





Press Release

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Report: Rising Demand for Social Protection Across Africa Requires Careful Fiscal Balancing, Research

Addis Ababa, October 25, 2018: After a prolonged period of economic stagnation and decline, African economies have experienced rapid growth over the last two decades. Poverty and malnutrition have fallen steadily during that period. Because of broad deterioration of livelihoods, it will take a longer period of continued growth to pull large segments of the population out of vulnerability. In fact, despite falling poverty rates, the absolute number of poor and vulnerable is still rising. As more countries transition to more democratic and pluralistic systems and the poor and vulnerable segment of the population, particularly in urban areas gains in political weight, countries across Africa are likely to experience growing demand for social protection. There will be increased pressure on governments to respond to main social cohesion and stability.

Even in cases of rapid and inclusive growth, government action may be essential to distribute the benefits of growth to spread its impact on livelihoods faster and more broadly. Groups enjoying the benefits from rising incomes may still be vulnerable to economic and weather-related shocks that may set them back. Growth alone will, therefore, not be enough to help Africa meet the ambitious hunger and poverty reduction goals of the Malabo declaration and Agenda 2063 of that African Union. Governments will be challenged to find the resources to simultaneously invest in economic growth and provide social protection for large numbers of poor and vulnerable people. This is one of the main conclusions of the 2017-2018 Annual Trends and Outlook Report (ATOR), released today. The report, published by the Regional Strategic Analysis and Knowledge Support System (ReSAKSS) and supported by the International Food Policy Research Institute (IFPRI). takes an in-depth look at current and future role of social protection among African countries. It analyzes issues related to: (i) the design of effective programs to meet the growing needs for social safety nets across the continent; (ii) the costs, success, and sustainability of existing programs; and (iii) the scope for replicability and adaptability of alternative intervention in diverse country contexts. The report also assesses the effectiveness of alternative targeting approaches and the contexts for which they are most appropriate.

"Social protection programs can be one of the most effective ways of reducing poverty and food insecurity, but fiscally-strapped governments face many challenges in implementing cost effective and inclusive programs" said Fleur Wouterse, Senior research fellow at the <u>International Food Policy Research Institute (IFPRI)</u>, and a co-editor of the report. "Emphasizing the productivity enhancing potential of social protection, the research and analysis in this year's ATOR is a crucial resource for governments seeking to navigate the challenges of creating effective safety nets for their vulnerable citizens."

Evidence from the report suggests that social protection programs such as cash transfer programs – the continent's most important form of social protection - can provide more than just social assistance. Particularly when combined with additional components beyond transfers (like behavioural change measures), these programs can contribute to economic and social development by building human capital, skills and productivity, and the ability to withstand external shocks.

"Social protection programs like the Productive Safety Net Programme have been among the most important policies from the government of Ethiopia in stimulating rapid reductions in poverty and food insecurity, and significant economic growth," said H.E. Eyasu Abraha Alle, State Minister of Agriculture and Livestock in Ethiopia. "Our experience shows that when correctly designed and implemented, and continuously evaluated, social protection programs can be a significant boon for African societies."

The report provides additional research and analysis on how countries can combine social protection programs with other sectoral development programs to create a greater overall impact, but also cautions that diverse circumstances mean that one-size-fits-all approaches to social protection programs are unlikely to work across Africa.

"African countries are just beginning to seriously address the issue of social protection and the report shows that there are a lot more options and instruments to provide social protection than are currently in use across the continent" said Ousmane Badiane, director for Africa at IFPRI, before adding that "to be effective, targeting methods for social protection programs must be grounded in the local context."

The ATOR is the flagship annual publication of ReSAKSS and was released at the annual ReSAKSS Conference, hosted by the African Union Commission and held at the African Union headquarters in Addis Ababa, Ethiopia on 24-26 October 2018. The ReSAKSS program and the ATOR provide knowledge and research to guide implementation of the Comprehensive Africa Agriculture Development Programme (CAADP), the main vehicle for the achievement of the African Union commitments to agricultural transformation.

"As Africa embarks on the implementation of the Malabo Declaration commitments and Agenda 2063 of the African Union, we are convinced that this report and the 2018 ReSAKSS Annual Conference will make a valuable contribution toward emphasizing the vital role that well-designed national social protection programs can play in ensuring that the benefits of and opportunities provided by economic growth reach the poorest and most vulnerable households," said H.E. Amb Josefa Sacko, AUC Commissioner of Rural Economy and Agriculture.

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Notes to the editor:

About ReSAKSS

Established in 2006 under the Comprehensive Africa Agriculture Development Programme (CAADP), the Regional Strategic Analysis and Knowledge Support System (ReSAKSS) supports efforts to promote evidence- and outcome-based policy planning and implementation. In particular, ReSAKSS provides data and related analytical and knowledge products to facilitate CAADP benchmarking, review, and mutual learning processes. ReSAKSS is facilitated by the International Food Policy Research Institute (IFPRI), in partnership with the African Union

Commission (AUC), the NEPAD Planning and Coordinating Agency (NPCA), and leading regional economic communities (RECs). At the regional level, ReSAKSS is supported by three Africa-based CGIAR centers: The International Livestock Research Institute (ILRI) in Kenya, the International Water Management Institute (IWMI) in South Africa, and the International Institute of Tropical Agriculture (IITA) in Nigeria.

www.resakss.org

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About IFPRI

The International Food Policy Research Institute (IFPRI) seeks sustainable solutions for ending hunger and poverty. IFPRI was established in 1975 to identify and analyze alternative national and international strategies and policies for meeting the food needs of the developing world, with particular emphasis on low-income countries and on the poorer groups in those countries Visit: www.ifpri.org

About AUC

The African Union, established as a unique Pan African continental body, is charged with spearheading Africa's rapid integration and sustainable development by promoting unity, solidarity, cohesion and cooperation among the peoples of Africa and African states as well as developing a new partnership worldwide. Its headquarters are located in Addis Ababa, capital city of Ethiopia. The vision of the African Union is that of: "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global arena". The AUC mission is to become "An efficient and value-adding institution driving the African integration and development process in close collaboration with African Union Member States, the Regional Economic Communities and African citizens".