



Enhancing social protection systems to foster rural development and food security



1. What are the key challenges for enhancing social protection systems at country level?

Social Protection contributes to rural poverty reduction, food security and resilience

While the global share of people living in poverty and extreme poverty have declined over the past three decades, almost one billion still live in extreme poverty and almost 800 million are chronically undernourished. 78 percent of those people live in the rural areas.

Social protection has been recognized as an effective measure to reduce poverty and food insecurity and foster rural development. The expansion of social protection systems to all, particularly the poorest and most vulnerable, is one of the proposed targets of the new Sustainable Development Goals. Evidence clearly shows the positive impacts of social protection, especially on poor and vulnerable rural households. In addition to removing financial and social barriers to access social services (education, health, nutrition and other), social protection can also:

- Reduce poverty by directly providing income or productive support to poor and vulnerable households.
- Improve food security by providing direct and immediate access to increased quantity, quality and diversity of food.
- Remove liquidity and credit-constraints to allow poor small family farms to actively engage and invest in more productive and profitable agricultural activities;
- Foster local economic development by stimulating and increasing demand for food and other goods and services;

- Increase labour productivity, employability and income by increasing access to education and health services and improved nutrition
- Reduce negative coping mechanisms such as eating less or fewer meals or selling off productive assets; and
- Foster sustainable management of natural resources.

Taken together, social protection can contribute to strengthening resilience by breaking the vicious cycle of increased vulnerability to poverty and exclusion, and greater exposure to shocks. Access to predictable and regular social protection can enhance the capacity of

Box 1: Unconditional cash transfer programmes and unconditional in-kind transfer programmes

Unconditional cash (UCT) or in-kind (UIT) transfer programmes foresee transfers without any particular obligations on the part of beneficiaries. UCTs can generate a broad range of impacts on the productive and economic activities of both beneficiary and non-beneficiary households in the communities where the programmes are implemented. In place of conditions, some programmes include specific messaging recommending how transfers should be spent. For example, the Lesotho Child Grant Programme (CGP) had especially strong messaging on expenditures on children's clothes, shoes and related expenses, which is claimed to have resulted in particularly large impacts on these expenditures (Pellerano et al., 2014). Often, these types of transfer are targeted at vulnerable demographic groups, such as the elderly (social pensions), orphaned children or schoolchildren. There are about 130 UCTs, 37 of which are social pension programmes. These programmes are most common in Africa (41 countries), Eastern Europe and Central Asia (29 countries), and Latin America and the Caribbean (28 countries). There are 92 countries with UITs, most of which are in Africa (42) and Latin America and the Caribbean (24). The largest UCT is China's Di-Bao (75 million beneficiaries), followed by India's Indira Gandhi National Old-Age Pension Scheme (21 million). The largest UITs are Turkey's Gida Yardimi (9 million) and Mexico's milk grant benefit (6 million).

households and communities to cope with, respond to and withstand natural and man-made disasters, including those related to climate change.

Yet, despite global, regional and country level commitments to expand social protection coverage, these still need to be translated into concrete investments to ensure that social protection effectively reaches the rural poor and vulnerable. The FAO 2015 report on State of Food and Agriculture conservatively calculates that about 2.1 billion people receive some form of social protection. However, coverage is lowest in regions where poverty incidence is highest. In sub-Saharan Africa and South Asia only about 20 and 30 percent, respectively, of the poorest receive some social assistance.

Key lessons from design and implementation

The impact of social protection is highly dependent on their design and effective implementation. Some of the key lessons learned from country experience, include:

Effective reach of vulnerable populations: Social protection interventions use a combination of targeting methods to deliver benefits to selected households or individuals. Much of the success of social protection programmes depends on how these instruments are able to effectively reach intended beneficiaries. In other words, the eligibility criteria will influence the type of impacts that can be expected, and this criteria should be transparent and effectively communicated to beneficiaries.

Size, timing and predictability of social protection: Predictable and regular social protection is necessary for beneficiaries to be able to plan consumption over time, manage risks more effectively, and increase confidence and creditworthiness. In addition, the size of the transfer would determine changes in food consumption, as well as economic and productive impacts. Evidence shows that cash transfers, for example, should constitute at least 20 percent of per capita household income.

Linking to agriculture interventions: Rural households face multiple constraints. A majority of the food insecure and poor in rural areas earn their living

from agriculture and natural resources. Social protection has proven successful in reducing hunger and poverty, in meeting basic consumption needs and in reducing some of the market failures faced by smallholders. But social protection alone cannot address all of these constraints. Agricultural interventions can promote growth in smallholder productivity by addressing structural constraints that social protection cannot and that limit poor households' access to land and water resources, inputs, financial services, advisory services and markets. Stronger and well-coordinated agricultural and social protection interventions can help protect and promote the welfare of poor small family farmers, leading to more sustainable livelihoods, rural development and progress out of poverty and hunger.

Box 2: School feeding programmes and Purchase from Africa for Africa (PAA)

The design and implementation models of school-feeding programmes vary greatly from country to country. Many school-feeding programmes are combined with programmes to purchase food from local farmers, with the aim of promoting rural development as well as social protection.

Brazil was the first country to develop an institutional food procurement programme by connecting guaranteed demand for small family farm produce with a food security strategy. The Brazilian experience is being adapted to the African context through the Purchase from Africans for Africa programme. FAO in collaboration with WFP, and DFID is supporting African governments to develop home-grown school feeding programmes and linking farmers to those markets.

Markets: the nature of the local economy is also a critical element for the type and extent of the productive impacts of social protection programmes. Impact evaluations show that where markets are more developed, the effects of social protection interventions on livelihood strategies tend to be stronger.

Improve country capacity: Eradicating world hunger in the next fifteen years will require investments in rural and urban areas as well as commitment to social protection in order to ensure access to food and improved livelihoods. It is therefore crucial to build capacities of countries to foster and develop the key elements for sustainable rural development where social protection goes hand in hand with agricultural and rural development planning.



2. How does FAO help countries meet these challenges?

FAO's contribution to the global, regional and country agendas on strengthening and expanding social protection systems

FAO will contribute from its unique vantage point on the nexus of social protection, agriculture, rural development and food security and nutrition. FAO aims to join efforts with partners to strengthen government capacities in designing, implementing and monitoring social protection systems that benefit rural households and those dependent on rural livelihoods. FAO will also support the establishment, together with partners, of needed linkages with wider rural and agricultural development and food security and nutrition efforts.

In practice FAO's work on social protection is being implemented through these main activities:

Policy dialogue: FAO supports governments and stakeholders at country level in integrating social protection in national development and food security strategies. For example, in **West Africa** and the **Sahel**, the governments of Burkina Faso, Chad, Niger and Senegal have requested assistance in promoting the social protection agenda in the country in support of vulnerable populations in rural areas. FAO is currently carrying out policy and programme reviews in each country to assess the synergies between social protection, agriculture and rural development.

FAO is also working in partnership with other UN agencies, to ensure the involvement of agricultural stakeholders in social protection policy-making and implementation so as to ensure that these policies address the needs of poor rural households. One example of this was the high-level government consultations in **Kyrgyzstan** under the ILO-led Social Protection Assessment-Based National Dialogue (ABND) to establish a nationally defined social protection floor.

In **Zambia, Kenya** and **Lesotho**, FAO has joined UNICEF, in supporting the expansion of national social cash transfer programmes, contributing to strengthening

the economic cash for social protection. In **Malawi** through the Interagency Resilience Programme (UNDP, UNICEF and WFP), FAO is facilitating policy dialogue on strengthening the linkages between agriculture and social protection, by evaluating the impact of combined interventions and improving coordination in the programme implementation at both national and district levels.

Evidence generation: FAO generates evidence on the productive impacts of social protection and the value-added of combined agricultural and social protection interventions in improving household resilience and food security and reducing poverty. FAO is evaluating the impact of combined social protection and input subsidy interventions in **Malawi**, and is exploring the interaction between social protection and climate-smart agriculture practices. In **Lesotho**, FAO evaluated the impact of combining a home-gardening intervention with the national Child Grant Programme.

Advocacy: FAO disseminates knowledge and promotes the exchange of experiences and good practices

Box 3: Making the difference at country level

The From Protection to Production (PtoP) programme, jointly implemented by FAO and UNICEF, is contributing to the generation of solid evidence on the impact of cash transfer programmes in Sub-Saharan Africa. PtoP seeks to understand the potential effects of such programmes on food security, nutrition, as well as their contribution to rural livelihoods and economic growth at household and community levels in Ethiopia, Ghana, Kenya, Malawi, Lesotho, Zambia and Zimbabwe.

Evidence produced by the PtoP team has stimulated interest in synergies with agriculture, as a means to supporting inclusion and livelihood promotion. For example, findings in Zambia challenged the perception of cash transfers as mere handouts by demonstrating that these increased human capital and productive impacts. This allowed the Ministry of Community Development to cite the programme as an 'engine for inclusive growth', which fit well with the policy agenda of the new government. In Ghana, in his budget speech in July 2014, the President used PtoP evidence of the multiplier effects of cash transfers to justify continued financial support to the LEAP cash transfer programme.

By focusing on productive impacts, FAO has succeeded in broadening the scope of actors interested in social protection so that these do not only include the social welfare sector but also Ministries of Finance and Ministries of Agriculture.





within and across countries to increase awareness on the effectiveness of social protection. Despite global recognition on the role of social protection for socio-economic development, questions linked with dependency, disincentives to labour, and negative impacts on gender dynamics are still visible in regional and country forums. FAO has shown that instead of creating dependency, social cash transfers were able to generate economic and productive impacts even among the labour constrained. Thus, it contributed to changing the national policy narratives around social protection, to increasing interest and buy-in from top levels in governments and ultimately to scale up cash transfers programmes. At the regional level, in particular in Africa, FAO has also been supporting and stimulating multi-stakeholder dialogue on the need for greater coherence between agriculture and social protection.

Partnerships: FAO acknowledges that partnerships are essential and crucial for its work in social protection. That is why it is facilitating and building strategic partnerships at global level as well as with regional bodies and country stakeholders. Some of FAO's main partners include ILO, UNICEF, the World Bank, WFP and WHO. FAO is an active member of the Social Protection Inter-Agency Cooperation Board (SPIAC-B), where it is leading the development of a food security and nutrition-specific diagnostic tool for social protection systems.

Special attention is also being paid to fostering South-South cooperation. FAO is facilitating the exchange of knowledge and experiences among developing countries in the formulation, implementation and evaluation of social protection programmes in rural areas.

3. Why partner with FAO?

FAO's mission focuses on eliminating hunger, reducing rural poverty, making agriculture more productive and increasing the resilience of rural livelihoods. Evidence has clearly shown that bigger impacts are achieved when social protection is articulated with production interventions in a strategy for rural development.

FAO can play a crucial role as mediator and facilitator in the dialogue among the agriculture, social, natural resource management and resilience-related sectors. FAO has recently published the *2015 report on State of Food and Agriculture* which focuses on concrete ways of how agriculture and social protection can break the cycle of rural poverty.

FAO can strengthen the economic case for social protection, showing how instead of fostering dependency, social protection contributes to the strengthening of livelihoods and resilience of beneficiaries and the communities where they live. Governments of member countries can take advantage of policy tools developed by FAO on how to both bring together agriculture and social protection, and how to strengthen the food security focus of social protection systems.

Ultimately FAO is working to identify specific social and economic needs and vulnerabilities of rural poor to make sure that these are included in the design of social protection programmes; and it is advocating for the effective reach of social protection to all poor rural households, in all agricultural sub-sectors, including fishery and forest-dependent communities.