WFP & social protection: 
an update on policy & programs

Show & Tell Seminar, May 2011

Ugo Gentilini
Policy Division, HQ
Vibrant interest

• Global and regional initiatives
  – SPF-I, G20, UN, AU

• Policy-research hubs

• The “SP-istas” in the blogosphere
  – Let’s Talk Development, Poverty Matters, Development Horizons, From Poverty to Power...

• Blend of old & new challenges
  – Intersection with longstanding debates
  – Wide range of perspectives... and analytical commonalities
Broadening WFP’s safety net toolbox

- Major organizational shift

- Deepening understanding and measurement of multiple factors shaping decision-making

- Quick update on:
  - Scale
  - Effectiveness
  - Efficiency
  - Delivery innovations
Global cash-based programs

2008
Global cash-based programs

2011
Exponential growth in volume

4.2M Beneficiaries in 2010

Project value, US$ Million (line)
Number of projects (bars)
Effectiveness: selected issues

• Program objectives
  – Microeconomics and “cash-out” puzzle
  – Food as medicine (e.g. Plumpy-Doz®)

• Capturing externalities (e.g. empowerment, multipliers)

• Test how design may affect outcomes
  – Frequency, duration and predictability

• Role of complementary interventions (conditionalities)

<table>
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<th>School enrolment (Mexico, IFPRI)</th>
<th>School dropout (Malawi, World Bank)</th>
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<td>CCT vs. CT</td>
<td>CCT + 9.7 percentage points</td>
<td>No statistical difference</td>
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Effectiveness: new experiments

- Quantitative evidence on impacts and costs
- Causality nexus and limitations of RCTs
- Ongoing operations, final results in mid-2012

- Ecuador: triple urban comparison
- Niger: seasonal work programs
- Timor Leste: asset-creation
- Uganda: early child nutrition
- Yemen: relief transfers
- Cambodia: school meals
Efficiency: selected issues

• In principle, costs may be lower for cash and vouchers
  – Less logistics (outsourcing transport, storage etc)
  – Beneficiaries transaction costs (time, travel, resale of food)

• But...
  – Set-up (fixed) vs. running (variable) costs
  – Planned (design) and actual implementation costs
  – Cash-based transfers need basic implementation conditions
  – Cash transfers different from vouchers
Efficiency: counterintuitive findings?

Food systems

Upstream

Vouchers

Food procurement
large-scale suppliers, quality

Food (LP)

Operational costs
(NO processing, logistics etc)

Retailers
small, dispersed

Operational costs
(processing, logistics, etc)

Distribution points

Economies of scale in food procurement may offset savings from less logistics for vouchers

OPT
Cambodia
Zambia
Tailoring delivery models for vouchers...

Afghanistan
Burkina Faso

Zambia
Zimbabwe
Mozambique

Syria
OPT

Low-tech

High-tech

Syria OPT
... and for cash transfers

- Malawi (2005)
- Sri Lanka
- Pakistan (flood relief)
- Philippines
- Malawi (2010)

Low-tech

High-tech
A glance at ex-ante SP programs

• Insurance and risk management products
  – Satellite & weather data, modelling needs, scale-up costs

• Micro-level initiatives
  – Farmers crop insurance (China)

• Scaling-up national systems
  – Safety net contingency financing
  – LEAP-PSNP (Ethiopia)

• Continental platform
  – Africa ‘Risk view’ (with AU)
... tailoring *overall* approach to stage in SP development

*SP Features*

- Capacity
- Composition of SP
- Coordination
- Funding
- Legislation
- Etc.

*Contexts where WFP operates*

- Limited
- Emerging
- Consolidating

*Programs* vs. *‘Systems’*
... tailoring overall approach to stage in SP development

- Understanding and appraising context
- Help building systems
  - E.g. Ethiopia “PSNP+”
  - Mozambique: operationalizing SP strategy
- Defining WFP roles
  - Assessment, design, implementation, M&E, policy
  - Catalyzing and adapting global lessons
- Produce (and use) credible and practical evidence
  - New wave of publications...
Summary of Findings
OMC Region-Wide Study on National Food Subsidy & Safety Net Programs: Opportunities for WFP Capacity Support

... regional perspectives
... overarching innovations

- New edited volume
- Wide range of issues underpinning SP
- 22 chapters, 400pp.
- 50 practitioners, policymakers, academics
- Send an email for free copies (Ugo.Gentilini@wfp.org)
So in the coming future...

• Update of cash & vouchers policy paper in June 2011

• Update of SP policy paper in mid-2012

• Upgrading capacity and evidence-base
  – “Cash-for-change” initiative, new centre of excellence in Brazil

• Furthering engagement
  – ... especially on upstream policy issues at country level
  – Conceptual clarity in the field (workshop in June 2011)
  – From definitions to practice (lessons & guidance)
Danke!