Institutional Arrangements

Ethiopia
Productive Safety Net Program
Overview: PSNP and Food Security Program

• PSNP is one component of the Government’s food security program

• The other components of the FSP are
  - Resettlement
  - Household Asset Building Programme (HABP)
  - Complementary Community Investments (CCI)

• Objective of PSNP: To provide transfers to the food insecure households in chronically food insecure woredas/districts in a way that prevents asset depletion at the household level and creates assets at the community level
Components & area coverage

Components:
• Safety Net Grants - Public works (80%)
• Safety Net Grants - Direct support (20%)
• Drought Risk Financing
• Institutional Support

Coverage:
• Food insecure woredas in drought prone regions
  - 8 regions
  - 318 woredas/districts
• Chronically food insecure areas
  - > 7.7 million people
PSNP budget arrangements

• The PSNP budget is determined based on a formula derived from the number of clients.
• The overall budget consists of:
  - Transfers (80% of total budget)
  - Federal and regional management budget
  - Administrative budget
  - Capital Budget
  - Capacity building budget
  - Contingency budget
PSNP transfers

• Cash & Food transfers - cash first principle
• Preference of beneficiaries
• Transfer size: Wage rate equivalent to 3 kg of grain per day/person for 5 days a Month, for 6 months/ year.
• Delivery: Federal, Regional, District Finance Offices – payment effected by District Cashier monthly
PSNP INSTITUTIONAL AND MANAGEMENT ARRANGEMENTS

• The Productive Safety Net Program is a component of the larger Food Security Program of the Government of Ethiopia.
• Food Security line agencies in the Ministry of Agriculture at every level of Government are accountable for the oversight and coordination of the FSP.
• Implementation undertaken by line ministries, Government agencies and other partners at all levels.
• MoFED is responsible for financial management.
• These arrangements are cemented in a Memorandum of Understanding between Government and development partners.
PSNP INSTITUTIONAL AND MANAGEMENT ARRANGEMENTS (II)

• Actors at Federal level
  - Ministry of Finance and Economic Development (MoFED)
  - Ministry of Agriculture
  - Disaster Management & Food Security sector
  - Food Security Coordination Directorate
  - Early Warning & Response Directorate
  - Natural Resource Management Directorate
  - Other line agencies

• The same arrangements and actors are involved at Regional and woreda levels
Coordination Mechanisms

• A number of inter-sectoral coordination bodies chaired at senior level ensure coordination for PSNP:
  – Federal FSP/PSNP Inter-Ministerial Management Committee
  – Joint Strategic Oversight Committee
  – Regional/Woreda FSP/PSNP Steering Committee
  – Community Level Food Security Task Task Forces
  – Joint Technical Committees (PW, Transfer, HABP)
  – Technical Taskforces
Rationale for the Institutional Arrangement Model

- Use of country systems, existing GOE structure
- Program is aligned with national priorities
- Avoids parallel implementations structures
- One pooled account and channel for FM
- Agreed performance targets
- MOU to define roles and responsibilities
- Detailed PIM, guidelines and procedures
- Government and donors coordination mechanisms (JSOC, JTC, DWGs, DCT, JRIS, RRT, FSTF at district and community levels)
- Donors using shared analysis
- Jointly agreed M&E systems (reviews, studies)
Links to implementation

- PSNP institutional model accommodates key program processes and ensures proper linkages with other food security programs
- Clearly defined roles and responsibilities both horizontally and vertically – formalized through MoU and TORs
- Comprehensive M&E system implemented through the Government structure
- Transparency and Accountability Mechanisms
- Linkages with DRM through Risk Financing Mechanism
- Informing development of National Social Protection Strategy
Challenges and lessons

• Defining and implementing appropriate institutional arrangement
• Limited implementation capacity at all levels
• Difficulty to ensure coordination between sectors
• Challenges to ensure timely transfer through the existing institutional arrangements
• Effective targeting: inclusion and exclusion errors
• Linking with the broader SP agenda
Advice for other practitioners

• Institutional arrangements should originate from the country’s priority and strategy
• Country ownership, political buy-in, commitment
• Designing the program under senior leadership oversight
• Clearly define roles and responsibilities
• Formalized coordination between all actors
• Capacity assessment/put minimum capacity in place
• Use of one system (M&E, FM, Reporting)
• Establish agreed performance targets (transfer, PW)
• Integrate safety net within the local development plans
• NGOs/CSO – Capacity building, facilitation, best practices at local levels
• Explore options for use of private sector service providers and technologies— for example electronic transfers
THANK YOU