SOCIAL PROTECTION FOR INCLUSIVE DEVELOPMENT

A NEW PERSPECTIVE IN EU CO-OPERATION WITH AFRICA

OVERVIEW

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The European Report on Development examines the need and potential for expanding social protection in Sub-Saharan Africa, as well as its feasibility and likely development impact. In contrast with the view that Sub-Saharan Africa cannot afford social protection, innovative approaches to building broad-based social protection schemes and systems have been promoted by African countries, and implemented with success across the region. Global post-crises uncertainty reinforces the need for measures that shield Africa's population against risks and shocks, and that reduce poverty and promote human development.

'Social protection for inclusive development' is a timely topic: interest in social protection has been growing, both in Sub-Saharan Africa and elsewhere. In the G20 'Seoul Development Consensus (2010)', growth with resilience was identified as a key pillar, with specific emphasis on social protection mechanisms that support resilient and inclusive growth. More broadly, a consensus is emerging that social protection is not only a right, but also an indispensable instrument in supporting progress towards achieving inclusive growth and the Millennium Development Goals. This momentum stems largely from the growing recognition that social policy is a crucial piece of the development puzzle, as affirmed in the African Union's 'Social Policy Framework for Africa (2008)' and 'Khartoum Declaration on Social Policy Action Towards Social Inclusion (2010)'.

In this context, this report provides an opportunity to take stock, learn from experience and suggest priorities for the European Union (EU) and its Member States. Social protection, at the very heart of the European social model, should become an integral part of EU development policies and its commitment to the social dimension of globalisation.

Box1: ERD definition of social protection

This report defines social protection as: "A specific set of actions to address the vulnerability of people's life ***through social insurance***, offering protection against risk and adversity throughout life; ***through social assistance***, offering payments and in kind transfers to support and enable the poor; and ***through inclusion efforts*** that enhance the capability of the marginalised to access social insurance and assistance."

This definition points to core functions: offering mechanisms to avoid serious hardship for the poor and non-poor alike in the face of serious risks, offering means to assist the poor in their attempts to escape poverty, and improving access to both for marginalised groups. Social protection is more than mere 'safety nets' that can cushion the impacts of serious crises: it is part of a comprehensive approach to getting people out of poverty, allowing them not only to benefit from growth, but also to productively take part in growth.

THE CASE FOR SOCIAL PROTECTION

Sub-Saharan Africa is a widely diverse region facing daunting challenges. It has immense economic and human potential, and in many of its countries the situation has improved markedly in the last decade. Governance and macroeconomic management are better. Growth and foreign investment are stronger. And poverty is starting to decline, alongside some progress towards the Millennium Development Goals. However, the macroeconomy remains vulnerable, and the region is burdened by countries in situations of fragility with recurring conflicts, persistent high levels of poverty, vulnerability to climate change and natural hazards, and overall low human development. Furthermore, progress has suffered a serious setback in the last two years, primarily due to the impact of the food crisis, exacerbated by the fuel and financial crises. Rising food prices and declining growth rates (from around 5% during 2000-08 to 2.5% in 2009) are likely to have slowed poverty reduction in many African countries. Although a return to a higher growth path now seems well under way, the risks of further crises, coupled with persistent risks for households, require active social policies, starting with an investment in social protection.

Indeed, many Africans live in risky environments that constantly threaten their livelihoods. Mutual support networks and remittances help, but they often fail to protect against shocks linked to economic downturns, serious health problems and a changing climate. The lack of social protection forces families to sell assets, reduce their food intake and take children out of school, thereby deepening their poverty. Reducing these risks – and cushioning their impact – is a critical development challenge, not least as climate change will bring also additional risk and uncertainty in the future. Social protection could also offer a route out of poverty traps characterised by persistent poverty, limited economic opportunities, and poor health and education.

Social protection is no substitute for economic growth, or for standard growth-focused investment, such as building infrastructure or providing health and education. But it can foster growth by protecting assets and encouraging households to invest in riskier but higher productivity and higher return activities, and can increase social spending returns by offering poor people the means to use available services. The long-term effects of protecting and promoting human capital can be substantial. Children can be sheltered from hardship, improving their life chances through better health, nutrition and cognitive development, thus providing the human capital base for future growth.

Well-designed social protection can foster market-based solutions, such as microfinance activities providing credit or insurance, and provide the means to reach the very poorest, as well as offering protection when market-based solutions fail to work.

Social protection can also be part of a strategy to empower the most vulnerable groups, tackling inequalities to make growth more inclusive. It can play a central role in building cohesive societies, and more broadly in reinforcing the state-citizen compact, with the state's legitimacy bolstered by its ability to deliver on its side of the social contract. It can thus contribute to the sustainability of growth in Africa by reinforcing social stability and political accountability.

In short, by offering direct and indirect benefits, social protection can turn vicious circles virtuous. It is also a right enshrined in the 'Universal Declaration of Human Rights', too often overlooked in the development agenda as a luxury only for middle- or high-income countries. Social protection programmes, properly designed and delivered, can be affordable in a range of social, demographic, and economic conditions. Such programmes have been successful in Sub-Saharan Africa, whether in middle-income stable countries, such as Mauritius, or in low-income post-conflict fragile countries, such as Rwanda.

THE MOMENTUM FOR SOCIAL PROTECTION IN AFRICA

Following the 2004 'Ouagadougou Declaration and Plan of Action' and the 2006 'Livingstone and Yaoundé Calls for Action', the 2008 'African Union Social Policy Framework for Africa' and 2010 'Social Ministers' Khartoum Declaration on Social Policy Action Towards Social Inclusion' are key milestones towards a pan-African consensus on the need and scope for social protection. The build-up of a continental social protection agenda continues unabated, complemented by sub-regional initiatives and commitments.

At the national level, many Sub-Saharan countries have made considerable strides towards the institutionalisation of social protection: Burkina Faso, Ghana, Kenya, Mozambique, Rwanda, Sierra Leone and Uganda, among others, have adopted or are in the process of adopting social protection strategies as part of building comprehensive social protection systems. Botswana, Lesotho, Mauritius, Namibia, South Africa and Swaziland already have social pension systems in place. Countries such as Benin, Burkina, Côte d'Ivoire, Gabon, Mali, Senegal and Tanzania are reforming their social protection mechanisms to implement universal health coverage, following in the successful footsteps of Ghana and Rwanda. There remains scope for improvement, but social protection is already entrenched in Sub-Saharan Africa, at least in many of its countries.

WHAT HAVE WE LEARNT SO FAR?

This report reviews the new generation of social protection programmes, emphasising the reasons for success and failure. With certain preconditions in place, social protection is possible and feasible even in Sub-Saharan Africa's low-income countries. Evidence from the report shows that social protection programmes can mitigate risks and substantially reduce chronic poverty and vulnerability without producing significant distortions or disincentives. As shown in Table 1, many of the programmes listed are particularly effective in lowering severe and deep poverty, while the impact on the moderately poor is less pronounced. Thus they appear particularly effective in reaching the poorest which, in itself, is quite an achievement.

Table 1: Social protection in the developing world

Programme	Country	Type	Coverage	Impact
Progresa-Oportunidades	Mexico	Conditional cash transfer	25% of the population	Reduced poverty gap in rural areas by 19% and contributed 18% to the decline in Mexico's income inequality between 1996 and 2006. Educational attainment of beneficiaries: estimated increase 0.7-1.0% per year.
Bolsa Familia	Brazil	Conditional cash transfer	26% of the population	Reduced the poverty gap by 12% between 2001 and 2005 and contributed one-third to the decline in income inequality over the last decade.
Plan Jefes y Jefas	Argentina	Conditional cash transfer (public works)		Poverty among participants dropped from 80% to 72%; an extra 10% of participants would have fallen into extreme poverty in the absence of the programme.
Red de Protección Social	Nicaragua	Cash transfer	3% of the population	Contributed to an 18% decline in poverty gap among beneficiaries.
Old Age Pension	South Africa	Social pension	80% of elderly	Combined direct effects of both programmes are to reduce poverty incidence by 6 percentage points, and a much larger effect on poverty depth.
Child Support Grant	South Africa	Social grant	70% of children	
Productivity Safety Net Programme	Ethiopia	In cash and in kind transfer	10% of the population	Modest but relevant average impacts, improving food security (by 11%), livestock holdings (by about 7%) and households' ability to cope with emergency. Larger effects on asset accumulation for those receiving substantial and complementary support.
National Health Insurance Scheme	Ghana	Social insurance	67% of the population	Reduced out-of-pocket expenditures for health up to 50%.
Vision 2020 Umurenge Programme	Rwanda	Public works and cash transfers	About 36,000 households	Ongoing evaluations. Programme has contributed to the fall of the percentage of extreme poor among beneficiaries from 40.6% to 9%.

Of course, implementation requires fiscal space, and programmes need to be made sustainable through clear and enforceable criteria. In addition, institutional and administrative capacity must be adequate for programme design, building on pilots and community and household networks. Social protection programmes require inter-ministerial and inter-sectoral capacity building and teamwork since it tends to work better when in synergy with other social and economic policies. Furthermore, the political commitment and incentives for leaders have been the key to almost all successful schemes.

The examples analysed in this report illustrate what is feasible in moving towards more comprehensive social protection systems in Africa. Box 2 shows very diverse approaches taken in different countries, each producing important impacts and lessons.

Box 2: Five emerging success stories

Ghana's National Health Insurance Scheme is an intermediate form of health insurance involving social insurance financed by contributions from formal (and to a lesser extent informal) sector employees and by government coverage for those unable to contribute. The programme, now covering about 67% of the population, successfully includes informal workers by building on elements of community-based health insurance, thanks to the strong government commitment to guarantee healthcare for everyone.

Lesotho's Old Age Pension is a universal non-contributory scheme including all registered citizens over 70 not receiving any other form of pension benefit. The programme shows that, with strong political commitment, building a universal pension to reduce household vulnerability and enhance health and human capital might be feasible and affordable under certain preconditions, even in low-income countries.

Rwanda's Vision 2020 Umurenge Programme consists of three core initiatives to redirect social protection programmes to vulnerable populations: (1) public works; (2) the Ubudehe credit scheme; and (3) direct support through an unconditional cash transfer. The programme underlines the importance of framing social protection as part of national development strategies and shows that decentralised administrative structures can improve targeting, avoid resource mismanagement, and increase local ownership and accountability.

Ethiopia's Productivity Safety Net Programme is a conditional transfer in cash and/or in kind based on public works. It also includes a small component of unconditional direct transfers to those unable to work. It is Africa's largest public works programme and one of the most effective social protection programmes in Sub-Saharan Africa, reducing poverty and increasing food security in the short run, while offering the potential for asset growth in the long run.

Kenya's Home Grown School Feeding Programme is a conditional cash transfer to schools for local purchase of food, involving half a million children of primary school age. The programme shows that home-grown school feeding can spread the benefits of social protection to children while boosting local agricultural productivity.

We have grouped the main lessons under eight headings, all closely interrelated. Each could allow a step in the direction of a more inclusive social protection agenda for Sub-Saharan Africa. The lessons enable assessment of the possibility and likelihood of replicating programmes in different contexts and scaling up existing schemes.

LESSON 1: SOCIAL PROTECTION PROGRAMMES CAN MITIGATE RISKS, REDUCE POVERTY AND INEQUALITY, AND ACCELERATE PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS

With proper design and implementation, social protection can have a significant impact on reducing the vulnerability and destitution of African households. Social protection can complement health and education spending and might be among the most productive investments for boosting growth, reducing poverty and accelerating progress toward the Millennium Development Goals. Examples analysed in the report demonstrate significant impact on mitigating risk and escaping poverty traps. While traditional social insurance reaches mostly formal sector workers with usually high costs and low poverty impacts, evidence shows that (lightly) targeted social assistance programmes, such as cash transfers (particularly when targeting the elderly or children) as well as public works are particularly successful. Cash transfers can be provided to a large section of the population, and employment programmes can be a good response to specific vulnerabilities. Depending on the scale and targeting, these programmes can also lower inequality, reduce risks and uncertainties for poor households and promote growth.

LESSON 2: POLITICAL WILL AND PROGRAMME OWNERSHIP ARE KEY

To design and implement successful programmes requires political will, national ownership and a broad-based social consensus. Affordability is intrinsically linked to a society's willingness to finance social policies through taxes and contributions, thus becoming less dependent on often uncertain and unstable external capital flows. Successful home-grown programmes in Brazil, China, Ghana, India, Rwanda and South Africa all emanated from very strong political commitments, sometimes framed in a rights-based approach. Transferring these lessons is thus subject to a societal and political consensus to support such programmes, which takes time to build and is context-specific.

LESSON 3: ENSURING FINANCIAL SUSTAINABILITY IS ESSENTIAL

Successful programmes have all addressed fiscal costs at an early stage, and evidence supports the view that costs do not have to be too high. Bolsa Familia in Brazil costs less than 0.5% of GDP and reaches 26% of the population, while Progresa-Oportunidades in Mexico costs 0.4% of GDP and reaches 5 million households. Fiscal and administrative capacity for broadening the scope of social protection is in place, or can be progressively achieved, even in low-income Sub-Saharan countries, where fiscal constraints are particularly severe. While the report shows that a comprehensive package of social protection may still be beyond the scope of many poor African countries, individual programmes and projects are feasible in most countries, laying a foundation for a comprehensive system in the longer term. Rural employment and public works programmes, as well as school and child-feeding programmes, offer significant benefits and proven potential in a number of settings. Non-contributory social pensions, universal or at most very lightly targeted, are possible for many African countries; such programmes should be the priority interventions to build a platform for more comprehensive approaches.

However, governments around the world are concerned about the fiscal implications and affordability of social protection. While most countries have the fiscal space to start with priority interventions, long-term sustainability must be carefully analysed when designing the scale and scope of programmes. Often, the build-up and extension of social protection programmes implies either an increase in domestic resource mobilisation (itself a valuable goal) or a reallocation within budgets: a realistic strategy based on these two elements must be the starting point of each serious plan to introduce new programmes, and donors might play a supporting role.

LESSON 4: SUCCESS DEPENDS ON INSTITUTIONAL AND ADMINISTRATIVE CAPACITY

Institutional and administrative capacity needs to be in place to implement programmes, or such capacity needs to be built and expanded as programmes are rolled out. Successful social protection programmes depend on clearly defined institutional responsibilities, inter-ministerial collaboration and coordination and well-designed implementation mechanisms, combining high-level policy guidance with heavily decentralised delivery mechanisms. The involvement of different administrative levels can elicit local preferences and capacities in programme implementation: the lowest possible administrative levels are often better equipped to identify preferences and needs and to avoid mistakes in targeting.

Sub-Saharan Africa suffers more than other regions from missing or unreliable registries, which makes targeting complicated, especially in rural areas. Strengthening civil registration systems and allowing full legal and property rights to women and inheritance rights to all children could thus facilitate people's access to social protection benefits. Rwanda's 'Ubudehe' approach – which guarantees the overall efficiency of interventions by avoiding overlaps and making the best use of resources – shows that decentralised systems can be very useful in the design of successful programmes. Social protection programmes in low-income Sub-Saharan African countries with limited administrative capacity should avoid being overly complex, especially in their targeting mechanisms, and have to be easy to implement, to limit the worst inclusion errors and misuse. Basic transparency and accountability, at all levels of society, should be strengthened, thereby reducing corruption. Proper dissemination of information could play a key role in this.

LESSON 5: PILOTING, MONITORING AND EVALUATION BUILD SUPPORT AND FINE-TUNE DESIGN

Given differing country-specific conditions and needs, and the requirement to demonstrate impact to sustain political support, it is critical that programmes are implemented in a transparent way, with careful monitoring of all aspects of implementation. Pilots and staggered roll-outs that are carefully evaluated using advanced impact techniques allow for learning, fine-tuning, and building political support. The success of some of the Latin American experiences in conditional cash transfer programmes has depended critically on robust evaluations and proven impact. There is less available evidence on impact in many of the new Sub-Saharan African programmes, and evidence is tenuous even for some of the programmes discussed in more detail in this report. Robust impact evaluations as well as careful assessment of pilots and experiments should therefore be a priority, as these are critical to understanding strengths and weaknesses and to building political support. Donor support for such evaluations could be helpful.

LESSON 6: MINIMISING DISINCENTIVES, BUILDING ON EXISTING INFORMAL SYSTEMS AND COMPLEMENTING MARKET-BASED MICROFINANCE SCHEMES IS CRUCIAL

Social protection programmes can create disincentive effects, such as adverse work incentives. But incentive issues in most of the recent innovative social protection programmes are less serious than presumed. For example, most non-contributory old age pensions, including South Africa's pension programmes, or Ethiopia's public works programmes, suffer from very few disincentive effects. Social protection can also crowd out existing contributory or informal social protection schemes, but the evidence here is much less conclusive and requires further work. Crowding out between new programmes and existing (informal or formal) schemes requires constant monitoring and, if needs be, adjustments. While building on existing programmes for formal sector workers is unlikely to be a solution, the evidence suggests that it is possible to build on existing informal schemes, as with health insurance in Ghana, to limit perverse incentives. Microfinance initiatives, especially those linked to micro-insurance, also offer complementary services for social protection and can be used as platforms to build contributory social protection systems. But microfinance and other market-based solutions are unlikely to reach the poorest, and are insufficient for many serious risks, which require well-designed and broad-based social protection programmes.

LESSON 7: MAXIMISING SYNERGIES BETWEEN SOCIAL PROTECTION PROGRAMMES AND OTHER INVESTMENTS IS IMPORTANT

Expanded social protection can support complementary investments in health, education, agriculture and other productive sectors. It is a quick and flexible way to improve poverty outcomes, pertinent in times of crises or when reforms in other social sectors are materialising only very slowly. It can offer the financial means necessary to use health and education services, and to invest in agriculture or other productive activities. It can offer protection so that households can take the risks involved in new activities or migrate to take advantage of economic opportunities. It can also protect human capital investments by securing children's nutrition and educational opportunities during crises. It offers a direct means of including the poor and marginalised groups in development efforts, contributing to social cohesion and trust. It can thus be a critical element in overall development policy, leveraging its many synergies. That is why social protection should be seen not as a narrow social sector concern but as part of an overall development strategy that explicitly capitalises on these complementarities. For instance, Progresa-Oportunidades in Mexico marks the importance of the transition towards an integrated approach, ensuring the simultaneous provision of a basic package of health, education and nutrition, taking advantage of their complementarities.

LESSON 8: SOCIAL PROTECTION PROMOTES GENDER EQUALITY, EMPOWERS WOMEN AND REDUCES SOCIAL EXCLUSION

The evidence shows that well-designed social protection programmes can address concerns about gender and social exclusion. They can contribute to reducing social and ethnic disparities, and can cater for the specific needs of women. Gender-sensitive programmes can produce positive multiplier effects in terms of health, education for girls, maternal prenatal screening, and can enhance positive externalities to families by transferring cash to women, while ensuring that women's burdens are not increased and stereotypes are not reinforced.

FROM LESSONS TO PRIORITIES

These are general lessons, and the report recognises that Africa is very heterogeneous and that country characteristics call for tailor-made approaches. In countries in situations of fragility, for instance, the preconditions for success may not hold. With extremely weak administrative capacity or very poor governance, it is more difficult to design and implement successful social protection schemes. Social protection instruments have to be adapted to specific vulnerabilities and needs, such as (re)inserting youths and ex-combatants into society.

To summarise, there are opportunities for introducing social protection in contexts of high poverty. The type of programme will depend on how some preconditions are satisfied, bearing in mind that national and international dynamics evolve and can create room for manoeuvre. Successful programmes rely on and help to build up necessary government structures and implementation capacity. The lessons show the importance of complementarities and coordination across sectors and agencies as well as that of monitoring and evaluation. However, the specificities of lessons matter a great deal, with the conditions for success being critical for positive impacts. The transferability of lessons from Latin America, Asia, South Africa, or even neighbouring countries in Sub-Saharan Africa will depend on the country's ability to manage implementation challenges.

While recognising these heterogeneities, this report suggests that in many low-income Sub-Saharan African countries, some simple programmes – such as non-contributory social pensions or child benefits – are generally administratively feasible, particularly with technologically-innovative cash-delivery systems that avoid targeting errors, cut costs and speed up the delivery processes. They can also be fiscally sustainable, with few negative incentive effects. And they can garner broad political support. It is crucial, however, that any programme, once launched, can survive possible changes in local government and can also be sustained if there is a political alternation. Over time, more complex administrative arrangements, including coordinated packages, can become feasible as countries accumulate experience and build up domestic resources. In the longer term, Sub-Saharan African countries can build on these programmes to create a platform for social protection that consists of several coordinated programmes, depending on particular needs, fiscal realities and demonstrated impacts. Such a social-assistance-based platform of social protection schemes must be consistent with a strategy to move progressively to a system based predominantly on domestic financing – either through the tax system, or some form of contributory social insurance, or systems combining the two. In any case, programmes or systems cannot merely be replicated across countries and continents, but have to be adapted to local circumstances.

FROM DONORSHIP TO PARTNERSHIP

Given the challenges ahead, African partners may need support from the international community in a transition phase. The budding emergence of a global consensus on social protection among development stakeholders, notably embodied by the UN Social Protection Floor initiative, strengthens and complements the rising impetus in Africa. In the aftermath of the crises, several donors (bilateral and multilateral, traditional and emerging) have committed to supporting developing countries on the path towards social protection systems. But international partners should play only a supporting role: the principles of ownership, alignment and mutual responsibility enshrined in the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action put developing partners squarely in the driver's seat; our evidence shows that there is no other way to build and sustain successful programmes.

As social protection rises up the development agenda, lessons should also be drawn from previous donor experiences. Traditional donor engagement—often poorly coordinated, faddish, project-based and financially unreliable —is ill-suited to furthering the social protection agenda. For example, donor-driven social transfer pilots have depended heavily on outside funding and rarely generated political buy-in from national governments, undermining ownership and sustainability.

As is increasingly the case across Africa, donors can support the expansion of social protection programmes fully integrated with an overall national development strategy by shifting from donorship to partnership. This new approach requires international partners to align behind partner country efforts and priorities in a coordinated fashion, provide predictable funding on the path to sustainability and invest in building capacities and facilitating learning.

In this shifting development landscape, South-South cooperation can play an increasingly important role. Emerging donors such as Brazil, Chile, India and Mexico, themselves leaders in developing innovative social protection solutions, have become explicitly interested in assisting other developing countries in this field; their approaches, models and experiences might be considered most relevant by their developing counterparts, especially in SSA. These new players bring about change, thus calling for the redefinition of the EU's comparative advantages and roles.

THE EU'S ROLES: ENGAGEMENT, CHALLENGES AND POLICY RECOMMENDATIONS

Given its wealth of experiences and its commitment to development and to the social dimension of globalisation and decent work, the EU (Commission and Member States) is well-suited to supporting social protection in the developing world. The European social model is characterised by unity in core values and commitment to social protection, within a diversity of national experiences in the evolution, functioning and approaches to social protection. The Africa-EU Strategic Partnership offers a platform to engage with partner countries on these and their own experiences, and to support a social protection agenda through political dialogue and mutual learning, while eschewing a too-Eurocentric perspective.

Several EU donors, including the Commission, are already supporting country-led social protection initiatives. However, there is still much to be done by the EU to overcome persistent challenges and to make the most of its comparative advantages and collective critical mass. First and foremost, more engagement is needed, building on lessons and examples of good practice.

The European Report on Development therefore recommends that the EU enhance and improve its support to social protection in Sub-Saharan African and other developing countries. To this end, it identifies seven priorities for the EU and its Member States:

PRIORITY 1: MAKE SOCIAL PROTECTION AN INTEGRAL PART OF EU DEVELOPMENT POLICY

The EU should adopt a comprehensive policy framework for social protection, tied to concrete, time-bound commitments and dedicated resources. This indispensable step should enhance the visibility of social protection and create opportunities for discussions on the EU's collective value added. It could also leverage much needed EU (Commission and Member States) resources and support.

To this end, opportunities in the pipeline – such as the Green Papers on 'EU development policy in support of inclusive growth and sustainable development - Increasing the impact of EU development policy' and on 'The future of EU budget support', the implementation of the Joint Africa-EU Strategy Action Plan 2011-2013, the setting-up of the European External Action Service (EEAS) and of the new Commission Directorate-General in charge of development policy and implementation (DEVCO), as well as the negotiations on the future financial instruments for external relations – should be seized upon to ensure that the wide array of EU approaches and instruments is geared towards providing long-term, predictable and appropriate support to social protection.

PRIORITY 2: PROMOTE AND SUPPORT DOMESTIC PROCESSES

To ensure ownership and lay the foundations for long-term sustainability, the EU should promote the implementation of an African-owned social protection agenda at continental, sub-regional and national levels, starting with the AU 'Social Policy Framework'. When and where possible, the EU should support comprehensive social protection systems embedded in a rights-based framework. As a minimum, EU partners should ensure that their interventions are consistent with domestic priorities and needs, minimising donor micromanagement and policy intrusion.

Appropriate donor roles might include the provision of technical and financial assistance to build capacities at all levels (national, provincial and local; governmental and non-governmental) and to support the high initial and fixed start-up costs (such as the establishment of systems for identification, registration, targeting, delivery, and monitoring and evaluation).

Strengthening domestic constituencies is also key to building ownership. The EU should promote multi-stakeholder participatory approaches, and support domestic social protection champions (government officials, parliamentarians, non-state actors).

PRIORITY 3: ASSIST IN TACKLING AFFORDABILITY

Since domestic resource mobilisation is critical to the sustainability of social protection programmes, the EU should support partners in Sub-Saharan Africa on the path to tax reform and revenue collection. Policy dialogue on the financial and fiscal aspects of social protection (tax reform, budget allocations, donor exit strategies) as well as broader public financial management issues is paramount.

Development aid can also act as a catalyst for social protection and inclusive growth by relaxing the affordability constraint in a transition phase. First and foremost, EU donors need to honour their ODA commitments (0.7% of GNI by 2015), despite the global financial crisis and ensuing budget constraints. They should also explore innovative financing options, such as the establishment of a Social Protection Fund for Africa.

Donor commitments should be credible and their funding predictable and reliable, especially when donors choose to support recurrent spending. Longer-term commitments, as in Zambia, provide positive examples in this regard. Special attention should be paid to domestic fiscal sustainability. An exit strategy should be devised and agreed on from the onset to avoid creating islands of welfare vulnerable to donor fads and vicissitudes.

PRIORITY 4: TAILOR INTERVENTION MODALITIES TO SPECIFIC CONTEXTS AND NEEDS

There is no 'one size fits all' for support to social protection in Sub-Saharan Africa. Approaches should be informed by a deep-rooted understanding of local contexts and underlying politics, to assess what is most appropriate and what is feasible.

This report suggests that a package including budget support, policy dialogue and capacity building might be most appropriate to promote ownership and support social protection systems fully integrated with an overall national development strategy. However, the feasibility of budget support depends on local conditions, with public finance management and governance being critical issues. Budget support should be underpinned by a credible aid contract between mutually-accountable partners, with a focus on results. To enhance the quality of dialogue, sector-wide budget support might be preferable. Innovative solutions such as 'cash on delivery' contracts could also be explored.

Donor-driven pilots should be limited, because they rarely, if ever, prove sustainable. However, pilots are useful for experimenting with and evaluating options or kick-starting schemes for future scaling up, and should be embedded in domestic processes, preferably state-led. Working through and with the state should indeed be favoured to reinforce the social contract. Nonetheless, support to informal and community-based schemes (such as mutuelles de santé in West Africa) should also be provided, as they can be built on within the framework of a wider system (as in Rwanda).

In countries in situations of fragility, paying attention to local perceptions of legitimacy (whom to work with) and extending the social protection palette (from humanitarian to security) is crucial. The sequencing of interventions should be agreed on by the international community: an agenda focusing on emergency assistance and transfers, public works, input supplies and basic healthcare might be a first priority, before tackling the longer-term challenge of building state capacity for implementing social protection schemes.

Overall, monitoring and evaluation are key to ensuring accountability and facilitating learning. To enable scaling up or replication, assessing impact is crucial, as is identifying best practices and bottlenecks in existing schemes. EU donors should support innovations in impact-evaluation techniques (such as robust impact assessment and randomisation) and allocate appropriate resources to monitoring and evaluation.

In order to improve decision-making and to better tailor programme design, the EU should also explore solutions to improve the accuracy and timeliness of poverty and vulnerability data, including support to the UN Global Pulse Initiative.

PRIORITY 5: SUPPORT KNOWLEDGE-BUILDING AND LESSON-SHARING

EU donors should commission and support research into the various impacts and benefits of social protection for development, so as to feed the learning process and enable evidence-based investments and decision-making. Further studies are needed to show the impact of social protection on growth and vulnerability in the medium-term (notably the ability of the poor to build assets and sustainably escape poverty), but also on political stability, social cohesion and the social contract. The scope of research should be widened to a broader diversity of experiences, using a multidisciplinary approach. Results should be disseminated among policy-makers.

Most importantly, EU donors should support Africa's capacity to develop its own analysis and thinking on social protection. Funding local research would enhance the legitimacy and relevance of the knowledge produced, and allow for easier dissemination.

Embedding social protection in the Africa-EU political dialogue at all levels is essential to facilitate lesson sharing and to enhance political will on both sides.

EU Member States should also share lessons of their experiences in social protection by putting together easily accessible information, and organising study tours, conferences, workshops and trainings in response to partner country demands.

Given the increasing relevance of South-South learning, the EU should provide support when Southern partners request it, building on examples of good practice. An ambitious triangular partnership for learning on social protection could be envisioned, in the form of regular exchanges between the relevant stakeholders in the various EU political dialogues and strategic partnerships. The EU should also contribute to best practices guidelines based on the implementation of social protection mechanisms in developing countries, as agreed by the G20 in Seoul.

PRIORITY 6: IMPROVE THE COORDINATION, COMPLEMENTARITY AND COHERENCE OF EU ACTION

EU support to social protection should fully comply with the aid effectiveness agenda as well as EU treaty obligations.

An EU-wide 'social protection and development' network of experts (from development ministries and agencies, labour and social affairs ministries, civil society) should be established. A first important task for the network would be to undertake a mapping of EU support to social protection; such an initiative would usher better division of labour by highlighting gaps and overlaps, and facilitating the identification of comparative advantages.

Key to this effort is an agreement on whether to approach social protection as a sector. This report suggests that mainstreaming social protection as a cross-cutting issue might be more appropriate, but the EU position should be further informed both by discussions in this new network as well as in the OECD-POVNET network and with partner countries.

Implementing the 'EU Code of Conduct' should provide an opportunity to rationalise programme development and support at country level. The EU should take the lead in coordinating with the wider donor community, within and beyond the Development Assistance Committee (DAC) of the OECD, and in co-operation with partner countries.

EU cross-country division of labour should be improved, paying particular attention to tackling the 'orphans' (especially in countries in situations of fragility). In this respect, given its global presence, the Commission has a key role to play, as do EU donors with ties to 'forgotten' countries.

Improving policy coherence for social protection is also crucial. Further to the implementation of the '2010-2013 Policy Coherence for Development Work Programme', the EU should commission research to assess the impact of non-development policies, such as trade, migration and agriculture, on social protection in developing countries. More political will is needed to translate the EU's commitment to Policy Coherence for Development into practice, and promote it credibly in the wider development community (e.g. Fourth High Level Summit on Aid Effectiveness, G20, Fourth UN Conference on the Least Developed Countries (LDC-IV)).

PRIORITY 7: STRENGTHEN EU PARTNERSHIPS FOR A PROGRESSIVE SOCIAL PROTECTION AGENDA

Support to social protection has been limited in the EU's external action, in particular in the framework of its commitment to the social dimension of globalisation and decent work. The EU should work in close collaboration with strategic partners to promote a progressive international agenda for social protection and fairer globalisation, in particular with the International Labour Organization (ILO) and other UN agencies involved in social protection, given their experience and legitimacy in the field.

The EU should also support and co-operate further with the AU Social Affairs Department and the African Development Bank's Human and Social Development Department, as these are key to feeding and sustaining the African 'social' momentum.

In light of its experience, and given its emphasis on regional integration in development policy, the EU should seek to advance the case for regional co-operation in social development and social protection, building on the existing momentum and instruments.

Partnerships with the private sector could also advance the social protection agenda. With proper coordination and policy-design, the EU can leverage private actions. New and innovative public-private-partnerships (PPPs) should be explored.

CONCLUSION

In summary, the time is ripe for a new Africa-EU social protection agenda. There is a growing consensus on the benefits of social protection, and the post-crises environment, as well as the likely risks linked to climate change call for a renewed and enhanced partnership.

Social protection programmes exist and, if some preconditions hold, they can have a positive impact on inclusive growth and poverty reduction, reaching large parts of the population, and eliciting broad political support. Further, if well designed, they can complement informal community-based systems as well as market-based solutions. Regular, independent and robust evaluations are crucial for the generation of credible information and empirical proof of the programmes' achievements. This, in turn, is key to securing support, and therefore political sustainability and success.

Achievements so far show that with commitment, vision and support, building up social protection is feasible in Sub-Saharan Africa, even in low-income countries. The choice of specific new programmes or the scaling up of existing schemes, however, is country specific and depends on partner countries' demographic, geographic and economic contexts as well as on political commitment and priorities.

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