them by phone) to check on commodity prices and availability. The market information system is not yet perfect. The information provided by the FTCs is general, and does not focus on particular crops that they are promoting. The Agricultural Growth Program (AGP) funded by donors and the Government aims to further develop the centers into agribusiness and market information centres.

#### **2.3.2.10 Access to Justice**

The Government has put in place important legal reforms that protect the rights of vulnerable groups. For examples, the Revised Family Code addresses gaps and inconsistencies inherent in the 1960 Civil Code and has substantial positive impacts on women's economic empowerment<sup>28</sup>. Others include the Labour Proclamation and the Revised Criminal Code. The latter proscribes practices inimical to the rights and welfare of children and women. There is a code of conduct on preventing and addressing sexual violence in schools.

Within the Ministry of Justice, the Women, Youth and Children Coordination Office supports the investigation and prosecution of cases of GBV and other crimes against vulnerable groups, and in ensuring access to legal aid and social support for survivors. Currently this support is available through a special unit in Addis Ababa and the Government will extend to regional centres. Systems are in place to improve citizen-responsive justice for women and girls. There are a number of 'safe houses' for women survivors of GBV mainly in Addis, and scale-up to other areas is under consideration in collaboration with the UN Women programme of support.

Child victims of violence get different psychosocial services, such as shelter, counselling and medical assistance; they are assisted by social workers while providing their testimonies in courts. In collaboration with UNICEF, the Government has increased the number of social workers from the original 14 to 25 in federal courts and social workers are available in regional courts to handle cases of children.

## **2.4 Stakeholders**

The key stakeholders of the social protection system are relevant Government institutions at all levels of administration, development partners, NGOs/CSOs, CBOs, private sectors and beneficiaries of the system. For a complete description of the role of these stakeholders and indication of which focus areas are relevant to each stakeholder, see **Annex 1**. A brief highlight is given below.

**Government:** Proclamation No. 916/2015 defines the Powers and Duties of the Executive Organs of the key Ministries of the FDRE. Agencies, commissions and other executive

organs also established by various Proclamations. **Annex 1** identifies 23 Government institutions as key stakeholders in building the social protection system. Many will continue with what they have been doing but expected to be in line with the new system as envisioned in this strategy.

**Development partners:** The Government acknowledges the key role development partners (bi-lateral, multi-lateral and UN agencies) play in supporting long-term development programs, humanitarian assistance in time of shocks, urban cash transfers, and supporting programs such as the urban and rural PSNP. They have also played significant role in the development of the national social protection policy and strategy. They will continue to support the development of a sustainable social protection system in Ethiopia.

**NGO/CSOs:** The Government also acknowledges the role played by Non-government and Civil Society Organisations in supporting the most vulnerable segments of society. The Government will engage in continuous dialogue on how best NGOs/CSOs efforts can be harmonised to realise the social protection vision, mission and objectives as set out in the NSPP.

**CBOs:** Community-based Organisations (CBOs) such as the CCC and *Iddirs* are the principal vehicles for implementing the strategy. They have a clear advantage of being close to the community and knowing of who is most vulnerable. Government and non-government organisation will work with these institutions when implementing their programs. CBOs will benefit from various capacity building interventions to enable them manage social protection issues and interventions.

**Direct and indirect beneficiaries/clients:** the direct beneficiaries/clients are the vulnerable groups clearly identified in the NSPP. These are (i) children under difficult circumstances (e.g. orphans, street children); (ii) vulnerable pregnant and lactating women; (iii) people/children with physical and mental disabilities; (iv) elderly with no care and support; (v) labour constrained citizens, (vi) female headed households in particular; (vii) victims of social problems such as beggars, street children, commercial sex workers, drug and other forms of addiction; (viii) citizens affected by HIV and AIDS and other chronic diseases that constrain their ability to work; (ix) segments of the society vulnerable to violence and abuse; (x) segments of the society vulnerable to natural and manmade risks; unemployed men, women and youth; (xi) citizens engaged in the informal sector with no social insurance coverage; and (xii) victims of human trafficking and repatriated emigrants.

These are expected to utilise the technical and financial support provided in such a way that their dependence on these resources will gradually diminish and they become self-reliant except the permanent direct support. They will provide accurate information about their

status to the monitoring and evaluation system. They also have the right to access information stored about them in an MIS system. All managers of such an information system will keep data about individuals confidential.

The indirect beneficiaries are dependents of the direct beneficiaries, guardians of orphan children who manage resources for the direct beneficiaries. These will also manage resources in a responsible and in the best interest of the direct beneficiaries.

## **2.6 Lessons**

### **2.6.1 Coverage and adequacy**

Despite numerous efforts presented above, most social protection initiatives have very limited coverage of the target group. Contributory social insurance has been reaching only 1 per cent of the Ethiopian population and the contingencies covered are limited. The provision of specialised social services, for example for PWDs, survivors of GBV and older people is widely understood to be patchy and biased towards urban centres, and coverage of fee waivers is perceived to be insufficient. The PSNP social transfer component does have rather good coverage of its target group, currently reaching 7.9 million people, but coverage of food insecure households is still not complete, as the programme does not yet cover all rural weredas, and is not yet operational in urban areas.

The introduction of full family targeting under PSNP (whereby benefit levels depend on household size) has helped improve adequacy of benefits. However, they have been inadequate to sufficiently contribute to the graduation process by preventing asset depletion. Without adequate transfers, sustainable impact on poverty will be limited, though, for a given budget, there is clearly a trade-off between the number of households covered and the size of transfers to each household.

### **2.6.2 Targeting**

Systematic targeting mechanisms have been developed for social safety nets: the PSNP has developed, tested and further strengthened its targeting mechanisms and has achieved effective pro-poor targeting in the highlands that compares very favourably to social transfer programmes across Africa and globally<sup>29</sup>. But targeting of some other social protection interventions has been less systematic. For example, within the Community-Based Health Insurance Scheme pilot the premiums of 'indigents' (defined as those households who do not have land, a house, or any valuable assets) are subsidised. However, in the absence of a

systematised approach to targeting, coverage may vary widely depending on budget allocation.

The PSNP has established an appeal mechanism for households or individuals excluded from the program to lodge complaints. The Protecting Basic Services Social Accountability Programme has innovated with community score cards and citizens' report cards. These systems together with the targeting system have been working reasonably well. However, there is no agreed standard which ensures quality of provision and accountability to citizens. An effective complaints system requires (i) citizens have appropriate understanding of programmes' targeting criteria; (ii) beneficiaries know their entitlements; (iii) an accessible independent complaints mechanism is in place; and (iv) citizens' feedback informs ongoing improvements to programme design and implementation.

### **2.6.3 Integration and coordination**

As opposed to the previous years, PSNP IV is an integrated social safety net and livelihoods support program. It has laid the foundation for the development of social protection system as envisaged in this strategy. It is a system of integrated service delivery which sees the transition from a series of time-bound programmes to the development of an efficient and effective system for delivering elements of social protection and disaster risk management. The involvement of many actors in social protection is both strength and a challenge. Social protection information systems are fragmented, and sharing of information and lessons amongst stakeholders is limited. There are gaps in legal authority to enforce sector-wide engagement and accountability; and the vertical and horizontal interfaces between federal and regional structures of institutions involved in social protection are weak.

### **2.6.4 Capacities**

The mapping and gap analysis carried for the design of the National Social Protection Policy provided some evidence of existing capacities to design and implement social protection related interventions. For example, the rural PSNP has created high level of awareness and capacity of government and community structures to provide oversight and respond to the needs of chronically food insecure rural households. The Food Security Coordination Offices at federal, regional and wereda levels and Food Security Taskforces at kebele level have gained knowledge and experience. Encouraged by this achievement, the Government has completed the design of urban PSNP which will build capacity of similar government and community structures in urban centres. MoLSA has been coordinating government and

donor responses (e.g. UNICEF) to the needs of defined vulnerable people, including PWDs, the elderly, women and children. There is a long established system of managing social insurance for the public sector employees and since 2011 this has been complemented by a system for managing social insurance for private sector employees excluding the informal sector. However, these provisions are by and large fragmented and uncoordinated and the associated institutions particularly at wereda level have limited capacity to deliver such a system. Unlike the agriculture and health sectors that have deployed 60,000 DAs and 15,000 FTCs, and over 38,000 health extension agents; social protection lacks social workers to advise on the delivery of social protection services.

### **2.6.5 Sustainability**

Currently much financing for social protection comes from external sources. The Government will increasingly assume responsibility for social protection from its own budget. It will invest in increased public understanding of the economic, social and political benefits of social protection.

In summary, despite the huge progress made in social protection programming in recent years, institutional frameworks, capacities and operational mechanisms are not yet sufficiently strong to drive synergies and effectiveness and to maximise impacts for poor and vulnerable people. There is a need to build these frameworks, in order to better realise the Constitutional rights of citizens to social protection.

## SECTION THREE: STRATEGIC FRAMEWORK

As seen in section two, the realisation of the rights of citizens to social protection involves numerous actors that deliver social protection across the five focus areas. The current section sets out key strategic issues that apply across all focus areas and can affect the delivery of effective, harmonised social protection. These are:

- Coverage and targeting (including taking account of push and pull factors and guarding against double dipping)
- Comprehensive and evolving support
- Graduation
- Accountability and communications
- Mainstreaming of gender, age, disability and HIV

### 3.1 Coverage and targeting

A key aim of the social protection sector is that, collectively, interventions and programmes cover as high a proportion as possible of the target group. This target group consists of all those who are poor or vulnerable to shocks across the three overlapping dimensions of poverty outlined in section 2.2 above. It is worth noting that (i) a given target group will have access to interventions from more than one focus area (ii) some target groups benefit from a given intervention for a limited time after which they move to a different level.

The National Social Protection Policy has identified the broad vulnerable groups but who actually benefits and who does not depends on the **targeting system in place**. The following principles will guide targeting for social protection:

**(i) Equitable geographic distribution of resources** - Social protection instruments will be gradually scaled up to the whole country, in order to ensure that poor and vulnerable people have access to the protection they need wherever they live. 1. An effective geographical targeting requires a mapping of existing services and standards in under-served areas. The social protection system will allocate Government resources as well as encourage and create incentives for private sector and civil society providers to move into under-served areas.

**(ii) Minimise inclusion and exclusion errors** - The social protection system will minimise inclusion and exclusion errors building on PSNP's experience with community targeting, complaints and grievance system complemented by kebele and household poverty index. There are two additional issues relevant to inclusion and exclusion. These are (i) push and pull factors and (ii) guarding against 'double dipping'.

- On the one hand, people's poverty and vulnerability that force them out of their location subjecting them to further vulnerability. This is the push side. On the other hand, people are also attracted to a certain location because there are interventions that they may be able to access. This is the pull side. Both will be a challenge to a targeting system.
- 'Double dipping' is a phenomenon where an individual or a household draws benefits from multiple sources. This may be legal or illegal as the case may be. For example, if a non-contributory social pension is set at higher level than the contributory social insurance, would the latter be able to claim the difference or shift from the lower paying system to the higher paying system? This is an issue that implementers will face when the social protection system is up and running.

**(iii) Maximise value for money and minimise social costs of targeting** - There are costs involved in collecting and analysing information for targeting, as well as in implementing and monitoring targeted delivery. More complex systems can be potentially more accurate, but also more costly, so these criteria will be carefully balanced.

Targeting approaches that rely heavily on community participation and are based on local understandings of poverty and vulnerability (community-based targeting) have been more easily understood and owned by communities than those that rely on data collection and analysis by outsiders (such as proxy means tests). Comprehension of the system can be empowering in itself and can also facilitate active use of a complaints mechanism when discrepancies occur.

In order to strengthen the community-based targeting (CBT) system and increase its transparency, the PSNP IV design has introduced a "kebele food security index" and a "household poverty index" which when combined will form a "proxy means test" (PMT)<sup>30</sup>. The PMT is complementary to the existing community targeting and is expected to reduce errors of exclusion and inclusion and will be applied once the community targeting process has nominated a household for inclusion in PSNP transfers.<sup>31</sup> These experiences will inform the design of a targeting system for the national social protection. Although the new system will have considerable cost implications, it will result in fewer inclusion and exclusion errors and will, therefore, yield cost and time savings for Government in the medium to long term.

**(iv) Confidentiality and right to information** - On the one hand, data protection and confidentiality issues will be carefully managed and there will be limits to individual information made publicly available. On the other hand, clients' right to information will be respected as per Proclamation No. 590/2007 that makes provision for Mass Media and Right to Information of individuals.

### 3.2 Comprehensive and evolving support

The potential for connections between social protection programmes have not yet been fully exploited. Going forward, these linkages will be strengthened, in order to increase efficiency and effectiveness of support to poor and vulnerable households. Stronger connections will also promote **graduation** between different types of social protection programme (e.g. from social safety nets to livelihoods support) and eventually onto fully market based provision including appropriate insurance schemes. Under these conditions, graduated households are less likely to backsliding into poverty and vulnerability (see also 3.3 below).

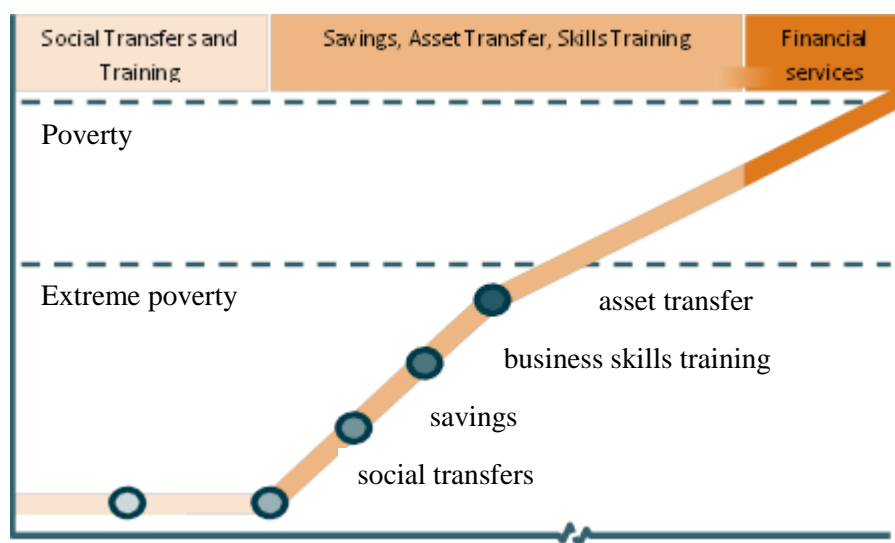
An expanded workforce of social workers and volunteers will work with the most vulnerable people, helping them to access all the services they require, across all focus areas, developing a 'prescription' of services relevant to each household. Linkages between social safety nets and livelihood support will be strengthened, in order to better support households with the capacity to graduate from social transfers. Households that are taking steps towards more productive, sustainable livelihoods are likely to face high risks, and shocks can quickly wipe out fragile gains. Therefore, households in receipt of livelihoods support will also be linked to health and micro-insurance products, wherever available.

### 3.3 Graduation

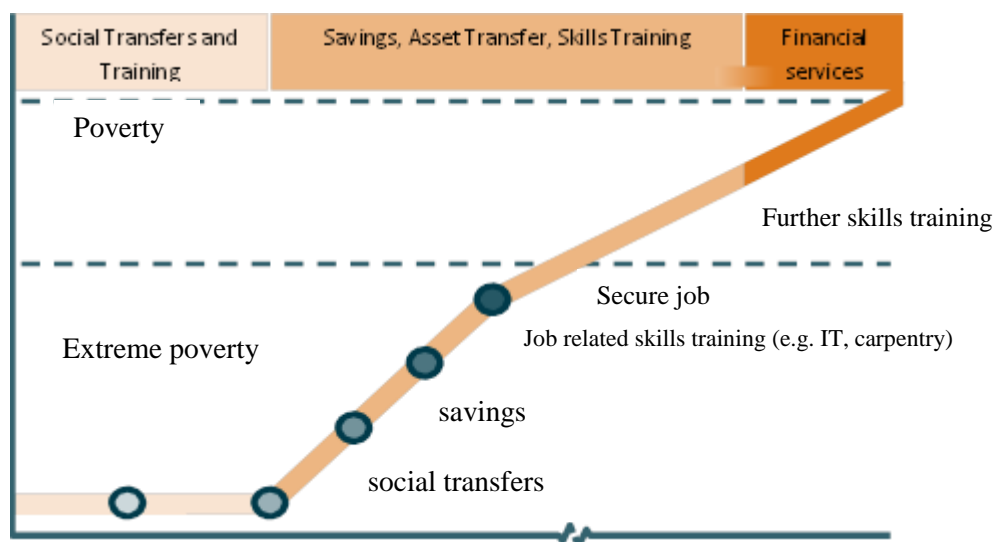
Graduation is a process of moving vulnerable households from receiving transfers to employment and self-employment (or a combination) step-by-step. As shown in Figure 1, extremely poor households are targeted for social transfers (mainly cash) to meet their immediate consumption needs. They are encouraged to save and offered business-related skills training. This may be complemented by asset transfer mainly livestock for rearing or fattening which enables them to kick-start a small business. The households are then in a position to access financial services, including credit and micro-insurance, to further strengthen their livelihoods. Figure 2 is a modified version of Figure 1 to illustrate graduation through employment. In this case, skills training would be job-related (e.g. information technology, carpentry) and access to a secure job would replace asset transfer.

Ethiopia has considerable experience in promoting the idea of graduation thanks to the PSNP but actual number of graduates have not been as desired. Graduation from social safety nets encourages the target groups not to develop dependency on transfers. This will in turn focus the program on those who really need it or could not do with it. The social protection strategy will carry forward this principle in a more systematic/innovative way than hitherto attempted.

**Figure 1** Graduation model: through self-employment<sup>32</sup>



**Figure 2:** Graduation model: through employment provisions



In order to accelerate the graduation process, linkages will be developed at multiple levels. At Federal and Regional Levels, new programmes will be designed and existing programmes will be modified to maximise synergies. Targeting criteria and processes will be (totally or partially) aligned particularly where several programs are all trying to target the poorest and most vulnerable households. For example social safety nets and community based health insurance will combine efforts to design common criteria and processes to identify these households.

At wereda, kebele and community levels, practical information will be shared between offices and committees to improve the effectiveness and efficiency of delivery on the ground. The development of a single registry of poor and vulnerable households that benefit from any

social protection programme will enable stakeholders to improve the effectiveness of their joint efforts.

### **3.4 Accountability and communications**

The Government will put in place a social protection accountability system at different levels to ensure that:

- (i) social protection program participants and non-participants are aware of program objectives and eligibility criteria and are enabled to participate appropriately in targeting and program management
- (ii) The MoLSA, as the lead agency in the social protection system, will publish Citizens' Charter that establishes a contract between social protection service providers and citizens. This will articulate duties and responsibilities of right holders and duty bearers<sup>33</sup> and communicated in appropriate languages and formats
- (iii) beneficiaries hold client cards, so that they are aware of all the services they are supposed to receive
- (iv) all major programs are underpinned by an appeals and grievance system, independent of targeting, which both participants and non-participants know how to access
- (v) complaints are followed up, feedback is provided to complainants and meaningful change results when complaints are upheld
- (vi) information on system-wide weaknesses (including from the perspective of beneficiaries and non-beneficiaries) is collated and analysed in a way that enables decision-makers to make appropriate improvements to the design and implementation of programmes

Many of these mechanisms are already in operation under PSNP as well as in the PBS programme.

Effective communication is one of the cornerstones of accountability. It promotes access to information and facilitates beneficiary feedback. Communications are also vital in promoting behaviour change through entertainment education (for example improved infant feeding practices, or greater uptake of maternal health services); and in building understanding of and support for social protection amongst the general public. This strategy will take account not only of the value of face-to-face communications in communities, but also of the potential of television, radio and the increasing penetration of mobile phones to reach large audiences in urban and rural areas (at least one member now owns a mobile phone in 60 percent of small town households and 24percent of rural households<sup>34</sup>).

The development of a single registry has multiple benefits. It will enable social workers to propose a comprehensive package of financial, technical and social support that is appropriate to the needs of each household. It will also enable social safety net actors at kebele level to ensure that there is no unintended duplication of benefits to the same households under similar programmes. Plus it will facilitate the evolution of support in response to changing household circumstances. Stakeholders will be able to track more easily those households with the capacity to graduate off social transfers and so connect them to asset transfers, training and/or intensive employment support at the right moment, in order to promote productive investments and sustainable. The single registry will also help clearly identify those households that are not yet (or ever) ready to graduate and who need medium/long-term social transfers.

### **3.5 Mainstreaming gender, age, disability and HIV**

Mainstreaming within the social protection sector entails taking account of:

- how poverty and vulnerability vary by gender, age, disability, and other factors, both between households (e.g. between male-headed<sup>35</sup> and female-headed households) and within households
- and of how social protection interventions need to be adapted to the different roles, responsibilities and challenges of different groups.

To support effective mainstreaming, data on targeted households across all focus areas will be disaggregated by gender, age, disability, health, livelihood and other social status. Particular efforts will be made to ensure that beneficiaries are informed in appropriate ways about their entitlements to transfers and services, and participate in decision-making processes that affect their social protection status. Practical actions that need to be taken to ensure effective mainstreaming vary by context and programme type. The following are some common actions that may be taken:

- Adapt interventions in content or format to the varying needs of different groups.
- Where service or support needs are similar and no adaptation is needed, the services will be made accessible to all by giving attention to the location and timing of services, based on a context-specific analysis of constraints.
- Where most appropriate, deliver the transfer/service directly to a woman, PWD, PLWHIV or vulnerable elderly person rather than the head of household.
- Promote decision-making committees that are gender-balanced and inclusive of PWDs and all ages and when necessary establish specialised sub-committees focused on the needs of particular groups.

Since the detail is specific to particular types of programming, more detail and examples are provided under each focus area in section 4 below. A context-specific mainstreaming action plan will be developed in each region and wereda by the relevant bureaus and offices.

## SECTION FOUR: STRATEGIES AND INSTRUMENTS

The five focus areas presented earlier are the principal vehicles for delivering social protection in Ethiopia. As emphasised elsewhere in this strategy document, these focus areas are not mutually exclusive. Target group in one focus area are likely to need access to interventions in another focus area. For example, target group for Focus Area 1 primarily access conditional and unconditional transfers but they may also need legal support and protection against violence and abuse. Similarly, target group in Focus Area 2 need access to social insurance to minimise risk to their livelihood activities. This understanding is particularly important for action plan development and grassroots implementers. For each focus area at least two key instruments are proposed as summarised in Table 5 below and presented in Sections 4.2 to 4.6.

**Table 5:** Key Instruments Mapped to Focus Areas

| <b>Focus Area 1:</b><br>Promote Productive<br>Safety Nets | <b>Focus Area 2:</b><br>Promote<br>Employment<br>Opportunities and<br>Improve Livelihoods | <b>Focus Area 3:</b><br>Promote Social<br>Insurance | <b>Focus Area 4:</b><br>Access to health,<br>education and other<br>social services | <b>Focus Area 5:</b><br>Addressing violence,<br>abuse and<br>exploitation and<br>providing legal<br>protection and<br>support |
|---|---|---|---|---|
| a) Unconditional<br>Social Transfers                      | a) Technical Support<br>to on and off-Farm<br>Livelihoods                                 | a) Mandatory Social<br>Insurance                    | a) Social Transfers<br>for Human Capital<br>Development                             | a) Communications<br>for Prevention of<br>Abuse and<br>Exploitation   |
| b) Conditional Social<br>Transfers                        | b) Employment<br>Services and<br>Standards  | b) Index-Linked<br>Weather Insurance                | b) Health Fee<br>Waivers and Health<br>Insurance Subsidies                          | b) Care for People<br>Living Outside<br>Protective Family<br>Environments   |
| c) Public Works   | c) Financial Services   | c) Life Insurance                                   | c) Establishment of a<br>Social Work System   | c) Protective Legal<br>and Policy<br>Environment  |
| d) Scale-up<br>Mechanisms for<br>Disaster Response        |   | d) Community-Based<br>Health Insurance              | d) Services for<br>PWDs, the elderly<br>and those with<br>mobility constraint       | d) Support to<br>Survivors of Abuse<br>and Exploitation   |
|   |   |   | e) School feeding   | e) Drop-In Centres<br>and Hotline   |
|   |   |   |   | f) Establishment of a<br>Network of<br>Specialised Service<br>Providers   |

## **4.1 Vision, mission and policy objectives**

This National Social Protection Strategy is developed to operationalise the vision, mission and objectives stated in the National Social Protection Policy. Implementers are advised to use the two documents together. Action plans, guidelines and manuals may be developed as necessary.

## **4.2 Focus Area 1: Promote Productive Safety Nets**

### **4.2.1 Objectives**

As stated in the NSPP, the strategic objectives of productive safety nets are to:

- Expand social assistance coverage to ensure food security for the vulnerable exposed to natural and manmade calamities and protect them from falling in to extreme poverty,
- Provide support and care to children, individuals and families under difficult circumstances to lift them out of poverty,
- Establish a social safety net system for the benefit of the elderly with no care and support,
- Promote public work programs to ensure food security and enhance community assets.

In addition, interventions under this focus area will ensure access to essential services such as education and health; protect existing assets from depletion; and stimulate local markets by strengthening demand.

### **4.2.2 Key instruments and interventions**

The National Social Protection Policy commits to the expansion of predictable, timely and adequate social transfers for vulnerable people. Four key instruments will be used to meet the objectives listed above:

- Unconditional social transfers
- Conditional social transfers (non-work conditions)
- Public works
- Scale-up safety nets and early warning systems for disaster response

These programmes will be strongly co-ordinated using a CCRS. The following section provides some indicative interventions under each instrument.

#### **4.2.2.1 Unconditional social transfers**

Under this instrument:

- Expand social transfers for poor and labour-constrained households to cover all rural and urban areas of the country. The category of 'labour constrained households' eligible for

unconditional transfers will include not only households with zero labour capacity, but also those unable to engage in public works without endangering the proper care of children and other dependents in the household in line with the approach of the pilot social cash transfer programme<sup>36</sup>

- Introduce non-contributory pension schemes – age of pension will be greater than or equal to the official retirement age but the actual age will be determined depending on financial availability. The subsequent action plan or investment framework will elaborate on this.
- Provide grants for other identified vulnerable people such as young children, and people with disabilities, and the elderly.
- Provide transfers for twelve months of the year to address the year-round pattern of vulnerability of labour constrained households.
- Put in place a flexible mode of transfer that responds to market conditions. Give cash where markets function well; give food where markets do not function well.

#### **4.2.2.2 Conditional social transfers**

Under PSNP about 80 per cent of the target receive transfers that are conditional on their participation in public works. Whilst public works will remain an important component of social protection going forward, during the strategy period a range of other conditional transfer options will be considered. For example,

- Building human capital - nutrition education, preventive health care, school attendance, adult literacy or youth skills development.
- Prioritise ‘soft’ conditions – although access to basic services has improved over the last 20 years, quality of services remains a challenge in many areas, ‘soft’ rather than ‘hard’ conditions will be prioritised. That is, compliance will be strongly encouraged and monitored; cases of non-compliance will be followed up to understand and address reasons rather than applying penalties.
- Build partnership with private sector, NGOs/CSOs - although over the long term, government should take full responsibility to deliver social protection services, in the short to medium term, partnerships with civil society and the private sector will be developed to deliver the services.
- Evidence based interventions - analysis will be carried out of the relative costs and benefits of such alternative conditions.

#### **4.2.2.3 Public works: providing minimum employment guarantee**

Public works have so far been viewed as conditions for transfers. In this strategy, they are key instruments for ensuring the minimum employment guarantee as envisaged in the

NSPP. The PSNP experience will continue to be relevant particularly in rural areas. That is to say:

- Public works will be scheduled to occur during the period when they are practical and payments are most required. In rural areas, this will be in the period leading up to the peak hungry season, avoiding the height of the rains and peak agricultural activity. Months of public works operation will vary across the country, according to seasonality.
- In setting public works payment rates, key considerations will be sufficiency for consumption smoothing; promotion of gradation out of poverty; affordability; comparison with prevailing wage rates; and consistency across similar programs.
- Public works payments will continue to vary according to household size to enhance program impacts. Continued analysis will be carried out on the most cost-effective transfer levels.
- Whilst learning lessons from PSNP, MERET and other public works programmes operating in rural areas of the highlands, national roll-out will entail substantial adaptation to the different realities of the lowlands and of urban areas.
- There will be stronger co-ordination between the programs and a range of other key stakeholders involved in the design/management of public works (e.g. MoANR, NDRMC, URAP on rural roads, MoWR on water; MoUDHo on urban safety nets)
- Public works will have the following key features under this strategy:
  - Public works may be carried out on private land of the most vulnerable households
  - More focus on nutrition-sensitive public works (e.g. that increase access to a more diversified diet, enable production of nutrient rich crops and increase access to clean potable water)
  - Expansion of social service public works that contribute to delivery of objectives under Focus Area 4 of this strategy. For example, beneficiaries on public works may be employed as community educators (in rural and urban areas); as auxiliary workers in clinics/schools/early childhood centres (especially in urban areas).

#### **4.2.2.4 Scale-up safety nets and early warning systems for disaster response**

An effective continuum of support for vulnerable people affected by shocks will be further developed, in line with the DRM Policy and will include the following elements:

- put in place contingency budget and mechanisms to quickly respond to moderate shocks. This may include increasing the size of transfers to existing recipients and extending transfers to other vulnerable affected households

- put in place an effective mechanism to respond to large-scale crises including economic, social and natural shocks
- joint planning and implementation between social safety net and humanitarian actors, including integrated early warning tools
- a mechanism to enable the temporary inclusion within safety nets of malnourished children/pregnant and lactating women, in order to prevent malnutrition emergencies.
- continuous communication and information exchange between safety net and humanitarian actor staff on the status of the shock

Such scalable safety nets may take the form of unconditional social transfers and/or public works. Their design will draw on lessons learned from experience with the contingency fund and risk financing mechanism under PSNP and other programmes, such as the Pastoral Community Development Programme (PCDP).

### **4.3 Focus Area 2: Promote Employment Opportunities and Improve Livelihoods**

#### **4.3.1 Objectives**

Focus Area 2 has the following strategic objectives:

- To take economic and social measures to build human capital and improve livelihood
- To promote employment and income generating opportunities for the vulnerable and unemployed in urban and rural areas
- To link social safety nets beneficiaries to livelihoods and employment promotion by overcoming the problems of program linkages experienced under PSNP.
- To remove entry barriers to labour market for the most vulnerable by providing timely labour market information, appropriate financial services, and skills training including business plan preparation
- To ensure the support provided is tailored to household needs; adapted to a wide range of urban and rural contexts, lowlands/highlands and different livelihood zones within these.
- To introduce and expand off-farm income generating opportunities;
- To ensure that all age groups and women, as well as men benefit from the employment and livelihood support.
- To ensure that persons with disabilities and older people willing and able to work benefit from the employment and livelihood support.
- To put in place safeguards that protect child labour exploitation

### **4.3.2 Key instruments and interventions**

Three basic instruments are proposed to realise the objectives of this focus area:

- Technical support to on- and off-farm livelihoods activities of poor households in rural and urban areas
- Employment services and standards for rural and urban people
- Financial services for poor households
- Improve the quality and relevance of skills training in collaboration with TVETs and other institutions
- Tailor employment and livelihood support to urban and rural contexts, lowlands/highlands and different livelihood zones within these.

#### **4.3.2.1 Technical support to on and off-farm livelihoods of poor households in rural and urban areas**

Agriculture and livestock are clearly crucial component of the livelihoods of many poor rural households. There are at least 3 Development Agents (DAs) in each rural kebele providing agricultural, livestock and natural resource related advice and support; and one Cooperative Promoter per 3 kebeles to advice on input and output marketing issues. These agents are more skilled in providing advice on-farm than off-farm activities.

- Therefore, under this strategy, the DAs and other rural/pastorals development agents will be equipped with technical training to enable them advice on off-farm activities. Depending on the intensity of off-farm activities in a given area, specialised off-farm specialists will be trained and assigned
- Ensure the most vulnerable economically active people have access to social services to enhance their capacity of to engage in appropriate livelihoods activities.
- Scale up and strengthen the ‘one-stop shop’ initiated by the SME Agency in both urban and rural areas.
- Carry out context-specific analysis of critical bottlenecks to off-farm activities in rural and urban areas and inform the TVET Agency and local TVET colleges to design or re-design training programs that meet the needs of the target audience. This may include identifying and developing special talents of persons with disabilities and older persons.
- Encourage partnership with appropriately qualified private sector organisations/CSOs in the delivery of business development support for vulnerable and disadvantaged target groups.

#### 4.3.2.2 Employment services and standards for rural and urban people

Access to employment is key for poor people in Ethiopia. The strategy will meet this need as follows:

- Create awareness among landless unemployed people (youth in particular) to register with local employment agencies or labour exchange offices
- Create and strengthen local employment agencies or labour exchange offices in both rural and urban areas
- Monitor jobseekers success in finding work and employment outcomes
- Collate and analyse employment information to inform design and improvement of employment and livelihood schemes.
- Facilitate access to financial services for workers outside their residential areas to facilitate savings and remittance
- Require employers to be more transparent and facilitative in creating jobs. This may include:
  - (i) posting employment opportunities at convenient locations e.g. FTCs, PTCs, public work sites, school and health facilities)
  - (ii) keeping records of job-seekers
  - (iii) arranging appropriate induction and pre-service training (where necessary)
  - (iv) meeting minimum labour and safety standards (to protect job-seekers from exploitation, injury, stigma and discrimination, and avoid child labour)
- Expand coverage to include seasonal rural job-seekers, as well as the urban unemployed;
- Employment information will be adapted to the needs of different target groups within urban and rural areas. The challenges faced by PWDs and PLHIVs are identified and given due attention.
- Create urban-rural linkages by
  - (i) enabling rural people to access employment in towns and vice-versa; and
  - (ii) encouraging small town enterprises to identify what rural people need and produce accordingly
- Use existing centres and institutional structures in the expansion of employment services. For example,
  - (i) Farmer and Pastoral Training Centres (F/PTCs) will be used as employment service centres supported by WOLSAs and other relevant agencies.<sup>37</sup>

- (ii) Employers' associations, trade unions, employment agencies and training institutions
  - in urban areas, these institutions have the potential to serve as labour market institutions – and provide entry points for the provision of a range of services.
- Institutionalise and strengthen labour inspection.

#### 4.3.2.3 Financial services for poor households

Uptake of financial services by poor households is currently very low. For example, less than 12 percent of PSNP public works households have taken productive loans. This is partly a problem of access and partly a problem of attitude because even in areas where access is relatively good, demand remains rather low. The following actions will be taken to address both the *supply* and *demand* constraints to financial services amongst poor households.

- **Expand financial literacy training** to increase the skills and confidence of households.
  - (i) Women and other group with special needs will be particularly targeted, as they are currently less likely than men to take loans, and training mechanisms will be appropriate to women's participation.
  - (ii) Training will be carried out in the villages, for short durations and at times of the day when women are able to attend.
  - (iii) Partnering with private sector, MFIs and civil society organisations with proven experience in this field.
- **Give emphasis to savings and investment** to (i) enable RuSACCOs to lend more for investment; (ii) mitigate household level risks; and (iii) start or expand micro-enterprises.
- **Establish and strengthen saving groups** (e.g. Village Savings and Loans Associations (VSLAs) or Village Economic and Social Associations (VESA). Support to these groups may include training, advice and mentoring in collaboration with NGOs that have experience in these areas.
- **Facilitate remittance in remote areas:** when labourers travel to distance places in search of work, they are expected to transfer part of the income earned to family members left behind. However, in a situation where remittance facilities are not available, the workers are vulnerable to robbery and develop tendencies for unnecessary consumption (wastage). In addition to the traditional money transfer mechanisms, the emerging e-banking, mobile banking and agents will be utilised.
- **Encourage remittance recipients to save and invest** - rural and urban households receiving remittance from relatives at home and abroad<sup>38</sup> will receive the necessary technical support to use their money productively – saving and investing.

- **Regulatory environment:** MoFEC, National Bank of Ethiopia, MoLSA, Urban Food Security and Job Creation Agency (UFS&JCA) and other relevant organs will work together to improve the regulatory environment for financial services targeted to the poor and vulnerable.

#### **4.3.2.4 Improve the quality and relevance of skills training in collaboration with TVETs and other institutions**

The Government has put in place a TVET strategy with an overall objective of creating a competent, motivated, adaptable and innovative workforce in Ethiopia that will contribute to poverty reduction and social and economic development. The specific objectives of the TVET strategy are to (i) improve the quality of TVET (formal and non-formal) at all levels and make it responsive to the needs of the labour market; (ii) empower women and rural people through skills development; (ii) ensure equal access of women and people with special needs to TVET; (iii) strengthen the culture of self-employment and support job creation in the economy, in particular in the emerging regions. These are consistent with the employment and livelihood component of the social protection strategy.

Therefore, the social protection system and the TVET sector will work together to make sure the most vulnerable groups identified in the NSPP benefit from quality and relevant training. To these end, a joint technical committee will be established/strengthened. The committee or taskforce shall:

- Mobilize additional resources required to reach out to the most vulnerable and marginalised
- Commission studies to generate knowledge and international best practices on how TVETs address the skill requirements of the most vulnerable and marginalized in society in general and in rural and remote areas (both in agricultural and non-agricultural sectors) in particular.
- Ensure a demand-driven, high quality technical and vocational education and training is designed to meet the requirements of the dynamic labour market.
- Work with relevant bureaus to strengthen labour market information for the most vulnerable and marginalized
- Develop/update occupational standards for social work to eliminate the current variation between regions - in collaboration with MoLSA and other stakeholders (see also **4.5.2.7** below)

#### **4.3.2.5 Tailor employment and livelihood support to urban and rural contexts, lowlands/highlands and different livelihood zones within these**

By definition, livelihoods in urban and rural areas vary due to remoteness, difference in infrastructure and access to information. Similarly, livelihood in the lowlands and highlands are different primarily due to agro-ecology and also due to social structures. These differences mean the livelihood support given to the vulnerable and marginalised groups and individuals need to be tailored. To this end, the social protection system will:

- Engage community structures (both formal and informal), NGOs and CSOs to identify best ways to promote livelihood initiatives in these varying systems.
- Establish a strong and systematic linkage between safety nets and livelihood initiatives in such a way that households and individuals can graduate into a sustainable livelihood.
- Design/adapt appropriate livelihood packages with special provisions (e.g. vary benchmarks/time for graduation) for vulnerable groups in remote areas

### **4.4 Focus Area 3: Promote Social Insurance**

#### **4.4.1 Objectives**

In spite of the expansion of MFIs and special efforts through the food security program, rural population largely remains risk averse to borrowing and investing.<sup>39</sup> The objectives of social insurance in the context of this strategy are therefore to:

- Promote and encourage social insurance system that prevent and mitigate the negative effects of shocks on lives and livelihoods.
- Support informal social protection mechanisms and facilitate their linkages to the formal system.

This should enable households to manage risks and encourage them involve in more entrepreneurial activities with higher returns; thereby promoting livelihoods. Given the focus on managing risk, the target group of this focus area is the broadest of the five focus areas.

#### **4.4.2 Key instruments and interventions**

The instruments needed to realise the objectives of this focus area are:

- Mandatory social insurance (including health insurance)
- Community based health insurance
- Life insurance
- Index-linked crop/livestock insurance
- Promoting innovation and appropriate technology

As documented in Section 3, some of these instruments are either already in place or in piloting stage.

#### **4.4.2.1 Mandatory social insurance**

Presently, the public and private sector employees' social insurance schemes put together cover about 1.8 million workers. As employment increases in both sectors, contributors to these funds will increase. Therefore, these will be strengthened and continue to be innovative in addressing the needs of their expanding clients. There will be increased collaboration on common issues such as the movement of people from private to public employment and vice versa.

#### **4.4.2.2 Mandatory health insurance**

The social health insurance is a specialised mandatory scheme that provides basic medical insurance to public and private formal sector employees (and pensioners) and their dependents. It is financed through employer and employee contributions, and managed by the Ethiopian Health Insurance Agency (EHIA).

#### **4.4.2.3 Community-based social and health insurance**

The majority of poor Ethiopians do not have access to the contributory social insurance schemes to mitigate against health and other shocks because of demand side and supply side constraints. For example, they are reluctant to take up new technologies that increase production and productivity of both crop and livestock mainly because of failure.

The social protection sector will support increased access of poor households to appropriate insurance provision that covers their priority insurable risks, including life, health, crop failure and loss of livestock. The strategy will strengthen existing Government legal and institutional frameworks and if necessary initiate new processes that make it easy for poor communities to access insurance through collaborations with relevant organs.

The Government has put in place a system for community based health insurance in both urban and rural areas. Pilots are done and the scheme will be scaled up to eventual national coverage, reaching 40 per cent of the adult population (35 million people) by the end of FY 2014/15.

#### **4.4.2.4 Life insurance**

- Support *iddirs* to continue their traditional role of covering funeral expenses and providing 'psychosocial support' to families and friends of the deceased.
- Support *iddirs* to expand their roles and offer life insurance coverage and other contingencies that are priority for their target groups.

- Link *iddirs* and other CBOs to formal insurance sector, either as brokers, or by apex structures of multiple *iddirs*/CBOs setting themselves up as insurance co-operatives/companies.

#### **4.4.2.5 Index-linked crop/livestock insurance**

As documented in Section 3, a number of initiatives are being piloted to mitigate the effects of weather changes on production and productivity. Taking account of the lessons from these pilots, as well as a number of contextual challenges (including the high and co-variant risks of drought, and limited capacity of the insurance sector), the feasibility of country-wide scale up of weather index-linked insurance in Ethiopia will be assessed. If deemed feasible, the social protection sector will address identified institutional constraints and support scale-up.

#### **4.4.2.6 Innovation and appropriate technology through micro-insurance**

Small farmers are dubbed ‘risk averse’ because they refrain from innovating and adopting appropriate technology for fear of failure. While the primary mandate for making these technologies accessible to small farmers and pastoralists rests with the MoANR and the MoLF, the social protection sector will work with these institutions to make sure that the most vulnerable are not left out of innovation and technology packages by addressing both the demand (risk taking) and supply side constraints using for example appropriate micro-finance and micro insurance schemes.

### **4.5 Focus Area 4: Increase Equitable Access to Health, Education and Other Social Services**

Schools and health facilities in Ethiopia are not well equipped (both in human and material terms) to accommodate children with disabilities and other learning difficulties and as a result millions of children are out of school. Similarly, health facilities are not well equipped to admit and care for the most vulnerable. From the demand side, most vulnerable households often lack the awareness and financial means to access the basic services. Therefore, the role of social protection in this regard is to complement the existing provisions, by addressing the particular access constraints faced by some of the poorest and most vulnerable people.

#### **4.5.1 Objectives:**

The objectives of Focus Area 4 are:

- To increase access to quality education, health and other services for children and adults with special needs;

- To contribute to increase in completion rate of primary school children (reduce non-completion and drop outs)
- To encourage the introduction of early childhood care where they do not exist.

## 4.5.2 Key instruments and interventions

The following key instruments are proposed to realise the objectives of the focus area:

- Social transfers for human capital development
- Health fee waivers and health insurance subsidies
- Services for persons with disabilities
- Services for the elderly
- School feeding
- Early childhood care
- Establish social work sub-system

### 4.5.2.1 Social transfers for human capital development

Social transfer instruments are presented in detail under Focus Area 1. What role can they play in increasing access to social services for the most vulnerable? In order to maximise their impact on access to services, social transfers will be designed with human capital objectives in mind. For example, social transfers can address demand side constraints by alleviating economic barriers to health, education and other social services. Social transfers can also contribute to improved nutrition. To this end, social protection programs will make sure that transfers reach pregnant and lactating women, children under two and adolescent girls.

Although nutritional status of Ethiopian children is fairly well known, design of specific social protection programs will be grounded in a context-specific analysis of the causes of malnutrition, and on ensuring that work requirements will not lead to negative nutritional impacts. The following are some examples of possible ways social transfers can increase access to social services:

- **Targeting criteria:** to maximise impacts on malnutrition, and uptake of antenatal care and childhood vaccinations, targeting criteria would be designed to ensure good coverage of poor households with pregnant women and children under two: to maximise impacts on educational outcomes and reduction in child marriage, targeting criteria would ensure that adolescent girls would be reached.
- **Conditions applied:** To increase impacts on child health, nutrition or education, a new category of conditions will be developed. For example, attendance at child health and

nutrition education sessions, or regular school attendance of school-aged children will be considered. Furthermore, where public works conditions continue to be applied, they will be closely monitored for any unintended adverse effects on other members of the family (e.g. increasing girls' domestic chores and interfering with their school work).

- **Awareness-raising:** Public work sites and payment points are low-cost opportunities for awareness-raising sessions on health/nutrition/education topics.

#### **4.5.2.2 Health fee waivers and health insurance subsidies**

Under the current health system, fee waivers are available to 'indigent' people, though their provision is under-funded and implementation varies by region. Similarly, within the community-based health insurance schemes the premiums for 'indigents' are subsidised and, despite clear targeting criteria, there are still wide variations in coverage.

In order to ensure that vulnerable people receive comprehensive social protection support:

- Health fee waivers (and increasingly CBHI premium subsidies) will be expanded and geographical targeting of federal resources (cross-subsidisation) will help ensure that poorer weredas have sufficient funds to cover their higher proportion of poor and vulnerable households.
- Targeting of fee waivers/insurance subsidies will be standardised, with clear criteria and processes for selection, and will be harmonised with the targeting of social transfer programs. The responsible Ministries (MoH, MoLSA, MoANR and MUDHo) will collaboratively design common targeting criteria and processes. Under such a system, to a large extent, the same vulnerable people will likely be eligible for both health service and social transfers. This will protect targeted households or individuals from diverting cash transfers to respond to health emergencies. Health service providers will know that those receiving free healthcare also get transfers to cover their food needs.
- At wereda and kebele levels, a single registry will include all the information required by all offices for their respective programmes; this will serve as a joint reference document used in beneficiary selection, payment and monitoring.

#### **4.5.2.3 Services for people with disabilities**

PwDs face particular barriers in accessing health education services, and employment opportunities. These do not often relate to the disability *per se* but largely to public attitudes including stigma, discrimination and lack of awareness of the Constitutional rights of people with disabilities. Children with disabilities are better cared for within communities and families where they can participate in family and community life. To this end,

- Social workers, CCCs, associations of PwDs will receive training in disability rights. They will support people with disabilities to access core services.
- Social workers will work in close collaboration with health extension agents to promote uptake of the essential maternal and child health services that can prevent disability.
- Social workers will work collaboratively with schools, clinics and education and health wereda offices to identify and address specific local constraints to inclusion, including any issues of stigma and discrimination and physical accessibility of schools and clinics for PwDs. They will manage cases, referring on to specialised service providers (including private/civil society partners).
- CCCs will work directly with PwDs and their associations to ensure access to social services.
- Public and private service providers (e.g. transport, health, banks) will be encouraged to put in place a system that gives priority to PwDs.<sup>40</sup>
- Coverage of the following specialised services will be progressively expanded:
  - Physiotherapy for People with physical disabilities to reduce lifelong mobility challenges.
  - Mobility and Hearing aids: prosthetics, orthotics, wheelchairs and walking aids. Urban/rural disparities in access will be addressed and low cost walking aids (e.g. crutches) will be made universally available. Local production will be encouraged as a source of employment.
  - Support to special educational needs (including use of Braille for visually impaired children and sign language for children with hearing impairments).

#### **4.5.2.4 Services for the elderly**

Older persons, particular those with no contributory pensions, face particular barriers in accessing health education services, and employment opportunities. These relate not only (and often not primarily) to disability or age *per se* but largely to public attitudes including stigma, discrimination and lack of awareness of the Constitutional rights of older people. Older people are better cared for within communities and families where they can participate in family and community life. To this end,

- Social workers, CCCs and *iddirs* will receive training in older people's rights and international conventions. This will enable them support older persons' access core services.
- In particular the CCC will closely monitor the living conditions of elderly people in their locality to prevent them from ending up on the streets and begging.

- Social workers will work collaboratively with health and other social service providers to identify and address specific local constraints to inclusion, including any issues of stigma and discrimination and physical accessibility of the facilities for older persons. They will manage cases, referring on to specialised service providers (including private/civil society partners).
- The introduction of non-contributory pension schemes for a segment of older persons (under Focus Area 1) will increase their purchasing power which they can spend on essential services.
- Older persons with no support will be identified and entitled to the on-going fee waivers under the MoH.
- Older persons who are willing and able to attend will have access to functional adult literacy classes with a view to increasing their access to information.
- CCCs will work directly with older persons and their associations to ensure access to social services.
- Social support structures such as CCC and *iddirs* will facilitate older persons' participation in community affairs.
- Public and private service providers (e.g. transport, health, banks) will be encouraged to put in place a system that gives priority to older persons.

#### **4.5.2.5 School feeding**

The Government will expand school feeding for primary and pre-primary children to increase school enrolment, attendance and cognition. The country, in collaboration with its development partners, has considerable experience in implementing school feeding programmes. Based on this wealth of experience, the Ministry of Education is currently developing a National School Feeding Program Implementation Strategy. The strategy will clearly set out the objectives and expected outcomes of the school feeding including targeting criteria of beneficiaries, food basket (menus), food procurement modalities, supply chains and costing.

In the context of this strategy, three issues are important. First, inter-sectoral coordination mechanism with defined roles and responsibilities is needed. This will involve communities, education, health, agriculture, as well as establishing a comprehensive link between school feeding and other school health or social protection programs.

Second, a national standard for food procurement, food safety and quality control, training, kitchen and storage monitoring and evaluation system will be developed. A structure from

federal to school level with adequate resource will be put in place to enable the smooth implementation of the programs all levels.

Third, a national budget line for school feeding will be considered for an effective and stable program. As such, the multi-sectoral coordination forum will design mechanisms for funding these programs from a combination of sources, such as non-governmental organizations, private sectors and the government.

The social protection strategy envisages a more sustainable and community based school feeding system ideally under the auspices of CCC who can take full responsibility to mobilise resources (cash and kind) for school feeding.

#### **4.5.2.6 Early childhood care**

Early Childhood Care and Development (ECCD) focuses on supporting young children's development. It encompasses the period of human development from prenatal through the transition into the early primary grades (prenatal – 8 years of age). Early childhood care links the young child's cognitive, social, emotional, and physical processes with the Care provided by families, communities and the nation.

As this is a multi-sectoral endeavour, among others, the MoE, MoH and MoLSA will work together to ensure young children's overall well-being during the early years, providing also the foundation for the development of adults who are healthy, socially and environmentally responsible, intellectually competent, and economically productive.

#### **4.5.2.7 Social work sub-system**

The Government has put in place a suite of policies, strategies and programs to promote universal access to health and education services. However, the most vulnerable and marginalised people often still need special help in accessing available services. They need support from a well-trained social workers and community groups to take advantage of available services. As per the GTP II for the social sector, the Government will:

- Put in place a well-trained cadre of social workers,
- Establish and strengthen Community Care Coalitions.

In developing this model, the social protection sector will learn from ongoing experience in developing a social work model in Ethiopia<sup>41</sup>. Required investments are likely to include:

- Establish occupational standards for the social services workforce with complete curriculum and institutional framework for training and accrediting institutions

- expansion of the wereda social work team and placement of at least one social work extension worker in every kebele
- expand the role of CCC<sup>42</sup> and develop mechanisms for motivating them for their expanded workload
- standardize support and services CCCs provide through a common framework for their operation
- provide substantial on-the-job training and capacity building for both social workers and committees/CCCs
- develop a case management system, with a manual that sets out clear and simple procedures for identifying clients, managing their access to all required services and following up on outcomes
- map available specialised services and identify gaps
- develop a network of accredited partners (non-profit and private) to which clients may be referred for specialised services and encourage service providers to move into under-served areas (These will particularly cover focus areas four and five and include specialists in response to physical/sexual abuse and exploitation).
- a mechanism to dovetail the case management system with the social protection single registry

## **4.6 Focus Area 5: Provide Legal Protection and Support for Citizens Exposed to Abuse, Exploitation and Violence**

### **4.6.1 Objectives:**

The strategic objective of Focus Area 5 are:

- To prevent abuse (child abuse in particular), violence (gender-based violence in particular), exploitation, neglect and discrimination
- To provide support when abuse, violence, exploitation and neglect occur
- To empower the most vulnerable in society to stand up for their rights
- To encourage collaboration among multiple stakeholders (government ministries and agencies, parliament, justice and the police) on matters arising under Focus Area 5.

### **4.6.2 Key Instruments and interventions**

There are two main sets of actions under focus area five: prevention and rapid response. Key to both of these will be the establishment of a social work system, as outlined in section 4.4.2.7 above. Detailed design of both prevention and response will be adapted to cultural contexts across the country and to the different realities in urban and rural areas.

The key instruments under **prevention** are as follows:

- Communication/awareness-raising for prevention of abuse, violence, neglect and exploitation
- Protective legal and policy environment

The key instruments under **rapid response** are as follows:

- Support to survivors of violence, abuse, exploitation and neglect
- Drop-in centres and hotlines
- Establishment of a network of specialised service providers
- Care for people living outside protective family environments

Some indicative interventions in each of these instruments are outlined below.

#### **4.6.2.1 Communication/awareness-raising for prevention of abuse, violence, neglect and exploitation**

Both person-to-person and mass media communication approaches will be used:

- CCCs supported by social workers will be responsible for raising awareness within their own communities about
  - the rights of children, women, PWDs, PLHIV, elderly and other vulnerable people;
  - positive protective childcare practices;
  - child protection issues such as child labour, child separation, child trafficking, children experiencing violence (including sexual violence), children who are not registered at birth, children affected by migration
  - the harmful effects of some traditional practices, (including, in particular, child marriage female genital mutilation, but also uvelectomy). The timing and location of these information sessions will make maximum use of existing gatherings (for example the congregation of beneficiaries for social transfer payments).
- Wereda and kebele social workers will support the CCCs to carry out special information sessions for locally influential people, including, in particular, local councils of elders and people engaged in traditional courts.
- Mass media will be used to address and challenge socio-cultural barriers, as it enables large numbers to be reached at relatively low cost (radio in rural areas and radio plus television in urban areas).
- Creative programs (e.g. dramas, talk shows) will be developed and transmitted. Choice of media outlet and the design of programme formats will be grounded in research:

audience research on listenership (peak times and media outlets with greatest penetration in a given locality); and qualitative analysis of the socio-cultural factors presenting both obstacles to and opportunities for change.

- Education curricula will be reviewed to ensure that school children are adequately and age-appropriately informed about child protection issues

#### **4.6.2.3 Protective legal and policy environment**

MoLSA, MoWCA, and the Ministry of Justice will work collaboratively on further development and enforcement of a protective legal environment in general and the development of a legal framework for the temporary removal to places of safety (e.g. foster care) of children and vulnerable adults who report abuse within the home, in particular.

#### **4.6.2.4 Social workers and CCC support to survivors**

Given the Ethiopian culture and tradition, victims of violence, abuse, exploitation and neglect often do not report their suffering. The CCCs, together with other traditional structures such as Iddir, will play a key role in encouraging victims of abuse, exploitation or neglect to report.

- CCC's role is likely to be particularly important in rural communities, where survivors find themselves far from statutory services and unable to report directly to these. The committees will provide first-line support and refer high risk cases to qualified social workers.
- Social workers will play a case management role, taking the lead in provision of direct services (such as psychosocial support) and referring survivors to relevant specialised services and following up on the outcomes at each stage. As relevant, they will liaise with health centres, to ensure that survivors quickly access appropriate medical services, with police, so that survivors can report the crime as well as with the provision of legal aid services.
- Social workers will support survivors through the aftermath of abuse/exploitation and beyond, liaising with the justice system, helping survivors to access legal services, supporting them through the legal process if the offence comes to court, and referring them to specialised providers for psychosocial support.

#### **4.6.2.5 Drop-in centres and hotline**

A network of CCC, trained social workers and referral services will be established to give access to and demand for these services. Community care drop-in centres in urban and peri-urban areas and a nationwide telephone hotline service will be established.

#### 4.6.2.6 Establishment of a network of specialised service providers

In order that effective and appropriate legal, psychosocial and medical support can be provided to survivors of abuse, violence, exploitation and neglect, a network of accredited specialist service providers will be established, including statutory, civil society and private sector providers. Steps in the development of the network will include: definition of required specialised services; mapping of existing provision and gaps; development of accreditation criteria and processes; piloting; and action planning for scale-up of the agreed services to national coverage.

#### 4.6.2.7 Care for people living outside protective family environments

Children, adults and elders living outside protective family and community environments are at particular risk of abuse. The most vulnerable children and adults, including those living on the streets or in residential institutions, will be visited and supported by social workers and referred to specialised services and to places of safety (e.g. supported family reunification and reintegration, kinship care or foster care and adoption).

While appreciating philanthropists who set up homes or drop-in centres for the elders and persons with disabilities, they will be required to meet standards of care and ensure sustainability.

### 4.7 Summary

By way of summary, Table 6 indicates which target group benefits from/is affected by which intervention.

**Table 6: Indicative intervention types for the target groups identified in the NSPP by focus area**

| Potential target groups   | Broad indications of intervention types  | Focus areas |
|---|--|-------------|
| 1. Children under difficult circumstances (e.g. orphans, street children) | Conditional social transfers (including school feeding) to enable them attend school   | 1, 4        |
| 2. Vulnerable pregnant and lactating women                                | Unconditional transfers only for a limited period of time; employment and livelihood   | 1, 2, 4     |
| 3. People/children with physical and mental disabilities                  | Unconditional transfers; special needs schooling; provision of equipment that increase mobility  | 1, 4,5      |
| 4. Elderly living alone with no care and support                          | Unconditional transfers; psychosocial support provided through formal (e.g. social workers) and community-based mechanisms (e.g. CCC, <i>iddir</i> ) | 1, 4,5      |
| 5. Labour constrained citizens,   | Employment opportunities through public works;   | 1, 2,5      |

| Potential target groups   | Broad indications of intervention types  | Focus areas |
|---|--|-------------|
| female headed households in particular.   | progress to employment and diversified livelihoods   |             |
| 6. Victims of social problems such as beggars, street children, commercial sex workers, drug and other forms of addiction | Conditional transfers (e.g. skills training); rehabilitation through psychosocial support                              | 1, 4,5      |
| 7. Citizens affected by HIV and AIDS and other chronic diseases that constrain their ability to work                      | Conditional transfers for a period of time; employment and livelihood opportunities                                    | 1, 2        |
| 8. Segments of the society vulnerable to violence and abuse   | Counselling, legal support, employment and livelihood opportunities and conditional transfers for a limited time       | 5, 2, 1,4   |
| 9. Segments of the society vulnerable to natural and manmade risks  | Humanitarian assistance; employment through public works; sustainable employment and livelihoods                       | 1, 2,5      |
| 10. Unemployed men, women and youth   | Conditional cash transfers (e.g. skill training) in time of transition to employment and livelihoods promotion schemes | 1,2         |
| 11. Citizens engaged in the informal sector with no social insurance coverage   | Social and community based health insurance  | 3           |
| 12. Victims of human trafficking and repatriated emigrants  | Short term transfers; psychosocial support; employment and livelihood  | 1,5,2       |

## SECTION 5 IMPLEMENTATION & TIMEFRAME

### 5.1 Institutional arrangements

This strategy aims to build a sustainable social protection system. This will take time, resources and commitment from a range of institutions. As outlined in Section 2.4, these included Government institutions at all levels of administration, development partners, local and international NGOs, associations of persons with disabilities, community based structures and the private sector. These will continue to deliver the services they have been delivering and are key stakeholders for this strategy document.

However, these services will be delivered in a coordinated manner to ensure maximum impact and avoid duplication. Horizontal and vertical co-ordination will be strengthened first by defining the minimum capacity required during the transitional period and then planning for a long term capacity development. Effective co-ordination depends not only on capacity but also on appropriate **authorities** for the co-ordinating body and **incentives** for stakeholders to engage. The Government will establish co-ordinating bodies at all levels and give them the legal authority they need to secure the necessary collaboration both vertically and horizontally. Appropriate incentives will be in place to ensure that, in the context of competing work demands, the numerous stakeholders give priority to the strategic instruments and interventions relevant to their respective organisations.

Experience from similar programs such as the PSNP will inform the capacity development. The capacity needs are diverse and range from simple to complex skills. For example, to prepare consolidated sector reports and develop effective communication mechanisms with all relevant sectors; high level committees require capacitated secretariats that can plan and organise meetings, prepare minutes, document and circulate decisions. Enhanced computer skills will be required at kebele, wereda and regional levels to enable data input to a single registry. The data needs to be analysed using simple or specialised software and shared across sectors. Figure 3 illustrates the coordination mechanism for the social protection system.

At Federal level there will be four key co-ordination bodies/mechanisms:

- The high-level Federal Social Protection Council
- The Social Protection Advisory Board
- The Social Protection Co-ordination Unit
- Social Protection Co-ordination Focal Persons

### 5.1.1 Federal Social Protection Council (FSPC)

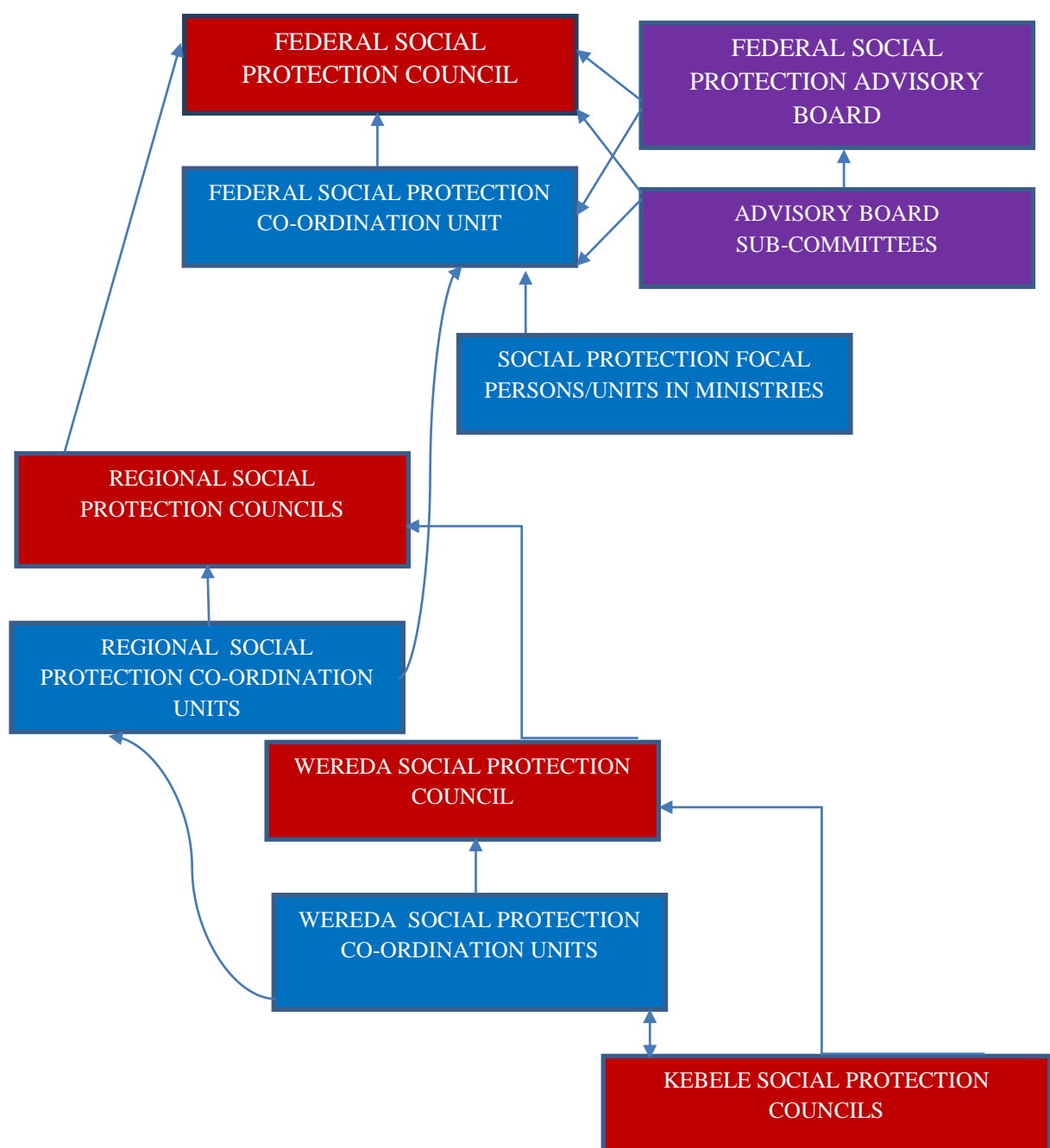
Implementation of the National Social Protection Policy and Strategy is led by a high level Federal Social Protection Council (FSPC), chaired by a senior representative of the Government. The Members of the FSPC shall be senior officers of MoLSA, MoANR, MoLFR, MoWC, MoE, MoH, MoJ, MoFEC, and MoUDHo. Specialised agencies such as POSSA, POESSA, EHIA shall be members of the Council. Representatives of employers, workers, civil society organizations, the UN and international development agencies shall also be members of the Council. In addition, representatives of Regional Social Protection Councils (RSPC) will be members of the federal council. The FSPC shall meet twice yearly and shall have the following responsibilities:

- *Oversight and co-ordination*: guide, coordinate and oversee the implementation of the policy, strategy and related programmes, including by proposing any required revisions to legislation
- *Monitoring, evaluation and reporting* - establish appropriate monitoring and evaluation mechanisms for the social protection system and review reports regarding efficiency, effectiveness and impact of social protection
- *Financing* - propose appropriate resource envelopes for social protection
- *Capacity building* - ensure that appropriate capacities are in place to deliver the strategy

### 5.1.2 The Federal Social Protection Advisory Board (FSPAB)

The Board is a technical level committee. Building on the experience of the Social Protection Platform, it will comprise senior technical staff from all Government ministries and agencies responsible for the implementation of social protection policies and programmes, as well as representatives of development partners, civil society and the private sector. The Advisory Board is chaired by the State Minister of MoLSA and co-chaired by a representative of the development partners on a rotating basis.

**Figure 3: Institutional Arrangements and coordination mechanisms**



The Advisory Board will have sub-committees broadly along the lines of the five strategic focus areas. The sub-committees are responsible for providing technical advice and support to MoLSA and the SPC on specific issues pertaining to the strategic areas. Specific sub-committees will be formed for crosscutting issues such as planning, monitoring and evaluation as well as for key strategic themes, including harmonised targeting and development of a single registry system.

### **5.1.3 Federal Social Protection Co-ordination Unit**

The Secretariat of the Council shall be MoLSA and a dedicated Federal Social Protection Coordination Unit will be established in MoLSA for this purpose. This is separate to the Unit/Directorate that will be responsible for implementation of MoLSA social protection programmes. The Coordination Unit shall be given the legal authority for this mission by the FSPC. In fulfilling its role the Co-ordination Unit will draw on ideas and advice from the SPAB. The co-ordination unit of MoLSA shall have the following duties and responsibilities:

- *Technical oversight and co-ordination* - ensure improved co-ordination of social protection actors at policy, strategic and operational levels, including by providing practical support and facilitation of co-ordination, and by proposing to the Council any required legislative or policy changes
- *System design* - develop (for approval by the Council) common standards and systems, such as a harmonised targeting system, a single registry and a management information system (MIS)
- *Monitoring, evaluation and reporting* - propose (for approval by the Council) a monitoring and evaluation system for the social protection strategy; set up and use the system; and prepare reports for the Council on efficiency, effectiveness and impact of social protection
- *Financing* - monitor budgetary allocations and spend and prepare financial reports for the Council; and ensure the establishment of the Social Protection Fund to mobilise resources
- *Capacity building* - develop and implement a capacity building plan for the sector; and provide on-going mentoring support to social protection stakeholders at federal and regional levels; and draw up a communications strategy for the sector

#### 5.1.4 Social Protection Co-ordination Focal Person/Unit

Each ministry/agency responsible for social protection implementation shall assign a dedicated social protection co-ordination focal person or a unit depending on the scale of its social protection interventions. The focal person or unit:

- will have an in depth knowledge of social protection issues in Ethiopia
- is responsible for establishing linkages between the line ministry/agency and the various coordination bodies as outlined in this strategy mainly MoLSA Co-ordination Unit and the Advisory Board.
- shall report to their line ministry and the MoLSA Co-ordination Unit.
- shall attend meetings of the Social Protection Advisory Board and shall be regularly convened by MoLSA for training and information exchange.

These functions and others as deemed necessary shall form the core of the job description/terms of reference for the focal persons or units.

#### 5.1.5 Regional, Zonal, Wereda and Kebele Levels

Similar institutional arrangements, comprising of a Council, Co-ordination Unit, Advisory Board and focal persons shall be set up at **regional level**. Appropriate arrangements will also be made at **zonal level**, adapted to the varying responsibilities of zones across regions. A brief outline of the wereda and kebele level coordination are given below.

At wereda level, the following coordinating bodies shall be established:

- Wereda Social Protection Council (WSPC) chaired by the Wereda Administrator and with a similar responsibility as the FSPC contextualised to the wereda specifics.
- A Wereda Social Protection Co-ordination Unit housed within WoLSA. As well as promoting, facilitating and supporting co-ordination, this Co-ordination Unit will provide technical support and capacity building to kebele structures responsible for implementing and overseeing social protection initiatives.
- A Social Protection focal persons in each sector office/agency and NGOs/CSOs working in the wereda.

With respect to staffing requirements, the Co-ordination Unit will require additional staffing but focal persons and the Social Protection Council representatives are drawn from existing staff in the respective organisations.

Each level is represented in the higher level council. That is to say, the regional councils is represented in the federal council, the wereda councils in the regional councils and the kebele in the wereda councils.

At kebele level, there will be a Kebele Social Protection Council, chaired by the Kebele Administrator. It will oversee and co-ordinate all social protection programmes in the kebele. As far as possible, duplication of efforts should be avoided and kebele capacity should not be stretched by establishing new structures. Therefore, the proposed kebele council will build on existing relevant institutions such as Community Care Coalitions or the Food Security Task Forces in PSNP weredas; a combination of the two where both exist; or on any other appropriate existing committee. As deemed appropriate, the kebele may use its existing staff such as Kebele Manager (after receiving appropriate training) to co-ordinate and promote all social protection interventions or appoint a Social Protection Extension Agent.

## **5.2 Capacities for implementation**

Effective and sustainable implementation of this strategy will require strengthened capacities at all levels. In the early phase of implementation (in FY 2016/18), a capacity building plan will be developed, which will:

- Identify capacity needs for implementation
- Map existing capacities and planned capacity building interventions
- Identify and analyse capacity gaps
- Develop and plan interventions to address these gaps

**(i) Scope of the Capacity Building Plan** - The scope of the capacity building plan will cover all key dimensions of capacity, including the following:

- a) Defining “minimum capacity” to take over PDS – in the short term, MoLSA will define the minimum capacity required at regional, wereda and kebele level to take over the PDS from the Ministry of Agriculture and Natural Resources as stated in the PSNP IV design document. This would entail primarily effective utilisation of existing structures both government and community based –strengthening where they exist and establishing where they don’t.
- b) Interim capacity building for effective implementation from 2016/17. Given the longer term horizon of the Joint Action Plan, the capacity building plan will look at how to address key capacity gaps in the intermediate period in order to enable effective and timely implementation of this 2016-20 strategy. This involves a combination of high quality short training courses for staff and volunteers across the sector, partnerships with civil society and private sector service providers, as well as recruitment of additional skilled staff on temporary/TA contracts.

- c) Long-term workforce planning for the social protection sector: the number of staff, skill levels and specialisation required to deliver all five focus areas. Long term planning also involves developing both pre-service and in-service accredited training programmes to build the skills required by the social protection workforce. Work in some of these areas is already underway as part of the joint MoLSA/MoE Action Plan. There are draft proposals for new job categories and for the accreditation of training centres and licensing institutes in accordance with this plan.
- d) Social protection staff retention and career development - It appears that the general problem of high staff turnover is exacerbated in ministries with a lower civil service ranking (such as MoLSA).<sup>43</sup> The ranking exerts downwards pressure on staff numbers and salaries. MoLSA and other stakeholders will work with the Ministry of Public Service and Human Resource Development to seek solutions to the challenges of staff retention in the sector, which may involve addressing issues of career and pay progression, as well as comparability of pay between social and other sectors. Such collaboration also ensures co-ordination with other key social protection actors and mainstream social protection objectives in job descriptions of social protection staff across ministries and agencies.
- e) Performance management system and incentives for co-ordination. In most ministries, co-ordination with other ministries and agencies is considered as an 'add-on' to the core elements of an expert's job description.
- f) Generalist skills of social protection staff. The implementation of this strategy will depend not only on specialised social protection skills but also on generalist skills, such as computer skills. Setting up and managing a CCRS will require data input skills at kebele level and data analysis skills at wereda, regional and federal level. The capacity building plan will identify key gaps in this area and devise interventions to address them.
- g) Broad-based understanding of social protection amongst all key stakeholders (including tax payers). Social protection is a relatively new programmatic and policy area for Ethiopia. The important contributions that social protection makes to economic and human capital development are not always well understood by the public or decision makers, and sometimes social protection is misunderstood as consisting of short-term hand-outs that drain public finances. Hence the importance of building understanding of social protection amongst decision makers, public servants and the general public at all levels. To address this issues,
  - A sustainable in-service social protection education and awareness-raising programme for decision makers/public servants will be developed, and
  - Each Regional Labour and Social Affairs Bureau will put in place a team of trainers.

- The development of a social protection communications plan will also be important to building public understanding of and support for social protection.

h) **Materials and logistics requirements:** Whilst the main focus of this section and of the capacity building plan is on human capacities, it is important to note that there are certain minimum levels of logistical capacity, without which people cannot be fully effective. In particular, the capacity building plan will consider the need to ensure access to transport for wereda and kebele staff. It will also consider the minimum equipment and services that people require to do their jobs. Increasing access to internet for wereda offices will be important, as will reliable electricity supply in some remote areas.

**(ii) Particular capacity building challenges** - Given the directions set out in this strategy and decisions that have already been taken about changing roles and responsibilities of ministries, the following will be some of the key capacity building challenges in implementation of this strategy.

- *Capacity for design and implementation of public works:* Public works in rural areas will remain the responsibility of MoANR. The MoUDHo will take responsibilities for the urban public works as per the provisions in the urban PSNP.
- *Capacity for design and implementation of other social transfers:* MoLSA will take the responsibility for designing and managing unconditional social transfers in rural areas for the permanent direct support in both rural and urban areas. This transition will take place at all levels (Federal, Region and wereda), involves primarily the separation of payrolls for public works, and direct support and the Kebele Social Protection Council or appropriate structure will be responsible for targeting. MoLSA will develop a capacity building plan based on the findings of the capacity assessment.
- *Social work system:* The implementation of focus areas four and five requires WoLSA, WoWC. Kebele Administration and community committees to play key roles in child protection, in preventing and responding to GBV and in managing access to essential and specialised services for the most vulnerable people. Whilst the community police and Ministry of Justice play important roles in bringing offenders to justice, the social service side of the system (community awareness-raising and support to survivors of violence/abuse) need to be established and strengthened.

For example, delivering focus area five will mean putting in place a multi-level system, incorporating: trained community volunteers/committees; para-social workers at kebele level; and highly trained specialised accredited social workers at regional and wereda levels to undertake case management in high risk cases<sup>44</sup>. It will also entail setting up a

case management system and developing a network of accredited partners providing specialised services. The capacity building needs in this area are very substantial.

- *Social insurance:* Despite the limitations of the formal insurance system in Ethiopia, there is vast capacity in thousands of community-based *iddirs*. The social protection system will ensure that this indigenous knowledge is taken into account in the design of complementary micro-insurance services; in attempting to expand their responsibilities, great care will be taken not to undermine the existing roles and capacities of *iddirs*.

### **5.3 Systems development**

An effective social protection sector requires a number of common systems to underpin harmonised working and to ensure joined up services for poor and vulnerable households. The following systems will be developed under this strategy:

- Single registry system
- Harmonised targeting system
- Common M&E framework
- Timeline and assumptions
- Financing (see Section 6)

#### **5.3.1 Single registry system (or Common/National Beneficiary Registry System)**

The purpose of establishing a SRS is to improved delivery of social protection interventions to poor and vulnerable households. To this end, the SRS will meet the following needs:

- Enable frontline social protection staff and volunteers (at kebele level) to record household membership and characteristics, support targeting, track which households are benefiting from which programmes, and ensure that households are receiving all the services to which they are entitled.
- Support improved data collation and analysis, for upwards reporting, learning and accountability.
- Guard against ‘double dipping’ where it is deemed illegal.

Meeting these needs imply the following:

- i) Develop a common national specification and format for the beneficiary registry, with the active participation of a selection of the frontline kebele staff and volunteers from across the country who will use it. In other words, the design process will be bottom up in terms of prioritising the needs of frontline workers, but top-down in the sense that there must be one common design of the registry.

- ii) A computerised social protection sector MIS will eventually cover wereda levels and upwards, and this will be compatible with the MISs of different social protection programmes, where they exist.
- iii) The kebele level CCRS will be identical to this MIS. Data will be transmitted from kebele to wereda by available technologies (e.g. memory stick, on paper or internet facilities), with data input into the MIS taking place at wereda level.
- iv) Given the overall aim of improving services for vulnerable households, the design of the CCRS at kebele level is a priority and can precede the design and set up of the computerised MIS. In this way, lessons from the kebele experience will inform MIS design.

### 5.3.2 Harmonised targeting system

A harmonised targeting system implies that the information necessary for the targeting of all programmes is collected from households as part of a collaborative exercise, is stored in the CCRS and used to inform targeting of all programmes. Harmonisation increases efficiency, by enabling programmes targeting the same groups to avoid duplicating work. By combining their resources and capacities programmes are also likely to be able to achieve enhanced targeting outcomes, with reduced inclusion and exclusion errors. Households will receive the comprehensive set of services they require to meet their social protection needs.

Further advantages of such a harmonised system include:

- Align targeting criteria and processes to ensure that households receive a comprehensive set of services
- A continuum of support can more easily be provided
- Humanitarian programmes will be able to rapidly identify their target households
- Beneficiary lists will be more easily compared to avoid unintended duplication (double dipping)
- Facilitate synergy of programs to address multiple vulnerabilities – some clients that may need support from more than one program/service provider

**(i) Alignment** - Where programmes have very similar targeting criteria they will identify together and use a single client list. Some programmes will have partially overlapping criteria (e.g. programmes targeting poor households with elderly people and poor households with children). In such a case they will develop and use the same master list of poor households, but one programme will select only poor households with children, and the other only poor households with older people.

**(ii) Continuum of support** - Harmonised targeting does not, of course, mean that all social protection programmes will have the same targeting criteria or beneficiary lists. Rather, in the case of programmes with different target groups, harmonised targeting will ensure that households move appropriately between programmes. For example, if livelihoods/employment programmes include in their criteria that all prospective and recent graduates of social safety net programmes should be targeted and if implementation of this provision is effectively supported through a single registry, then a continuum of support will be provided that supports sustainable graduation out of poverty.

**(iii) Rapid beneficiary identification by humanitarian programmes** - Humanitarian programmes often need quick access to a list of poor and vulnerable households for emergency relief. The CCRS would enable quick access to comprehensive information on the poverty, vulnerability and composition of all households receiving any type of social protection support, as well as recent graduates of this support (and, in the case of some programmes, households that just missed out on eligibility). This could speed up the targeting of humanitarian relief programmes and improve the effectiveness of response.

**(iv) Avoiding unintended duplication or ‘double dipping’**- Where two or more programmes provide households with benefits, they should be avoiding targeting the same households twice. Harmonised targeting will enable programmes to avoid unintended duplication.

**(v) Facilitate synergy of programs** - In other cases, households may legitimately access several programmes to address multiple vulnerabilities. For example, where programmes provide specialised services benefits for the elderly people, PWDs, PLHIV or children). In this case, harmonised targeting will ensure that households do indeed receive all the benefits to which they are entitled.

## **5.4 Common M & E framework**

Stakeholders will continue to monitor progress of their programmes for which they are responsible and will share the M&E reports with the Social Protection Co-ordination Unit through the common M&E reporting framework, with common objectives, indicators and targets agreed by all stakeholders active in the sector, and a common system of data collection to monitor progress. Accountability for harmonised M&E will be assured through the reports sent to the National Social Protection Council, and discussed in their twice yearly meetings. Federal and regional Government bodies, community organisations and other non-governmental organisations providing social protection services shall have the obligation to submit periodic performance reports to the Secretariat of the Social Protection

Council (MoLSA). The common M&E framework will be simple and user-friendly to promote its active use. It has the following components:

**Goal:** all Ethiopians enjoy social and economic wellbeing, security and social justice

**Outcome:** A social protection system is in place, consisting of a set of formal and informal interventions that reduce social and economic risks, vulnerabilities and deprivations for all people, and facilitate equitable growth

**Output:** the five focus area

The number of indicators and targets will be kept to a minimum and existing surveys and monitoring processes will be used for data collection wherever possible. An indicative M&E framework is presented in **Annex 2**. It suggests possible indicators to measure progress at goal, outcome and output levels. The next step will involve refining this framework, ensuring that chosen indicators are not only meaningful, but also measurable, and then setting annual targets.

In the first phase of the M&E framework, data on sector-wide output-level indicators, targets and baselines will be collected and used. More challenging will be tracking sector-wide outcomes that can be meaningfully attributed to social protection programming. Given that no dedicated longitudinal sector-wide evaluation is proposed, measurement of progress at outcome level is likely to be dependent on including social beneficiary tags within ongoing Government surveys. The sector will work with the Central Statistical Agency on the possibilities of: tagging social protection programme beneficiaries within national poverty, welfare and demographic and health surveys; introducing a panel component into those national surveys which do not currently have one; and over-sampling in areas where social protection interventions are first rolled out. This would enable longitudinal as well as cross-sectional analysis of sector-wide outcomes.

## **5.5 Timeframe and assumptions**

Following endorsement of the strategy document by the GoE, the immediate next steps will be to develop and implement action plans at federal, regional and wereda levels. Implementation will be monitored regularly, and a mid-term review/evaluation will inform update of the plans. There will be an evaluation and impact assessment after which the strategy will be revised for a second phase. Indicative timeframe for this process is as follows:

**Table 7: Indicative timeframe and assumptions for the implementation of the social protection system**

|     | <b>Milestone</b>   | <b>Timeframe</b> | <b>Assumptions</b>  |
|-----|--|------------------|---|
| 1.  | Strategy approved by the Government of Ethiopia  | June 2016        | The political commitment demonstrated for the policy formulation process will continue  |
| 2.  | Coordination mechanisms at all levels put in place   | July-Dec 2016    | Stakeholders sufficiently sensitised/ knew the incentives for collaboration and ready to work together  |
| 3.  | Action plan or investment framework at federal and regional levels prepared                                      | July-Dec.2016    | MoLSA finds competent facilitators of this process  |
| 4.  | A system for developing social workers/work force put in place   | July-Dec.2016    | TVETs and other higher learning institutions have the necessary capacity and flexibility to train social workers  |
| 5.  | Permanent Direct Support component transferred to MoLSA  | July 2016        | The required minimum capacity for MoLSA will be met at all levels   |
| 6.  | Single Registry System (SRS) developed and piloted   | 2017-2018        | Competent designers of social protection MIS in general and SRS in particular will be available<br><br>Other owners of data on social protection/social security and safety nets will work together |
| 7.  | Training on various aspects of managing the SRS at all levels given  | 2017-2018        | Competent trainers in managing SRS and social protection MIS will be available  |
| 8.  | Nationwide MIS for the whole social protection system developed  | 2019-2020        | Competent designers of social protection MIS will be available  |
| 9.  | Data analysis skills in weredas and regions strengthened (either through training or recruitment of specialists) | 2019             | Competent trainers in managing SRS and social protection MIS will be available  |
| 10. | Data input capacity at wereda level Strengthened   | 2019             |   |
| 11. | Social protection services delivered at scale  | 2020             |   |
| 12. | Mid-term review and adjustment/update of implementation plan   | 2022             |   |
| 13. | Action plans revised   | 2023             |   |
| 14. | Strategy evaluated/impact assessed   | 2024             |   |
| 15. | Second National Social Protection Strategy (NSPS II) formulated  | 2024             |   |
| 16. | NSPS II goes into operation  | 2025             |   |

## SECTION 6: FINANCING THE STRATEGY

The implementation of the social protection strategy requires substantial investment. The investment framework that will follow the development of this strategy will make the financial requirement and the exact sources explicit. The investment framework will also prioritize the basic social protection services and allocate budget progressively. The purpose of this section is to define the fiscal space for social protection and give broad indications of sources and elements of cost of social protection.

### 6.1 Defining the fiscal space for social protection

Fiscal space for social protection is a measure of government commitment to the sector. There are a number of ways of measuring this commitment. Three are given as examples:

**First**, the share of social protection funding in the GDP.<sup>45</sup> The range of formal and community-based social protection provisions outlined in **Section 2.3** are funded from various sources including government, non-government, contributions, communities and in some cases individual philanthropists. In the absence of detailed expenditures on all these mechanisms, for illustration purposes, the budget of three major social protection provisions are used – public sector contributory social security, rural and urban PSNPs.<sup>46</sup>

Accordingly, the annual budget for Rural PSNP IV and Urban PSNP are estimated to be USD 600 million and USD 98.7 million, respectively.<sup>47</sup> The sum of these is about USD 700 million (equivalent to Birr 14 billion). Every year, the Government pays out close to Birr 2.0 billion for the contributory social security (see Section 2.3.2.3 above). The sum of these three is about Birr 16.0 billion which is about 1.43 percent of GDP for 2013/14<sup>48</sup>. This is below the current Sub-Saharan Africa average of 2.8 percent.<sup>49</sup>

**Second**, another way to estimate (the theoretical) cost of social protection is to calculate the aggregate poverty gap: the total poor people that fall below the poverty line and the amount required to lift everyone above this line, assuming zero administrative costs, perfect targeting and universal coverage of the poor. The aggregate poverty gap is the poverty gap index, multiplied by the total population and the poverty line. Based on 2011 poverty data (the latest available poverty data), poverty line and estimated population, the aggregate poverty gap is 7.8 percent x 87 million x 3781 Birr (poverty line per year). This equals Birr 25.7 billion, which is equivalent to 5 percent of GDP for that year,<sup>50</sup> This is well above the current Sub-Saharan Africa average of 2.8 percent.

**Third**, share in annual expenditure is another measure of government commitment. In this regard, the Government has identified “pro-poor” sectors<sup>51</sup> that contribute to poverty

reduction and currently the annual spending on these stands at 70 percent. Encouraged by recent economic growth and positive projections, the government remains committed to sustaining inclusive and pro-poor development strategy over the coming years and address the poverty and unemployment challenges.<sup>52</sup>

However, these “pro-poor” sectors are not entirely for the poor alone let alone poorest of the poor. For example, a road network in rural areas is used both by the poor and the better off. Therefore, strictly speaking, investment in the “pro-poor” sectors is not purely social protection expenditure. As indicated above, among the social protection programs currently implemented and planned, the rural and urban PSNP and the social security payouts are by far the largest interventions and are perhaps good indications of expenditure on social protection in Ethiopia.

Overall, the Government has demonstrated political commitment to finance social protection and these rough calculations indicate that there is adequate fiscal space for financing social protection programs for the most vulnerable in the coming years.

## 6.2 Major sources of finance

Social protection is affordable because all governments (large or small; rich or poor) have an array of options to explore and expand the fiscal space and generate resources for social investments. These include: (i) re-allocating public expenditures; (ii) increasing tax revenues; (iii) expanding social security coverage and contributory revenues; (iv) lobbying for aid and transfers; (v) eliminating illicit financial flows; (vi) using fiscal and foreign exchange reserves; (vii) borrowing or restructuring existing debt and; (viii) adopting a more accommodative macroeconomic framework (Durán-Valverde and Pacheco, 2012; Ortiz, et.al. 2015).

In the present context, the investment in social protection has two broad categories:

- **On-going investments** –there are (*de facto*) social protection interventions of one kind or another financed by government, non-government and community-based structures such as CCCs and *iddirs*. The resource mobilising power of these community-based structures is particularly important. The private sector philanthropists also invest in social protection in one form or another. The investment framework or action plan will take all these into account while estimating investments in social protection. Counterfactual techniques will also be applied (e.g. what would it cost to provide decent burial for citizens if *iddirs* were not around?)
- **New investment** – this is investment for new activities/interventions suggested by the strategy and they will be costed and added to the on-going investment.<sup>53</sup>

Two further classifications are necessary to determine the exact financial requirement:

- **Contributory**—this is part of the social protection finance that the ultimate beneficiary partly contributes to during his/her life time and partly contributed by his/her employer (e.g. the on-going public and private sector employees' social security; social health insurance).
- **Non-contributory**—this is part of the social protection finance that the government pays entirely from taxation and other revenues (e.g. social pension, child benefits, disability allowance).

### 6.3 Issues for consideration in developing the financing strategy

**(i) Increasing efficiencies within the social protection sector** - Avoidance of duplication, consolidation of systems and reallocation of resources to those interventions demonstrated by evaluations to be the most effective - will also improve value for money in the sector. For example: improved targeting of health fee waivers and health insurance subsidies will enable more effective social protection support to be provided to the poorest at minimal additional costs. The sector will also consider whether there is a case for reallocating the Birr 1.6 billion per annum currently spent on grain subsidies to the financing of the urban safety net, which is expected to be more efficient in targeting the poorest.

**(ii) Creating sustainable mechanism to broadening the source** - Government financing will not be restricted to the federal budget: resourcing from regional/wereda budgets and from kebeles and communities will also be important. Government, CSOS, NGOs, businesses, religious entities and individuals will be encouraged to contribute to the Social Protection Fund (for businesses this will be in line with corporate social responsibility objectives), which will be administered by MoLSA and regional BoLSAs. Local resource generation is already taking place through Community Care Coalitions in some regions<sup>54</sup>.

**(iii) Cross-subsidisation** - Social protection resourcing needs depend largely on the extent and depth of poverty and vulnerability in a kebele/wereda where self-financing capacity is constrained. Therefore, it is understood that cross-subsidisation will prevail. If a section of society contributes to a fund but does not use it or use only partly in a given year, then the money could be used in areas where the needs are greater. Health and vehicle insurance are good examples. If a health insurance holder did not visit a hospital or vehicle insurance holder did not have an accident in a given year, then the Insurance company has the right to subsidise persons whose contribution may be inadequate.

**(iv) Population dynamics** - The demographic dividend is likely to increase the working population and broaden the tax base provided sufficient jobs can be created. Improved

access to health also means the number of older persons will increase and they need a system for contributing to funds that will take care of them when they are old and unable to work. This is an important consideration in social protection finance.

**(v) Means testing** - A long list of vulnerable groups are listed but not all may need immediate transfers. For example, retired public sector servants have social security and formal private sector employees have started contribution to a social security fund. The social protection system will primarily focus on those with no income to make end meet. For those earning some income, the system will employ means testing to check if the income covers their needs.

## **6.4 Next steps in developing the finance base for social protection**

The next step is to develop an action/investment plan taking the following into consideration:

- Taking stock of the on-going investments in social protection addressing directly the vulnerable groups outlined in the National Social Protection Policy and this strategy and along the lines of the five focus areas.
- Estimating cost of new investment as proposed in this strategy and elaborated in the action plans. and developing cost estimates for each focus area of the strategy by each region
- Forecasting the resources likely to be available from each of the sources of financing in each region, and identifying financing gaps
- In light of identified funding gap, taking decisions about prioritisation, speed of scale-up and sequencing of the interventions outlined in this strategy
- In light of regional differences in funding gaps, developing appropriate action plans and mechanisms for cross-subsidisation.
- developing appropriate financial management mechanisms for the sector, to ensure that available resources are efficiently managed and allocated to the most cost-effective interventions

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# Annex 1: Key Stakeholders

## Introduction

Thirty-six stakeholders are identified based on historical experience of who is doing what in social protection related interventions such as PSNP, cash transfers, social security, social insurance, and health fee waivers. The majority (25) are government institutions. The role of government ministries is partly informed by the Proclamation 916/2015 issued to define powers and duties of executive organs. Structures at federal levels are included and regional level action plans will define the regional and wereda level responsibilities. Roles of development partners are based on document review and various engagements (e.g. social protection platform). However, it should be noted that the roles defined here are only indicative and may be further elaborated.

1.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>Ministry of Labour and Social Affairs (MoLSA)</b>   |
| <b>Roles</b>                | As defined in Proclamation No 916/2015, MoLSA has two major roles. (i) maintaining industrial peace (employment, labour regulations/standards, workers' rights); and (ii) strengthening the social protection system to improve the social and economic wellbeing of citizens in general and the most vulnerable groups in collaboration with the concerned bodies. It will play an increasingly leadership and coordination role in social protection provisions. In the short term, it will take over the direct support component of both the rural and urban PSNP. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>   |

2.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>Public Servants Social Security Agency (PSSSA)</b>  |
| <b>Roles</b>                | Is responsible for managing contributory social security for public sector employees namely, the civil servant, the police and members of the defence force. It will continue to manage this fund and will play a major role in building the single registry system. |
| <b>Relevant Focus Areas</b> | <b>3</b>   |

3.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>Private Organizations Employees Social Security Agency (POESSA)</b>   |
| <b>Roles</b>                | is responsible for managing contributory social security for formal employees of private sector. It will continue to manage this fund and will play a major role in building the single registry system. |
| <b>Relevant Focus Areas</b> | <b>3</b>   |

4.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>The Ministry of Agriculture &amp; Natural Resources (MoANR)</b> |

|                             |  |
|-----------------------------|--|
| <b>Roles</b>                | Oversees the implementation of the major flag ship programs such as the Agriculture Growth Program, the Productive Safety Net Program, the Sustainable Land Management as well as agricultural extension services. In relation to social protection its major role will be to ensure that the rural poor and vulnerable benefit from a whole range agricultural research, technology and services. Coordinate activities relating to food security and job creation in rural settings. The concerned office of the Ministry will continue to share its wealth of experience in implementing the PSNP since 2005. |
| <b>Relevant Focus Areas</b> | <b>1,2,3 and 4</b>   |

5.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>The Ministry of Livestock and Fisheries</b>  |
| <b>Roles</b>                | Responsibility to promote expansion of extension and training services provided to farmers, pastoralist and urban communities in livestock and fish farming to improve the productivity of the sector. Responsibility for the implementation of livelihood component of PSNP in partner with MoANR. |
| <b>Relevant Focus Areas</b> | <b>1,2 and 3</b>  |

6.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>National Disaster Risk management Commission</b>  |
| <b>Roles</b>                | Accountable to the PMO, the Commission is responsible for providing early warning and coordinating response to disasters with a stronger horizontal and vertical coordination. Within the social protection system, its will play a major when the need arises to scale up DRM mechanisms. |
| <b>Relevant Focus Areas</b> | <b>1and 3</b>  |

7.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>Ministry of Finance and Economic Cooperation (MoFEC)</b>  |
| <b>Roles</b>                | MoFEC is responsible for national budget preparation, monitoring and reporting. It also negotiates with bilateral and multi-lateral donors on behalf of the Government. With respect to social protection, its major role will be to create and expand the fiscal space. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5 (Financing)</b>   |

8.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>National Planning Commission (NPC)</b>  |
| <b>Roles</b>                | NPC is responsible for preparing national development plans such as the Growth and Transformation Plan. It will consult with relevant institutions such as MoLSA in order to incorporate social protection issues in subsequent development plans. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5 (Planning)</b>  |

9.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>The Ministry of Women and Children (MoWC)</b>   |
| <b>Roles</b>                | The Ministry (and its relevant directorates) ensures that opportunities are created for women and children to participate and benefit from policies, strategies and development programs; identifies and eliminates discriminatory practices affecting women and children. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>   |

10.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>The Ministry of Health (MoH)</b>  |
| <b>Roles</b>                | Among its powers and duties, two are most relevant to the social protection strategy: (i) support the expansion of health service coverage and (ii) lead the national social health insurance system and follow up its implementation. |
| <b>Relevant Focus Areas</b> | <b>3, 4 and 5</b>  |

11.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>The Ethiopian Health Insurance Agency (EHIA)</b>   |
| <b>Roles</b>                | Manages the contributory social health insurance for formal employees and the community-based health insurance. The latter is also contributory but based on estimates of asset and expenditure at household level. It will play a major role in building the single registry system. |
| <b>Relevant Focus Areas</b> | <b>3</b>  |

12.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>The Federal HIV/AIDS Prevention and Control Office (HAPCO)</b>  |
| <b>Roles</b>                | Implements the multi-sectoral strategy on HIV/AIDS. It advises Government and other agencies on the most appropriate care and support as well as livelihood interventions for people living with HIV, people affected directly or indirectly and at risk people. |
| <b>Relevant Focus Areas</b> | <b>4</b>   |

13.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>The Ministry of Education (MoE)</b>  |
| <b>Roles</b>                | As per its mandate, MoE will continue to work on increasing access and quality of education. It will work with MoLSA and other stakeholders on how best to accelerate education access for children and adults with special needs; and lead on school feeding programs. |
| <b>Relevant Focus Areas</b> | <b>4</b>  |

14.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>Technical Vocational Education and Training</b>  |
| <b>Roles</b>                | The TVETs has a vision of creating competent and self-reliant citizens to contribute to the |

|                             |  |
|-----------------------------|--|
|                             | economic and social development of the country, thus improving the livelihoods of all Ethiopians and sustainably reducing poverty (MoE, 2008). It will work very closely with MoLSA and others to ensure the vulnerable groups identified in this strategy will benefit from skill development programs. |
| <b>Relevant Focus Areas</b> | <b>2,4</b>   |

15.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>The Ministry of Urban Development and Housing (MUDHo)</b>   |
| <b>Roles</b>                | In addition to its core mandate of promoting sustainable urban development, the Ministry is responsible for addressing food insecurity, poverty and vulnerabilities in urban areas. It will ensure food security and job creation in urban settings. It is the primary implementer of the Urban PSNP in collaboration with MoLSA and other stakeholders. |
| <b>Relevant Focus Areas</b> | <b>1,2, ,4 and 5</b>   |

16.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>The Urban Job Creation and Food SecurityAgency (UFS&amp;JCA)</b>   |
| <b>Roles</b>                | Is responsible for the livelihoods component of the Urban PSNP in close collaboration with MoLSA, State Ministry for Food Security and Rural Youth Job Creation and others. |
| <b>Relevant Focus Areas</b> | <b>1 and 2</b>  |

17.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>The ministry of Construction</b>   |
| <b>Roles</b>                | The ministry is responsible to ensure the availability of appropriate organizational set-up, system and human resources required for the implementation of building codes and standards in the cities; and follow up and support the implementation of the same. This will enhance access basic services for persons with disability. |
| <b>Relevant Focus Areas</b> | <b>4</b>  |

18.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>The Ministry of Justice (MoJ)</b>  |
| <b>Roles</b>                | The MoJ leads on security and access to justice for vulnerable populations, including legal aid and investigation of cases of GBV and has two offices that are most relevant to the present strategy (see below). |
| <b>Relevant Focus Areas</b> | <b>5</b>  |

19.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>The Federal Supreme Court Child Justice Office</b>  |
| <b>Roles</b>                | The Office coordinates referral system through which child victims of violence get different psychosocial services, such as shelter, counselling and medical assistance. |
| <b>Relevant Focus Areas</b> | <b>5</b>   |

20.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>Ministry of Public Service &amp; Human Resource Development</b>  |
| <b>Roles</b>                | As per its mandate of developing and implementing strategies for continuous human resource development of executive organs, it will work with MoLSA to develop the social workforce and their career development. The ministry is mandated to decide on request for authorization of retention of public servants in service beyond retirement age. Enforcement and follow up the employment opportunity for persons with disability in coordination with MoLSA |
| <b>Relevant Focus Areas</b> | <b>2,3 and 4</b>  |

21.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>Ministry of Federal and Pastoral Affairs</b>  |
| <b>Roles</b>                | In the context of social protection, the Ministry in collaboration with concerned organs coordinate activities carried out in pastoralist areas to reduce poverty as well as avoid drought vulnerability |
| <b>Relevant Focus Areas</b> | <b>1,3,4 and 5</b>   |

22.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Government</b>   |
| <b>Name of Institution</b>  | <b>Ministry of Youth and Sport</b>  |
| <b>Roles</b>                | As per its mandate of ensuring that opportunities are created for the youth to actively participate and benefit from social and economic activities, it will work with MoLSA and others to ensure the most vulnerable youth are included in skill development programs. |
| <b>Relevant Focus Areas</b> | <b>2 and 4</b>  |

23.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>Government Communications Office</b>  |
| <b>Roles</b>                | Government Communications Offices at all levels will play important roles in disseminating social protection messages, facilitating forums, and documenting best practices. The will work very closes with the media in fulfilling their responsibilities. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>   |

24.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Government</b>  |
| <b>Name of Institution</b>  | <b>House of People's Representative/House of Federation</b>  |
| <b>Roles</b>                | Members of both Houses will follow up the effective implementation of social protection interventions in their constituencies. The Parliamentary Standing Committee for Social Affairs (PSCSA) has the mandate of hearing progress reports on program implementation; visits institutions, projects and programs related to the social sector to observe performance and offer advice on effectiveness, accountability and transparency. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>   |

25.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Development Partners</b>   |
| <b>Name of Institution</b>  | <b>Development Partners</b>   |
| <b>Roles</b>                | Bilateral and multilateral development partners and UN organisations (e.g. the World Bank, DFID, UNICEF, ILO, WFP, USAID, Help Age and others) have been active members of the National Social Protection Platform and will continue to provide technical and financial assistance to the implementation of the strategy. |
| <b>Relevant Focus Areas</b> | <b>1.2.3.4 and 5</b>  |

26.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>CSO</b>  |
| <b>Name of Institution</b>  | Associations/Federation of PWD  |
| <b>Roles</b>                | <p>There are six national associations focusing on the major types of disabilities and one federation. Their aim is to empower persons with various forms of disabilities and their families for an independent life, and to facilitate and ensure their full inclusion and participation in the society, in particular by raising public awareness of their unique disability, promoting the use of appropriate approaches and promoting the improvement of services and facilities for persons with disabilities.</p> <p>The principal aim of the federation is to raise the awareness of the public about issues of disability and engage in policy and strategy issues concerning disability. Both individual associations and the federation are principal stakeholders because of their in-depth knowledge of the needs of persons with various disabilities.</p> |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>  |

27.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>CSO</b>  |
| <b>Name of Institution</b>  | <b>Ethiopia Employers Federations</b>   |
| <b>Roles</b>                | These associations will continue working with MoLSA to facilitate peaceful industrial relations between workers and employees in the formal sector thereby enhancing labour productivity. |
| <b>Relevant Focus Areas</b> | <b>1,2,3 and 5</b>  |

28.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>CSO</b>  |
| <b>Name of Institution</b>  | <b>The Confederation of Ethiopian Trade Unions</b>  |
| <b>Roles</b>                | These associations will continue working with MoLSA to facilitate peaceful industrial relations between workers and employees in the formal sector thereby enhancing labour productivity. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,5</b>  |

29.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>CSO</b>  |
| <b>Name of Institution</b>  | Ethiopian Elderly and Pensioners National Association (EEPNA) |

|                             |  |
|-----------------------------|--|
| <b>Roles</b>                | <p>EEPNA aims to create an enabling environment and strengthen the operational capacity of member and non-member associations working on ageing and development endeavours to effectively plan and implement their programs targeted at their vision of supporting the older people.</p> <p><b>EEPNA aspires to see the rights and privilege of older people being attained and that all older people can fulfil their basic needs and have access to services and are able to participate in the socio-economic development of the country.</b></p> |
| <b>Relevant Focus Areas</b> | 1,2,3,4 and 5  |

30.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>NGO/FBO</b>  |
| <b>Name of Institution</b>  | <b>Various</b>  |
| <b>Roles</b>                | <p>These include individual actors such as HelpAge International, Save the Children, the EOC/DICAC, Islamic Relief and umbrella organisations such as CCRDA. Many of these organisations have considerable experience in implementing social safety nets including the PSNP in pastoral areas. Some have played important role in the development of the social protection policy and strategy as members of the platform. They will continue to play a pivotal role in the implementation of the strategy as funders, joint implementers, joint supervisors, and more importantly bringing international experience. Increased efforts will be made to bring faith-based organisations on board.</p> |
| <b>Relevant Focus Areas</b> | 1,2,3,4 and 5   |

31.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>CBO</b>   |
| <b>Name of Institution</b>  | <b>CCC/Iddirs</b>  |
| <b>Roles</b>                | <p>Social services will be provided through partnerships between the state, the community and civil society organisations. CCCs will play a key role in identifying the most vulnerable people, opening and maintaining files on each household, referring people to relevant service providers and following up on the outcomes. They will also play important roles advising/counselling vulnerable groups such as elders living alone, orphans and street children. <i>Iddirs</i> will continue to play their critical traditional role of covering funeral services and providing psychosocial support. They will be members of the CCC and will facilitate the work of other social protection actors. They will receive technical support to expand their roles.</p> |
| <b>Relevant Focus Areas</b> | 1,2,3,4 and 5  |

32.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Private Sector</b>   |
| <b>Name of Institution</b>  | <b>Various</b>  |
| <b>Roles</b>                | The private sector includes both individual and corporate philanthropists. Both will play roles in social protection of various forms such as caring for the elderly, PwDs, and orphan children. The Government encourages the development of sustainable philanthropy and corporate social responsibility. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>  |

33.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>Financial/Insurance Institutions</b>  |
| <b>Name of Institution</b>  | <b>Various</b>   |
| <b>Roles</b>                | Since 2010, financial institutions, MFIs in particular, have developed experience of providing financial service to PSNP clients. They will continue to play greater role in cash transfers within the framework of the social protection strategy. Insurance companies are experimenting with crop and livestock insurance for small holders. They will continue this piloting and scale up where feasible. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>   |

34.

|                             |  |
|-----------------------------|--|
| <b>Stakeholder category</b> | <b>National and international research &amp; academic institutions</b>   |
| <b>Name of Institution</b>  | <b>Various</b>   |
| <b>Roles</b>                | Public and private universities and colleges will be responsible for training the workforce needed to implement the strategy and subsequent programs and projects. National and international research institutions will assess the impact of social protection interventions. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>   |

35.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Media</b>  |
| <b>Name of Institution</b>  | <b>Various</b>  |
| <b>Roles</b>                | All forms of media (radio, TV, print and electronic) play significant roles in raising awareness on social protection and documenting best practices as well as practices that are not sustainable. Under this strategy, the media will receive technical support to continue to play these roles in an increasingly professional manner. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>  |

36.

|                             |   |
|-----------------------------|---|
| <b>Stakeholder category</b> | <b>Direct and indirect beneficiaries/clients of the social protection system</b>  |
| <b>Name of Institution</b>  | <b>N/A</b>  |
| <b>Roles</b>                | Beneficiaries/clients of the social protection system will use resources transferred in such a way that their dependence on these resources will gradually diminish and they become self-reliant. They will provide accurate information about their status to the monitoring and |

|                             |  |
|-----------------------------|--|
|                             | evaluation system. They also have the right to access information stored about them in an MIS system. All managers of such an information system will keep data about individuals confidential. The indirect beneficiaries are dependants of the direct beneficiaries or guardians of orphan children who are expected to manage the resources in the best interest of the direct beneficiaries. |
| <b>Relevant Focus Areas</b> | <b>1,2,3,4 and 5</b>   |

## Annex 2: Draft M&E Framework

| Objective Level   | Possible Indicators   | Sources for means of verification   | Justification  |
|---|---|---|--|
| <b>Goal</b><br><br><i>all Ethiopians enjoy social and economic wellbeing, security and social justice</i>   | <ul style="list-style-type: none"> <li>National poverty headcount</li> <li>Poverty gap index</li> <li>% of children &lt; 5 who are stunted</li> <li>Unemployment rate (disaggregated by sex and age)</li> </ul>   | <ul style="list-style-type: none"> <li>CSA Poverty Report</li> <li>DHS</li> <li>CSA Labour Force Survey</li> </ul>  | <ul style="list-style-type: none"> <li>Key poverty measure</li> <li>Key measure of the depth of poverty</li> <li>Child malnutrition key indicator of current and future deprivation</li> <li>Objectives of NSPP include addressing unemployment</li> </ul> |
| <b>Outcome</b><br><br><i>A social protection system is in place, consisting of a set of formal and informal interventions that reduce social and economic risks, vulnerabilities and deprivations for all people, and facilitate equitable growth</i> | <ul style="list-style-type: none"> <li>Number of social protection beneficiaries who move above poverty line (between reporting periods); disaggregated by sex and age</li> <li>Number / % of SP programme graduates who are still above poverty line 2 years later</li> <li>Poverty gap of SP beneficiaries</li> <li>Number of months of food insecurity amongst SP clients (household/individuals)</li> <li>% of children aged 6 months to 2 years fed in line with Infant and Young Child Feeding Practices (DHS) – <i>this captures dietary diversity and frequency of feeding</i></li> <li>% of individuals in SP beneficiary households who seek medical attention when sick</li> </ul> | <ul style="list-style-type: none"> <li>CSA Poverty Report</li> <li>Food Security Programme evaluation?</li> <li>CSA WMS Report</li> <li>DHS</li> <li>WMS</li> </ul> | <p>These are all key measures of deprivation and vulnerability in Ethiopia. In all cases, social protection beneficiaries would need to be tagged in the CSA surveys, in order for the proposed indicators to work as outcome indicators.</p>              |

| Objective Level                       | Possible Indicators   | Sources for means of verification  | Justification  |
|---------------------------------------|---|--|--|
| <b>Output Level – all focus areas</b> | <ul style="list-style-type: none"> <li>Number of households benefiting for an SP programme, disaggregated by: focus area and programme type; MHH/FHH</li> <li>Number of individuals benefiting from an SP programme, disaggregated by: focus area; age group (child/adult/elderly); PWDs. PLWHIV</li> </ul>   | <ul style="list-style-type: none"> <li>CCRS</li> </ul>   | This is a key indicator of coverage, relatively simple to measure for the system as a whole.   |
| <b>Focus Area 1</b>                   | <ul style="list-style-type: none"> <li>% of transfer beneficiaries who are eligible</li> <li>% of eligible who receive transfers</li> <li>% of beneficiaries receiving transfers within 15 days of due date</li> <li>Real value of transfers (track to ensure adequate and maintained over time)</li> <li>% of regional contingency and risk financing beneficiaries receiving support within x days of weredas receiving budget</li> </ul> | All these indicators would need to be tracked by each programme – and eventually collated in SP sector MIS   | <p>These indicators capture key dimensions of PSN programmes: targeting, timeliness, and adequacy.</p> <p>They also capture the functioning of the disaster risk management scale-up mechanisms.</p> |
| <b>Focus Area 2</b>                   | <ul style="list-style-type: none"> <li>Number of individuals receiving technical livelihoods support (disaggregated by gender)</li> <li>Number of individuals linked to employment opportunities (disaggregated by gender)</li> <li>Number of individuals still in regular employment 1 year after leaving scheme</li> <li>% of beneficiary households that hold savings</li> </ul>   | <ul style="list-style-type: none"> <li>MoANR reporting (on-farm livelihoods)</li> <li>MSE Agency reporting on off-farm livelihoods</li> <li>MoLSA and MSE Agency joint reporting</li> <li>Reports from partner MFIs</li> </ul> | <p>The first two indicators measure the direct outputs of interventions in this area.</p> <p>The second two are important in capturing important knock-on effects of these interventions.</p>        |

| Objective Level     | Possible Indicators   | Sources for means of verification  | Justification  |
|---------------------|---|--|--|
| <b>Focus Area 3</b> | <ul style="list-style-type: none"> <li>• % of population covered by mandatory social insurance</li> <li>• % of population covered by CBHI</li> <li>• Number of SP beneficiaries and recent graduates covered by weather indexed micro-insurance pilot schemes</li> </ul>  | <ul style="list-style-type: none"> <li>• POSSA and POESSA</li> <li>• MoH reporting and pilot evaluations</li> <li>• HARITA pilot programme evaluation and/or CCRS</li> </ul> | These are straightforward indicators of coverage.  |
| <b>Focus Area 4</b> | <ul style="list-style-type: none"> <li>• % of social safety net beneficiaries who are covered by subsidised CBHI and /or fee waivers (in areas with functional PSN programmes)</li> <li>• % of children of primary school age in social protection clients (individuals/households) who are enrolled in school (disaggregated by gender)</li> <li>• % of children with disabilities in social protection clients (individuals/households) who are enrolled in school</li> <li>• Number of PWDs accessing rehabilitation services</li> <li>• Number of weredas in which effective case management system established with clear referral protocols, social workers and community committees, and network of a CCRS edited specialist service providers.</li> </ul> | <ul style="list-style-type: none"> <li>• CCRS</li> <li>• MoWC/MoLSA reporting</li> </ul>   | <p>This measures the extent of coverage of PSN beneficiaries by health insurance/fee waiver coverage.</p> <p>The CCRS will capture school enrolments and monitor service access across the system.</p> <p>Coverage of rehabilitation services is a key challenge, and this indicator enables coverage to be tracked.</p> <p>The social work/case management system is essential to the delivery of both focus areas 4 and 5, so merits special monitoring.</p> |

| Objective Level     | Possible Indicators  | Sources for means of verification  | Justification   |
|---------------------|--|--|---|
| <b>Focus Area 5</b> | <ul style="list-style-type: none"> <li>• Number of cases of abuse/violence/exploitation reported to community committees/social workers</li> <li>• Number of vulnerable people receiving comprehensive support in the aftermath of abuse (medical, psychosocial, legal)</li> <li>• Specific improvements made to the legal protective environment</li> <li>• Improvements in knowledge and understanding of the rights of children and vulnerable adults and of the risks associated with child labour, child marriage and some traditional practices</li> </ul> | <ul style="list-style-type: none"> <li>• MoLSA/MoWC monitoring systems</li> <li>• MoJ reporting</li> <li>• Dedicated baseline and follow up surveys</li> </ul> | <ul style="list-style-type: none"> <li>• An increase in cases reported will be a positive indication of removal of barriers to reporting</li> <li>• Other indicators measure the outputs of key interventions in this area</li> </ul> |

## Endnotes

<sup>1</sup> See MoFED Poverty Summary, cited in Anderson et al (2014)

<sup>2</sup> According to the Humanitarian Requirement Document for 2016 (GoE, 2015), 10.2 million people need emergency food assistance; 5.8 million people with water, health and sanitation; and more than 2.1 million people with nutrition including 400,000 severely malnourished children costing \$1.4 billion. The document also identifies funding requirements for education, agriculture and livelihoods, emergency shelter and relief items, displacement, and targeted assistance for women and children.

<sup>3</sup> National Planning Commission, GTP II 2015.

<sup>4</sup> FDRE (2014) National Social Protection Policy, Addis Ababa.

<sup>5</sup> During the mapping and gap analysis, a number of definitions were reviewed and presented to the regional consultations as part of the awareness raising and generating ideas for the policy.

<sup>6</sup> These articles have several sub-articles that provide details on how the Government intends to meet its obligations (see FDRE, 1995 Sub articles 41/3-7 and 90).

<sup>7</sup> It is worth remembering that the feasibility study for establishing social development fund (Hiruy, 2011) was financed by Sunshine Construction Plc.

<sup>8</sup> These figures are from MoFED poverty assessment 2011 cited in Anderson et al (2014). Poverty headcount figures for 2014/15 not available because assessment not done.

<sup>9</sup> There are five nutrition specific interventions (1) early initiation of breastfeeding, (2) exclusive breastfeeding of infants under six months old, (3) continued breastfeeding up to 12 months, (4) vitamin A supplementation of preschool-age children, and (5) iron-folic acid supplementation of pregnant women for more than 90 days. Presently, Ethiopia is currently classified as having weak coverage of less than 50 percent (Global Nutrition Report, 2014).

<sup>10</sup> The Central Statistics Agency (CSA) projects population in three scenarios – high, medium and low – depending on various assumptions one of which is the trend in fertility rates. For a full explanation of the projections process see CSA (2013).

<sup>11</sup> The 2013 survey collected unemployment data in the standard, partially relaxed and completely relaxed measurements. After thorough evaluation and assessment of the results obtained using the three alternative and complementary measures; the rates obtained using the completely relaxed definition was found most plausible and hence selected for reporting.

<sup>12</sup> Many of these have been reviewed during the mapping and gap analysis that informed the policy and strategy development process.

<sup>13</sup> The desk review is separately documented. A comprehensive bibliography is annexed to this strategy document.

<sup>14</sup> For a comprehensive review of community based support mechanisms (also known as ‘traditional’ or ‘informal’) see Teshome (2012) in Devereux and Getu (2012).

<sup>15</sup> Rough estimates based on local knowledge in four localities in Ethiopia indicated that there are 10-20 *iddirs* per kebele; 10-15 *ikubs*; and 5-10 *mahiber/jamaha* (Teshome, et.al, 2014). Since there are over 17,000 kebeles in the country, for *iddirs* alone, one can estimate that there are between 170,000 and 255,000 *iddirs* in the country.

<sup>16</sup> Zewge Ayele (2004) and Dercon et.al, (2006).

<sup>17</sup> Psychosocial support addresses the psychological impact of stressful events experienced in emergencies and other personal shocks such as death in the family. It facilitates the reconstruction of local social structures or norms that may have been weakened by the shock (According to Binega, 2014) *Iddirs* have been giving appropriate and effective support to those suffering from loss of loved ones for centuries. This role has recently been extended to supporting orphans and PLWH and can further be extended to supporting elders who leave alone,

<sup>18</sup> Zewge Ayele (2004) *ibid*

<sup>19</sup> See Mamo Hebo (2013).

<sup>20</sup> In some regions, these are supported by legal framework. In Amhara, for example, the regional government has issued Regulation No 92/2012 that governs the establishment and management of CCC. The regulation outlines the objectives of CCC, powers and duties of the Steering Committee at all levels. The members of the committees are government and civil society organisations in the region.

<sup>21</sup> See Binega Haileselassie (2014)

<sup>22</sup> MoANR (2015) First Quarter Report, Food Security Coordination Directorate, Addis Ababa (የ2008 የመጀመሪያው ሩብ ዓመት ሪፖርት (በእርሻና ተፈጥሮ ሃብት ሚ/ር የምግብ ዋስትና ማስተባበሪያ ዳይሬክቶሬት))

<sup>23</sup> World Bank (2015)

<sup>24</sup> Interview with PSSSA focal person.

<sup>25</sup> Interview with POESSA focal person.

<sup>26</sup> Honkanen (2013)

<sup>27</sup> Access to clear and safe water is defined as supply of about 15 liters per capita within a distance up to 1.5 km for rural and about 20 liters per capita within a distance of 0.5 km for urban population (Water sector GTP II)..

<sup>28</sup> See Hallward-Dreimeier and Gajigo (2011).

<sup>29</sup> See Coll-Black et al (2011).

<sup>30</sup> This is not yet finalised and will be worked out in collaboration with the relevant PSNP coordinators.

<sup>31</sup> See MoA (2014) PNSP IV PIM page 43.

<sup>32</sup> From Hashemi and de Montesquiou (2011).

<sup>33</sup> ‘Right holders’ are citizens entitled to a given service. ‘Duty bearers’ are service providers at various levels of administration.

<sup>34</sup> CSA and World Bank (2013) op cit

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<sup>36</sup> Whereas the PSNP targets for direct support only those poor households that have no labour, the pilot Social Cash Transfer programme extended eligibility to include single headed households with more than three dependents (who under the PSNP would be eligible for public works).

<sup>37</sup> In the past, FTCs have been supported projects such as World Bank financed Rural Capacity Building Project (RCBP) and the Improving Productivity through Market Success (IPMS). However, there are only a handful of FTCs that claim to have become rural information centres.

<sup>38</sup> The World Bank (2010) estimates that about 14percent of the adult population (5.4 million) receives regular remittance mounting to US\$ 3.2 billion a year (about US\$ 600 per person).The age distribution of the recipients shows that 64percent goes to those aged 18-34 whereas 5percent goes to the over 65. The female population gets 45percent of the remittance and the rural population gets 65percent.

<sup>39</sup> A study by Wolday and Tekie (2014) indicated that about 71.3 percent of the sample households (74.8 percent urban and 70.1 percent rural) preferred savings compared to loan and insurance products. Further disaggregation by livelihood status shows that 39.3 percent of the sample in pastoral areas preferred loans while 12.2 percent of chronically food insecure households preferred insurance products.

<sup>40</sup> In this regard, Ethiopians have a long tradition of respect for the elderly, PwD and pregnant women to the extent that they leave seats for such persons on public transport and other service stations. *Anbesa* Public Bus service in Addis Ababa and its surroundings has posted stickers on the buses that encourages passengers to build on this tradition and vacate seats for someone who needs it most (i.e. older persons, pregnant women, PwDs).

<sup>41</sup> For example, the Yekokeb Berhan project for OVCs and the emerging Centralised Targeting Arrangement for providing social services to vulnerable children in Addis Ababa.

<sup>42</sup> Data presented in Table 6 earlier showed that only Tigray has 100percent coverage and the average for the country is only 9 percent.

<sup>43</sup> The federal system categorises Ministries into three categories, depending on the perceived importance of their mission to the development of the country. Presently, MoLSA, the lead social protection ministry is in the third category. However, it should be noted that this categorisation is not static. Ministries that were third in a given period may climb up if the priority changes.

<sup>44</sup> There will be differential grading of social work posts and hence different requirements in terms of experience and qualifications (from TVET to post-graduate level), as well as a range of specialisms. These details are currently being worked out as part of workforce planning.

<sup>45</sup> Although there are variations, spending on social protection in Africa is low by international standards, sub-Saharan spending the least (2.8 percent of GDP) and these low levels of spending on social protection are hindering poverty reduction across the continent (World Bank, 2012).

<sup>46</sup> It is expected that detailed budget estimates for the social protection system will be made for the development of action plans/investment frameworks.

<sup>47</sup> PSNP IV is estimated to cost USD 3.2 billion over five years and the Urban PSNP is estimated to cost USD 489 million over five years. Annual cost of each is obtained by dividing the total by 5.

<sup>48</sup> According to official figures from MoFED quoted in EEA (2015), Ethiopia's GDP stood at Birr 1.047 trillion for the fiscal year 2013/14. The sum of the urban and rural PSNPs is about USD 700 million a year which is equivalent to Birr 14 billion at current exchange rate. Add to this the Birr 1.87 billion social security payout one gets Birr 15.87 billion which is roughly 1.43 percent of the GDP (Birr 1.047 trillion).

<sup>49</sup> World Bank (2012). For an in-depth analysis of transitioning the PSNP and HAPB from program-based to an on-budget system see Amin Abdella (2014).

<sup>50</sup> 2011 GDP was 503 billion birr, according to World Economic Outlook data at [www.econstats.com](http://www.econstats.com)

<sup>51</sup> These are agriculture, education, health, roads and water.

<sup>52</sup> National Planning Commission (2015). The World Bank (2012) also observes that Africa's recent and future economic growth has created some of the *fiscal space* needed to increase social protection coverage. As economies have grown in recent years, the amount of spending allocated to social protection as a share of GDP has also grown. The increased fiscal room to finance social protection initiatives from domestic budgets is clear in the examples of the social grants in South Africa and Lesotho.

<sup>53</sup> There are investments frameworks developed for the agriculture sector (MoANR 2010); and disaster risk management from which lessons can be drawn from these.