

## Coordinating social protection and agriculture

### Initial thoughts on key issues

#### Why coordinate social protection with agriculture?

Social protection and smallholder agricultural policies are important poverty reduction strategies in developing countries, including in sub-Saharan Africa. However, little attention has been paid to the interaction between social protection and smallholder agriculture, and how this potentially improves rural livelihoods. Conceptually, social protection can help alleviate critical credit, savings and liquidity constraints and provide greater certainty thus enabling households to manage risks and engage in more profitable livelihood and agricultural activities. Further, as social protection alone may not be enough to sustainably lift rural households out of poverty, agricultural policies and programmes can be used to complement social protection as part of a strategy of rural poverty reduction. Empirical evidence demonstrates that social protection has positive impacts on agricultural production and livelihoods more generally, while smallholder agricultural interventions increase income and reduce vulnerability.

Therefore, both theory and empirical evidence suggest there are opportunities to exploit synergies that can strengthen livelihoods. This can be achieved by coordinating social protection and agricultural activities. While social protection and agriculture share the same geographic space and their target populations often overlap, the two sectors *operate independently, belong to different disciplines and have different norms and objectives*. As such, there is fragmentation of activities which could be coordinated to increase efficiency, improve policy coherence and institutions and subsequently produce a harmonized response that sustainably lifts rural households out of poverty. Coordinating the two sectors could also improve the design and implementation of targeting and graduation strategies. Policy support to countries on the adoption of more coordinated approaches can take the form of technical advice, capacity development and the use of relevant guidance material.

FAO's experience and expertise in promoting agriculture, food security and rural development makes it an ideal agency for supporting policy makers and practitioners on this issue. By working together with national government, civil society organizations, the private sector and development partners, FAO can provide support to developing capacities for strengthening coordination between social protection and agriculture.

#### What does coordination mean?

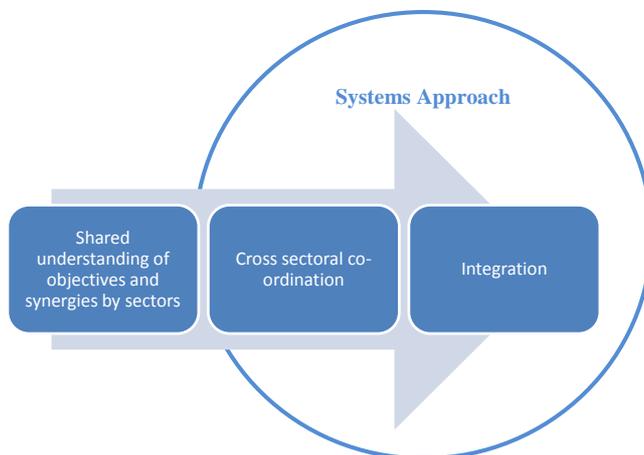
In the context of social protection and agriculture, co-ordination is when the different players in policy and programming processes related to social protection and agriculture work together with the aim of reducing vulnerability and alleviating poverty. There is no universal approach to how these actors should work together since this depends on a

number of factors including institutional capacities, issues to be addressed, size of the population to be reached etc.

Coordination varies by *intensity and operational and structural levels*.

*Intensity of coordination:* Looser and least complex forms of coordination could involve the sharing of knowledge and objectives between two sectors, while planning policies and programmes separately. Another option is for policies/programmes from the two sectors to be integrated such that these share unified objectives, planning of activities and combine resources. This form of coordination is more complex and usually takes place within a systems approach, under which coordination is more institutionalized and integrated within a systematic organization and delivery of policies across various ministries.

**Figure 1 Intensities of coordination**



*What coordinate?*

- i. Policies: where the policy and legal framework sets objectives and guiding principles that support intersectoral coordination
- ii. Programmes: where the design and implementation of programmes is coordinated.
- iii. Administrative systems: unified systems for targeting, beneficiary registration, payment mechanisms and/or monitoring and evaluation.

*Coordination along vertical and horizontal structures:* Horizontal coordination is experienced across ministries where social protection policies are complemented by activities across agriculture and other related sectors. Vertical coordination occurs along the hierarchy of government structures i.e. national, sub national and local.

## Who are the key actors and institutions?

### *Actors*

Key stakeholders for coordinating social protection and agriculture sectors are found both in and outside government:

- **Government**: Within government and at national level the key actors are the executive branch, social protection and agricultural ministries and other ministries such as the Ministry of Finance. At sub-national level, regional and local governments can play a role, depending on the institutional context.
- **Non-governmental**: At national level, donors play a vital role in financing and advocating for social protection and agricultural programmes. Civil society organizations are also a key stakeholder and partner to the government and donors at national, sub-national and local levels
- **Local communities and beneficiaries**: Villages, neighbourhoods and households are key stakeholders and contributor to the coordination process.

### *Institutional mechanisms*

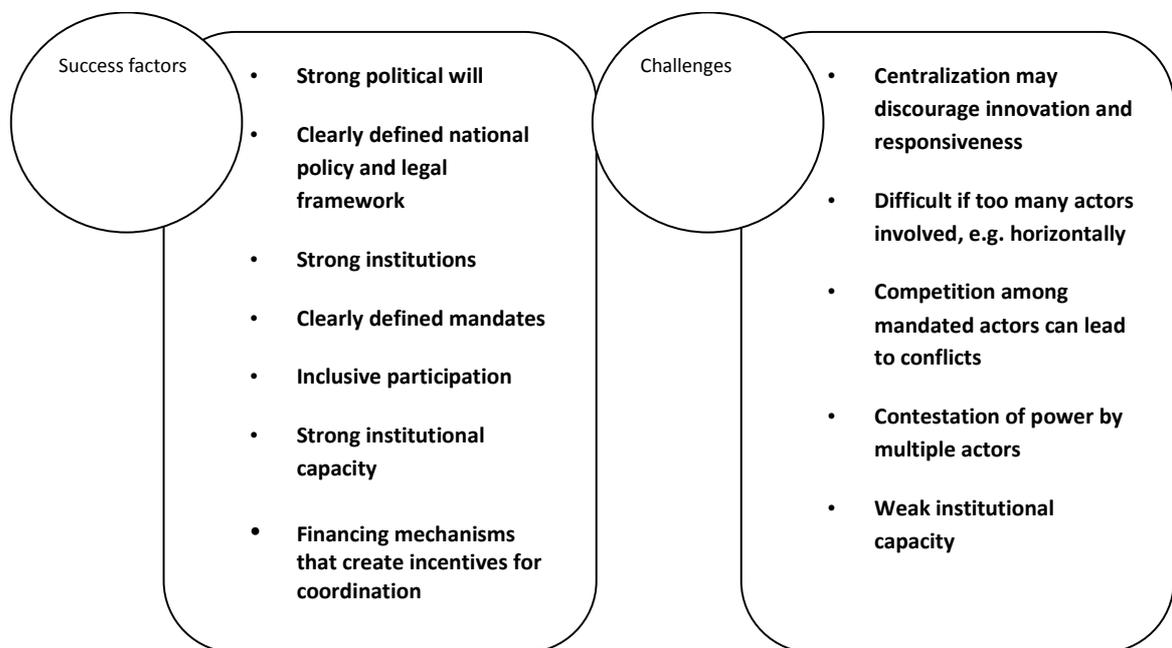
Key institutional mechanisms that enable the effective coordination of social protection and agriculture are:

- **Policy and legal framework**: A national policy framework that defines the objectives and goals of coordination between social protection and agriculture. A legal framework that ensures accountability and sustainability, providing stakeholders with legal recourse e.g. In Brazil, the National Law on Food and Nutrition security is a regulatory provision that established the institutional framework and systemic approach to coordinating inter-sectoral hunger reduction policies (which include social protection and agriculture).
- **Mandates**: Clearly defined mandates help avoid duplication and conflicts amongst actors. Key mandates include the management of coordination activities, and oversight. A coordinating entity must have sufficient and skilled human resources (institutional capacity) and clout to bring different actors together. Mandate is commonly assigned to a line ministry or ministerial department e.g. Rwanda's VUP which provides direct cash transfers, public works, microcredit and agricultural skills development, is coordinated by the Ministry of Local Government with input from the Ministry of Infrastructure, Ministry of Agriculture and Animal Resources, Ministry of Trade and Industry, Ministry of Natural Resources. The provision of oversight is usually carried out by another entity e.g. in Brazil, the office of the comptroller and randomly selected municipalities are involved in the auditing of Brazil's Zero Hunger Programme.
- **Decentralization and inclusive participation**: The participation and partnership of non-state actors and local communities validates the coordination process and fosters a sense of shared ownership. Participation of grassroots communities can be facilitated through decentralization. For example in Ethiopia, the woredas (villages) are strongly involved in the targeting and monitoring of the Food Security Programme components PSNP (public works) and HABP (complementary agricultural

support). However, inclusive participation may give rise to the continual contestation of power between government and non-state actors like donors.

- **Financing mechanism:** Coordinating social protection with agriculture can be cost effective and provide value for money. Financing mechanisms that clearly encourage inter-sectoral collaboration can enable effective coordination processes. Funding can be sourced from public, private and external sources. Countries like Rwanda and Ethiopia use both public and donor funding to fund their flagship programmes that link social protection with agricultural interventions i.e. Rwanda's Vision 2020 Umurenge Program and Ethiopia's Food Security Programme.

**Figure 2 Factors influencing the enabling environment for coordinating social protection and agriculture**



## Designing and implementing coordinated social protection and agricultural policies

Coordination involves collaboration and joint action by ministries that could see agricultural principles incorporated into the design of social protection interventions and vice versa. The choices of design and implementation modalities of policies/programs can lead to synergies and/or conflicts. There are several design and implementation issues to consider when coordinating social protection and agriculture.

Coordination can ensure the realignment and *consistency of objectives* in order to maximize synergies. The *type of instrument* chosen has implications on the economic behavior of beneficiaries. On one hand, positive changes in the spending behavior of beneficiaries would lead to multiplier effects in the local economy and even strengthen informal risk sharing networks. Conversely, there could be unintended adverse effects on beneficiaries and in the local economy. For example, conditionalities may force women to divert from productive work in order to comply with the conditions attached to cash transfers such as taking children to clinics. Food vouchers may constrain household investments and subsequently limit multiplier effects in the local economy, or they could weaken risk sharing networks by altering community dynamics and replacing informal transfers.

Coordination can allow the two sectors to harmonize the *timing of programmes and interventions* in order to exploit synergies. For example, complementary agricultural interventions can be simultaneously delivered to social protection beneficiaries or to non-beneficiaries in the same locale to take advantage of the increase in local demand. Alternatively, if social protection beneficiaries are extremely poor and labour constrained, complementary agricultural interventions can be implemented to the beneficiaries in the medium or long term after they have accumulated capital and savings. *Seasonality* is also another factor to consider when timing coordinated programmes. Poor households are vulnerable to the seasonal variation in agricultural labour demand and food prices, and therefore any social protection instrument would need to be appropriate and correctly timed to have maximum effect. Potential synergies with agriculture are negated when instruments like public works coincide with and divert from household farm labour requirements during the planting season, creating a trade-off between employing social protection for short term consumption needs and long-term returns to agriculture. Seasonal price fluctuations, particularly high food prices can reduce the purchasing power of a fixed cash transfer diminishing a household's ability to smooth consumption.

Under coordination, *targeting* of social protection and agricultural programmes can be unified into one management information system. This would increase the targeting efficiency and improve the monitoring of coverage. But, complications may arise from deploying a bigger targeting system, which is vulnerable to errors or failure. Sometimes the targeting criteria of social protection and agricultural programmes may contradict, especially if programme objectives are not consistent. For example, there may be fewer or small agricultural impacts among labour constrained households targeted by social protection schemes.

## Monitoring and Evaluation

Monitoring and evaluation (M&E) safeguards and ensures the effectiveness of coordination. M&E should be incorporated into the coordinating arrangements, which should include a common results framework, and is explicitly part of the policy mandate. The feedback obtained from the monitoring of the inputs, outputs, design and implementation process and evaluation of the impacts and cost-effectiveness, encourages responsive adjustments that improve coordination and effectiveness of the programs/policies.

Critical factors that improve M&E are:

- *Consistency and comprehensiveness:* Consistency in measurement/indicators and comprehensiveness lead to successful M&E for coordinated policies/programs in measurement/indicators
- *Financial and human resources:* Their availability determines the quality of M&E and the frequency of M&E activities.
- *A unified M&E system:* It allows the examination of diverse impacts. In Ethiopia, the Food Security Programme utilizes a unified M&E system which covers both the Productive Safety Nets Programme and the agricultural component, the Household Asset Building Programme.
- *Institutional responsibilities:* It should be clear which organization is responsible for coordinating M&E activities. In Ethiopia, trained staff from the coordinating entity of the Food Security Programme is responsible for coordinating M&E activities. There is vertical (decentralized) and horizontal (ministerial) reporting. Regular reports are prepared at the local level (woreda) and transmitted to the regional level and ultimately to the national coordinating entity.
- *Measuring synergies from coordination/integration:* There is still insufficient evidence of the actual synergies created by coordinating social protection with agricultural activities. Most studies conducted for such programmes in Brazil, Ethiopia and Bangladesh tend to mostly examine the separate impacts of social protection and complementary agricultural activities. Future research would need to be designed in a manner that provides clarity on the synergies from actual coordination or integration.

## Conclusion

Coordinating social protection with agriculture is a dynamic process that gradually develops over time, during which the levels of co-ordination and/or integration change. To establish strong and effective coordination between the two sectors, policymakers should take into account the financial and institutional capacities, set up a policy and legal framework, define mandates and encourage inclusive participation. However, it is also crucial that each country pursues an approach that is relevant and tailored to the existing institutional contexts and financial capacity.

### For more information:

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