

House of Commons International Development Committee inquiry on Extreme Poverty and the SDGs

Concern Worldwide UK written submission, 9th July 2022

Concern Worldwide

1. Concern Worldwide¹ is an international development and humanitarian organisation dedicated to the elimination of extreme poverty. We have been operating for more than 50 years and work with 28 million people across 24 countries, in some of the hardest to reach and most fragile places.
2. We welcome this opportunity to feed into the IDC's inquiry and share our experience on social protection and are submitting this written submission following the cancellation of the oral evidence session, at which Andrea Solomon, Concern's Markets and Cash Adviser, was due to give evidence.
3. Concern Worldwide has a long experience of implementing Graduation programmes which are a layered and sequenced package of activities starting with social protection, which has proven very successful in creating a route out of extreme poverty. We are also piloting shock responsive safety nets within our resilience work, and work with governments to support the development and implementation of national social protection systems, feeding in learning from experience to ensure social protection is inclusive and effective.

Summary

4. This written submission draws on our experience to highlight the following key points:
 - a. Social protection plays a critical role by providing a safety net to help the most poor and vulnerable households meet their daily basic needs, whilst building resilience against the shocks and stresses that affect them.
 - b. It is important that existing or nascent national social protection systems are adequately supported, and are truly inclusive and effective to benefit those living in situations of extreme poverty in the most marginalised communities, so as to help those families move sustainably above the poverty line.
 - c. Targeting of social protection is critical. Ideally it should be a multi-step and participatory process. First using existing lists from Government social protection schemes (if in place) and verifying against key poverty and vulnerability selection criteria. Engaging the community members themselves in defining selection criteria and in targeting processes – including community mobilisation and household verification - can be very useful to minimise inclusion and exclusion errors, particularly when resources are limited to meet the scale of need.
 - d. The FCDO risks losing its poverty focus in its development work and ODA, if it does not retain a targeted approach. In shifting funding from multilateral to bilateral, there is an opportunity to ensure spending is specifically targeted towards the people most in need, and invests in approaches - like social protection - that are most effective at sustainably lifting people out of poverty.

¹ www.concern.net

What role can social protection systems play in creating a route out of extreme poverty, and how can the impact be evaluated?

5. Considering today's global context of widespread hunger and malnutrition, and the compounding impacts of climate change, conflict and the covid-19 pandemic, it is more important than ever to ensure that no-one is left behind. This is the central promise of the 2030 Agenda for Sustainable Development and the SDGs.
6. Social protection plays a critical role by providing a safety net to help the most poor and vulnerable households meet their daily basic needs, whilst building resilience against the shocks and stresses that affect them. These are the households that unfortunately have traditionally been left behind and for whatever reason are unable to benefit from wider development processes and programmes.
7. Government-led social protection systems offer a great opportunity to provide safety nets at scale. Yet 4 billion people around the world are not covered by social protection². It is important that existing or nascent national social protection systems are adequately supported, and are truly inclusive and effective to benefit those living in situations of extreme poverty in the most marginalised communities, so as to help those families move sustainably above the poverty line.
8. In terms of evaluating success, we need to understand and monitor the trajectory of households, with focus on longer-term changes and impact. That means looking at how households are able to meet their basic needs over time, understanding household expenditure patterns and tracking food consumption and dietary diversity, how they access basic services such as healthcare, education, water and sanitation, and if they are able to avoid resorting to negative coping strategies (such as skipping meals, taking children out of school, selling productive assets, taking out loans at high interest rate, etc.).
9. There is evidence that Graduation Approaches have successfully facilitated households in moving out of extreme poverty in the short and long term. A standard Graduation programme (as implemented by Concern³) comprises of a comprehensive layered and sequenced package of support, which starts with:
 - very careful and participatory **targeting** process, that ensures that households living in extreme poverty are identified,
 - provision of regular and predictable **social assistance** in the form of **cash transfers** that smooths household consumption, so meeting basic needs and enabling targeted household members to engage actively in the programme activities,
 - **market-driven technical and business skills** training to enhance human capital and access to employment either through self or waged employment,
 - **coaching and mentoring**, through a caseworker approach to help household meet their goals,
 - **facilitating access to financial services (financial inclusion)**, improving financial literacy and promoting savings support to access, often through community-based savings and loans groups, and where possible linking to local micro-finance institutions or banks, and finally
 - **a capital or asset transfer** to support participants strengthen their chosen livelihoods activities, whether establishing a new or expanding an existing small business or supporting with the costs associated with accessing waged-employment.

² www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_817572.pdf

³ <https://www.concern.net/knowledge-hub/graduation-programming>

10. In Concern's Graduation programming we also work on the wider enabling environment - what people are graduating into. This can involve, for example, strengthening community institutions, supporting and building capacity of agricultural or veterinary extension services, disaster risk reduction measures, access to quality basic services such as health, nutrition, water and sanitation, or education.
11. The Graduation Approach firmly aligns with the promise to leave no-one behind, it is a 'big-push' intervention, targeting those left behind by existing development efforts and addressing the specific barriers they face to moving (graduating) out of conditions of extreme and chronic poverty.
12. As of 2020, Concern has directly supported 110,971 people to graduate out of extreme poverty in 9 countries.
 - In Rwanda, 90% of participants were able to meet their food and healthcare needs after one year and 88% maintained this after programme support finished.
 - In Rwanda, the average amount saved per Graduation household was 302% higher than the control group, 18 months after all programme supports had ended.
 - In Burundi, 81% more households had savings in Graduation households, in comparison to a control group, two and a half years after all programme supports had ended.
 - In Ethiopia, 59% of households met the PSNP (government social protection programme) Graduation criteria by the end of the programme cycle compared to the national graduation rate of 3%.
 - In Democratic Republic of Congo, household dietary diversity saw a 90% improvement.

When can cash transfers be most effective? When might other forms for assistance be prioritised?

13. Cash transfers can be very effective in enabling people to meet their basic needs when local markets are functioning and when the goods and services they need are (or can be made) available through the market system, and are accessible at adequate quantity and quality. Providing an injection of cash to boost household income not only enables a household to choose and buy what they need, but also supports the local economy by creating demand and stimulating supply for products and services.
14. There are a number of considerations and pre-conditions however for designing a programme and deciding the most appropriate and feasible modality or means of assistance. Markets need to be functioning and accessible to the targeted population, which also means considering issues of safety and security, especially for the most vulnerable people. We also need to consider issues of price volatility – many countries where we work are currently experiencing high inflation and exchange rate fluctuations, which can affect purchasing power and use of the cash assistance provided. It is also important to assess if the goods and services available are of sufficient quality and meet minimum acceptable criteria – that includes provision of basic services such as health, water, education. Cash assistance which is unconditional and unrestricted in its use is generally preferred, however there are a range of options which can be considered, such as vouchers for specific commodities or set to a certain monetary value, or direct provision of items or services in kind (though this is rarely sustainable in the longer-term).

What role can social protection systems play in adapting to climate change?

15. People living in poverty are often dependent on natural resources and ecosystems for their livelihoods. They also tend to live in areas of high ecological vulnerability to climate-related

shocks and the effects of climate change, such as unpredictable rainfall patterns causing drought or floods.

16. Social protection systems can help build resilience of poor households and communities and support positive coping strategies, for example through enabling access to livelihoods inputs and productive assets, increasing household resources and so reducing vulnerability and minimising the impact of a disaster event, helping quicker recovery. From this perspective, it is important that social protection schemes are in place *before* the impact of a disaster is felt.
17. In view of this, safety nets can be a key feature of Climate Resilience programming, or on the other hand it can be good to complement social protection systems with targeted livelihoods or Disaster Risk Reduction (DRR) programming that supports environmental preservation and sustainable management of natural resources.
18. In Ethiopia, Concern's REGRADE resilience programme was designed to support provision of the Government's Productive Safety Net Programme (PRSP). In complement to a regular safety net transfer, REGRADE built in activities to strengthen agricultural livelihoods – technical assistance and extension support, business planning and access to financial services. The REGRADE programme also provided top up cash safety net assistance to particularly vulnerable communities, conditional upon undertaking soil and water conservation within the community watershed. This combination of activities has improved the ability of targeted households and communities to absorb and adapt to climate extremes and effects of climate change.
19. In Somalia, Concern works as part of the Building Resilient Communities in Somalia (BRCiS) Consortium and as lead agency of the Somali Cash Consortium. These Consortium jointly piloted a shock-responsive safety net through existing programmes supported by FCDO and ECHO, respectively. The pilot drew on a community-based early warning system which enables communities to be closely monitored against a set of critical indicators such as rainfall performance, river levels, condition of crops and pasture, local market prices. Households, targeted based on poverty and vulnerability criteria, received a monthly safety net transfer of \$20 per household, which could be quickly scaled to \$40 per month as an early action measure if the early warning system indicators showed deterioration in the context. Although baseline and endline surveys showed a slight increase in the average number of shocks that safety net beneficiaries experienced, the households registered remarkable improvement in food security and shock recovery indicators. Additionally, the proportion of households with poor food consumption scores decreased from 14% to 4%. The proportion of households that were able to recover from past shocks to the same level as before or higher increased from 38% to 48%.

What's the role of social protection in food crises? How well can social protection provide a basis for responding to emergencies?

20. Both social protection and humanitarian cash assistance need to be supported and expanded in parallel, well targeted to ensure the most vulnerable and in need are not left behind.
21. At present, East Africa is experiencing one of its most severe droughts in recent history, with millions of people facing starvation. Over 23 million people are currently in need of humanitarian support in Ethiopia, Somalia, Kenya, Sudan and South Sudan, after four failed rainy seasons over the last two years. Worryingly, early forecasts indicate that the main rainy season this October-December will also fail.

22. Despite successful resilience-building efforts across the region, communities have been finding it harder to recover between the increasingly frequent and severe droughts – three in the past ten years alone. This, compounded by Covid-19, locusts and conflict has meant that the vulnerable have little space to recover and bounce back.
23. The multi-stakeholder efforts and programming to strengthen social protection and resilience in the Horn of Africa over more recent years has meant that communities have been able to withstand these multiple shocks and stresses until now. The 2011 famine in Somalia was after two failed rainy seasons. Now households have been able to withstand longer and it is at this critical moment of a fourth and potentially a fifth failed season that the call is being made loudly for significantly timely scale-up to humanitarian assistance.

Acknowledging that often the extreme poor are invisible, how can social protection systems be designed to reach those most in need?

24. Targeting of social protection is critical. Ideally it should be a multi-step and participatory process. First using existing lists from Government social protection schemes (if in place) and verifying against key poverty and vulnerability selection criteria. Engaging the community members themselves in defining selection criteria and in targeting processes – including community mobilisation and household verification - can be very useful to minimise inclusion and exclusion errors, particularly when resources are limited to meet the scale of need.
25. Coordination, harmonisation and referral of programme participants between humanitarian and social protection programmes can also help to ensure inclusion of the extreme poor and highly vulnerable. Area-based approaches and multi-actor collaboration can facilitate this.
26. Depending on the design and intended outcomes of the programme it can be useful to combine both categorical and vulnerability targeting criteria. To give an example, Concern, Save the Children, NRC and DRC - members of the Somali Cash Consortium - are currently implementing a pilot project looking at how a regular \$20 per month social transfer can support health and nutrition outcomes of vulnerable women and their children in the critical first 1,000 days window. The programme works with health facilities in the catchment area to refer pregnant women to the ST programme, and then verifies eligibility against set poverty and vulnerability criteria to ensure effective targeting. Recipients can use the social transfer as they wish to support general household consumption but it also directly or indirectly supports e.g. cost of transportation to the local clinic, purchase of nutritionally diverse foods, or minimises the opportunity cost of attending regular clinic appointments. Aside the cash transfer, the SAGAL programme conducts community mobilisation through a network of trained volunteer community health workers, and provides messaging at both community level and via audio and SMS messages to mobile phones to promote and reinforce positive healthcare seeking behaviours and infant and youth child feeding practices. The health centres have seen an increase in mothers' attendance at antenatal and postnatal care services, and estimate that about 25% of clients had not previously been registered nor accessing the facilities (i.e. could not have come if it was not for the programme).

How well did existing programmes provide a response to the Covid-19 pandemic?

27. The pandemic has affected communities in many ways: aside the global health crisis, it has also had considerable economic impact, particularly on the lives and livelihoods of the poorest households. It is important to note that the effects of the pandemic often compounded existing challenges, including conflict and climate change.

28. Common challenges have been a loss of income (whether engaged in the formal or informal sector), unpredictability of income, and a decreasingly ability to make savings and to repay loans. Social protection programmes already in place provided relief and a safety net to poor households, especially if able to scale horizontally (increasing number of households enrolled) or vertically (increasing transfer amount). This hasn't been possible everywhere however, in part due to funding constraints.
29. Concern has recently completed a scoping study of community-based savings groups⁴, which highlights the important role such groups played during the pandemic (and indeed during other difficult times) to support positive coping mechanisms amongst group members who were able to access the revolving fund either for livelihoods inputs or social support, and in some cases top up cash support was provided to the groups in view of the increased needs during the emergency. This has helped some avoid negative coping strategies such as taking loans or credit at high interest rates.

How can social protection systems contribute to gender equality and support girls education?

30. Careful design of social protection systems and applying a gender lens at every stage can help to tackle entrenched gender inequalities. Appropriate targeting is of course important, ensuring that women are involved in the design of the programme and - where appropriate - are direct recipients of the social transfer and engaged in any complementary interventions.
31. Social protection also has potential to go further and have a transformative impact. This requires working to understand existing gender roles and power dynamics to identify how they affect the attitudes, practices and behaviours that affect household capacity to effectively manage its resources and sustainably emerge from extreme poverty. It is also necessary to identify the different needs, challenges, preferences and opportunities of women and girls, and to build in intentional design features to the social protection system or programme.
32. For example, Concern's Graduation programme in Malawi takes the standard Graduation package of social protection cash transfer, skills training, coaching and mentoring, access to finance, and asset transfer but has an additional element of monthly household dialogue sessions facilitated between husband and wife. The approach has produced positive results in terms of women's participation in household decision-making – including on use of the cash assistance, and men taking on more active roles as husbands and fathers providing childcare and taking responsibility for household chores. Similar results have been seen in Bangladesh and Rwanda.

What barriers exist to prevent more widespread adoption of social protection?

33. There are a number of barriers – real or perceived. However, as presented above, despite such barriers, evidence is in favour of investment in social protection for sustainable, larger-scale impacts towards eradication of extreme poverty.
34. Graduation Approaches, and often social protection, can be considered to be a comparatively costly approach in terms of the cost per person, at least in the initial set-up phase. It requires a significant resource allocation, not only for the cash itself which reaches people directly in the scheme but also for very important processes and costs associated with establishing the functioning system, delivering the cash safely, ensuring and verifying accurate targeting,

⁴ Study available on request.

monitoring effectiveness of the assistance towards reducing poverty levels and coordination amongst various actors involved

35. Social protection requires multi-year funding and commitment. A comprehensive Graduation package, for example, whether as standalone or integrated with a national social protection system, involves intense support to relatively few specifically targeted households ('big push' intervention reaching the most poor).
36. There remains a perception by some that cash assistance might be misused by recipients, though there is little evidence of this if sound targeting and selection criteria are used and the aims are well communicated to recipients of the assistance and wider stakeholders.⁵⁶
37. It is important not to overlook the enabling environment to achieve poverty reduction – availability and accessibility of goods and services at sufficient quality. Providing cash assistance alone is not a silver bullet, especially if we fail to take into account the wider context, if we build in specific design features and/or at least intentionally synergise with other complementary processes and interventions.

How can other interventions be designed to complement rather than duplicate national social protection systems?

38. It is very important to ensure effective collaboration and coordination with Government and other development and humanitarian actors. Use of existing programme participant lists as a starting point is a good practice, which can then be verified against project-specific targeting criteria. It is important to understand and seek to build on top of existing social protection systems where they exist. Concern has experience of doing this in Ethiopia, Malawi and Bangladesh for example.
39. We must work closely with Government partners in the design and implementation of complementary programmes, and seek to produce documented learning that can inform national policy and social protection systems, e.g. on integration of livelihoods packages (see Ethiopia REGRADE example above), shock-responsive safety nets (see the Somalia example above), or Cash+ interventions that have specific outcomes in for example nutrition or education (see Somali and Malawi example above).
40. It is important to consider and comply with data protection requirements and enter into data sharing agreements when seeking to de-duplicate beneficiary lists.
41. The new model for cash coordination, recently endorsed by the IASC⁷, took specific consideration for the need to harmonise humanitarian cash assistance with country social protection systems.

⁵ <https://www.fao.org/3/i6460e/i6460e.pdf>

⁶ https://www.calpnetwork.org/wp-content/uploads/2020/03/CaLP_Making_the_case_for_Cash_v2-FINAL_screen-1.pdf

⁷ <https://interagencystandingcommittee.org/grand-bargain-official-website/model-cash-coordination-endorsed-grand-bargain-caucus-outcome-document>

What are the risks and opportunities from the new UK International Development Strategy for eradicating extreme poverty?

42. The UK had a good track record of recognising the importance of leaving no-one behind and particularly the need for robust disaggregated data to identify who is left behind in order to inform targeted approaches that reach the most vulnerable. DFID also committed to spend 50% of its annual budget in fragile states and regions on the understanding that people living in these places faced a greater likelihood of being impoverished. In doing so it also prioritised tackling causes of instability, insecurity, and conflict. Although the new International Development Strategy includes the commitment to continue to support the global goal of providing at least 0.2% of our gross national income (GNI) to the Least Developed Countries, there is no longer a commitment to fragile contexts. This is a concern as, without action, more than 80% of the world's poorest people will be living in fragile contexts by 2030⁸.
43. Analysis from the Centre for Global Development finds that the FCDO's focus on poverty is declining⁹. Analysis of the cuts to the ODA budget have shown that they have hit hardest the most vulnerable groups, particularly women, girls, and people with disabilities. Without targeted initiatives, development gains may not benefit the 'hardest to reach'. The IDS appears to continue this trend away from targeted approaches towards a focus on trade and investments to support economic growth.
44. As the UK shifts its ODA away from multilateral towards bilateral, there is an opportunity to ensure that that spending is specifically targeted towards the people most in need, and invests in approaches, like social protection, that are most effective at sustainably lifting people out of poverty.

⁸ OECD (2018), States of Fragility 2018, OECD Publishing, Paris, <https://doi.org/10.1787/9789264302075-en>

⁹ <https://www.cgdev.org/publication/assessing-uks-oda-focus-poverty-and-africa>