Save the Children

SCOPING AND SECTOR REVIEW OF SOCIAL PROTECTION IN SOMALILAND

July 2020

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DEVELOPMENT PATHWAYS

Republic of Somaliland
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EXECUTIVE SUMMARY

Introduction

This Scoping Study and Sector Review presents a strategic analysis of the existing social policy landscape in Somaliland, aimed at informing the development of a Social Protection system for Somaliland and the formulation of a Social Protection Policy, by the end of 2020. In particular, this review focuses on Somaliland's pilot Child-Sensitive Social Protection Programme (CSSP), within the context of Somaliland's wider sector of social development, highlighting gaps in the current system with a forward-looking analysis of opportunities to invest in inclusive income support programmes and build the capacity of the Ministry of Employment, Social Affairs and Family (MESAF) for governance, coordination and delivery of core Social Protection schemes.

The challenges faced by Somaliland

The majority of Somaliland's population live on very low incomes and would benefit significantly from access to Social Protection. The latest estimates of Somaliland's poverty line in 2013 suggested that the urban poverty rate was 30 per cent, while rural poverty was estimated at 37 per cent. While poverty lines are a useful metric for measuring progress in tackling poverty, these are problematic for determining social policy since poverty is much more complex than a simple line. Looking at different measures of poverty based on daily per capita consumption, the vast majority of people in Somaliland are living on very low and insecure incomes. Ninety-three per cent of the population in both urban and rural areas still had very low levels of per capita consumption at Sl. Sh. 13,600 (US $ 1.60) and Sl. Sh. 11,900 (US$ 1.40), respectively. Using the international threshold of PPP $ 1.90 per person per day, in 2017, 78 per cent of the population was regarded to live in extreme poverty.

Vulnerabilities in Somaliland are exacerbated by covariate and idiosyncratic shocks faced across the lifecycle, which can cause setbacks in families' living standards, across entire communities. Recurring droughts have led to the total volume of livestock export decreasing by 45 per cent between 2012 and 2017, significantly affecting Somaliland's markets which rely heavily on livestock exports. Over half of the population in Somaliland relies on pastoralism, who experience loss of land and resources as a result of environmental shocks, leading to forced migration and population displacement. As a result, Somaliland experiences rapid rates of urbanisation, leading to the creation of overcrowded informal settlements in which internally displaced persons (IDPs) are faced with limited income generating opportunities, lack of access to basic services and social infrastructure, such as clean water, schools and health centres.

Children in Somaliland face significant challenges in the early stages of life as most families struggle to access adequate incomes and living standards, while larger families with more children are more likely to be living on low incomes. Essential public services, including schools, hospitals and sanitation facilities are unequally accessed by communities in Somaliland, and limited in availability overall. Many children in Somaliland face protection-related issues which can lead to the risk of not attending school. Children from low-income families are more likely to engage in child labour in order to supplement families' incomes, which can form a significant barrier to schooling while being detrimental to children's health and development. Many girls in Somaliland are at risk of early child marriage and almost all women in Somaliland have undergone some form of female genital cutting. Children with disabilities experience some of the most severe challenges in Somaliland as a result of stigma and exclusion from education and future labour market opportunities. Without adequate income support, families caring for a child with a disability face significant extra costs that are likely to put a significant strain on household income. These costs can range from increased transportation costs to significant expenses on healthcare or assistive devices, while family members and caregivers experience a reduction in income due to their inability to work as a result of care responsibilities in the home.

When children grow up and enter adulthood, they face significant challenges in accessing work, as Somaliland faces high unemployment rates. In particular, women have a disadvantaged position in the workforce and are more likely to rely on income from precarious work, including domestic work and casual labour, outside of the formalised job sector. The birth of a child often leads to mothers reducing income generating activities in order to care for the child. Persons with disabilities continue to face challenges during working age, as they have unequal access to employment opportunities. Older persons face a declining capacity to work and earn income, harming their level of autonomy and increasing dependency on others. As older persons become less able to contribute to their family and community, they may face growing isolation and a loss of support from family members who struggle to provide for children themselves.

The scope for investing in Child-Sensitive Social Protection in Somaliland

There are significant risks to underinvesting in children, harming future generations. In particular, the first 1,000 days of life are the most sensitive to brain development and, therefore, most formative for health, growth and cognitive development that set the path for adulthood. These indeed constitute the period when the return on investment in children, be it in health, early child development, or nutrition, is highest. Ensuring that young children have optimal nutrition, health, care and stimulation during the first five years of life is essential for them to reach their full potential and maximise their contribution to society. Health risks experienced during pregnancy and childbirth can limit children's chances of survival at birth, while poverty experienced during early childhood further exacerbates childhood mortality.

As set out in the NDPII, Somaliland aims to develop a more sustainable economy, by *'reducing poverty and increase economic opportunities while maintaining the human rights of its citizens through good governance.'* While public investments in the supply of health and education services are crucial, these are insufficient on their own to achieve outcomes that stimulate inclusive growth and development. Social protection is an essential investment that stimulates the demand side of skill and labour, by guaranteeing citizens with a minimum income to access adequate diets and health care, building a more educated and adaptable workforce. By investing in children, social protection can enhance education outcomes which contributes to a more skilled workforce, in line with the strategic goals set out in the NDPII to further human capital development in Somaliland. An inclusive child benefit ensures that children have access to a minimum level of support, making education and training opportunities more accessible and affordable, while children are less likely to engage in work and other detrimental coping mechanisms. A small transfer received through social protection already has the potential to provide families with the means to address food insecurities by enabling recipients to achieve better diets, with significant outcomes for the nutritional standards of children.

By gradually establishing inclusive lifecycle schemes as entitlements provided on the basis that all citizens have a right to social security, Somaliland can build a rights-based social protection system, with a higher potential for building social cohesion and fostering a social contract. In contrast to a rights-based model, charity-based schemes, which aim to target limited resources to the poor are politically less sustainable due to relying on a system of low taxation and low benefits. While poverty-targeted schemes can be found across many low- and middle-income countries, they typically require complex design specifications to identify recipients, leading to many inaccuracies and high rates of exclusion. In the context of Somaliland, where most families can be considered to live in poverty and are highly susceptible to environmental shocks that impact further on living standards, poverty-targeted schemes will likely exclude the majority of families in need of support as it will be impossible to identify the most needy.

Overview of the Social Protection context in Somaliland

The development of a Social Protection Policy presents a key opportunity to set out a definition for the Social Protection system in Somaliland, which currently lacks a clear scope and direction. Internationally, proponents exist of both narrow and broad understandings of social protection. In the context of Somaliland, it is useful to distinguish the core Social Protection sector as the social security system – with a focus on establishing income

support schemes across the lifecycle – from other programmes and services that are socially protective. In the NDP II, Social Protection is defined as a cross-cutting theme which underpins support to Somaliland's citizens across a multitude of public sectors. While this recognises the essential role of Social Protection in promoting growth across other sectors, it risks failing to establish clarity and scope for social protection schemes and building their delivery capacity and systems. Nonetheless, it should be realised that a comprehensive Social Protection system should be progressively realised over time.

The Child-Sensitive Social Protection Pilot (CSSP), implemented in 2017, is the most comprehensive scheme in Somaliland offering a regular income guarantee to families through a monthly cash benefit of US$20 embedded in a cash-plus approach to households with 2 or more children below the age of 5 years, yet it currently reaches only 300 households. Nonetheless, the CSSP pilot has demonstrated improvements in health, food security and nutrition outcomes among children in recipient families. There is significant rationale to expand the CSSP into a comprehensive child benefit and build the capacity of MESAF to invest in all children across Somaliland, guaranteeing them with a better start in life.

Prior to the implementation of the CSSP, the majority of regular assistance was provided on a project-basis, with low coverage, by external partners and NGOs. The majority of these schemes include public workfare schemes, which provide a cash transfer conditional on a member of the household participating in labour intensive work. While these schemes have a dual objective of providing income security and building community assets to enhance resilience to climatic shocks, in particular with the aim of addressing water scarcity in remote areas. In practice, due to the low level of transfers provided in cash and food for work schemes, these interventions promote vulnerable forms of employment at low remuneration which can have adverse effects on health and wellbeing among recipient families. Unconditional transfers are more likely to offer income security to families and enable their engagement in the labour market.

In 2018, Somaliland has released a Public Service Pension Fund Bill. Through a Funded Defined Contribution Scheme, the scheme will provide a form of income replacement to civil servants, upon reaching a retirement age of 65 years. The scheme will provide benefits in the form of periodic payments, through the purchase of annuities, a lump sum payment, or an income drawdown, which allows members to draw income directly from the fund at any given point in time.

Humanitarian emergency responses are coordinated by key agencies in Somaliland in partnership with external partners and NGOs. The National Disaster Preparedness and Food Reserve Authority (NADFOR) manages a contingency plan, which aims to develop timely, consistent and coordinated responses to anticipated environmental shocks in order to minimise damages and promote early recovery of affected communities. The National Displacement and Refugee Agency (NDRA) coordinates ongoing humanitarian support to groups affected by displacement. While Somaliland invests a proportion of the public budget on humanitarian support, there is no wider contingency fund. Therefore, the humanitarian sector is reliant on external funding, largely provided through donor support.

Governance Arrangements for Social Protection in Somaliland

The mandate for social protection is embedded within the Department of Social Affairs and Protection in MESAF, which includes a number of programmatic functions related to the broader social sector, including care and protection issues. MESAF established a separate Social Protection Unit in 2018 within the Department of Social Affairs, forming a significant step towards formulating policy for a Social Protection sector, as it prioritised the development of a framework for Social Protection and increase stakeholder dialogue. However, the unit has limited human resource capacity for effective governance oversight and delivery of Social Protection schemes, while further challenges for institutional capacity are created by the many administrative functions within MESAF, including administration, planning, human resources and financing, which operate alongside one another. Moving forward, the concentration of all administration and delivery of schemes within one agency can be more effective for the delivery of Social Protection schemes.

Systems and Delivery Mechanisms for Social Protection in Somaliland

While capacity of core systems and delivery mechanisms for Social Protection schemes is in the early stages of development, key lessons can be drawn from the CSSP. The CSSP provides 300 families in Somaliland with a predictable monthly transfer. However, administrative processes and delivery of the CSSP are complicated by the use of vulnerability scoring, which is a form of proxy means testing, in combination with community-based verification. Further expansion of the scheme will require a simplification of eligibility criteria in order to enable efficient management of the scheme and minimise exclusion of vulnerable families with children. Furthermore, simplifying eligibility criteria to ensure that all children below a certain age will be reached, will enhance transparency and accountability of the programme towards citizens and ensure that no child will be left behind. Inclusive Social Protection schemes, due to their simplified eligibility criteria such as those based on age, are less costly to implement as they require less administrative and human resource requirements to monitor eligibility.

The CSSP ensures effective delivery of cash to recipients through mobile money accounts, overcoming long waiting times and travel distances to pay points which are commonly associated with cash transfer schemes. Save the Children have integrated a comprehensive monitoring and evaluation strategy, comprising a baseline survey and quarterly Post-Distribution Monitoring Surveys (PDM), to monitor outcomes with 'proactive calls' put in place to collect recipients' feedback on the programme. The CSSP further incorporates training and capacity building for Government staff, with MESAF being increasingly involved in programme implementation.

Financing the Social Protection Sector

Limited budgetary allocation to the broader social services sector poses challenges, as public investments in Social Protection are minimal in Somaliland. The overall budget of MESAF is largely allocated to the development of legislation and policy, in addition to a small number of support programmes and services that are funded directly by the Government. While MESAF is increasingly contributing part of its public funding on the operations of the CSSP, there is a need to build the case for investing in Social Protection as a core public service. The formulation of a Social Protection Policy in Somaliland presents a key opportunity to prioritise Social Protection for strategic planning, with adequate representation in the NDP which guides annual budgetary projections.

Potentially the most likely source of additional funds for social protection is through economic growth which will necessarily generate new tax income. Investments in Social Protection will generate economic returns which will, in turn, create more tax income. Establishing inclusive Social Protection schemes can be a small step in building the trust of citizens in public services, strengthening the social contract, and, over time, could lead to an increasing willingness to pay taxes which can be invested not only in social protection but in other public services and infrastructure. Inclusive Social Protection schemes tend to be more effective at building the social contract than smaller, poverty targeted schemes, since a larger proportion of the population benefits and citizens are aware that their contributions to society are remunerated through comprehensive social services and a minimum level of income support.

Opportunities and Challenges for the Future Design of the Social Protection System

To date, investment in Social Protection in Somaliland has remained limited, resulting in the prioritisation of those living in extreme poverty. There is a risk that further expansion of social protection in its current design risks generating a significant gap in coverage as the majority of the population will continue to remain excluded from Social Protection programmes. Extending coverage to the 'missing middle' ensures that those experiencing significant vulnerabilities can access support, while generating further social and economic benefits. In order to build the capacity of MESAF to scale up the delivery of the CSSP, there is a need to simplify eligibility criteria to limit the financial and human resources required to identify and manage recipients, while avoiding significant exclusion of the poorest and most vulnerable families. Whereas the pilot CSSP incorporated a poor relief approach, Social Protection schemes are more sustainable when they ensure

accountability to citizens and address the broader social challenges faced by the population of Somaliland. As the use of different poverty lines illustrates, most people in Somaliland are living on very low incomes which can justify universal access to Social Protection schemes.

There is significant scope to build a Social Protection system in Somaliland that benefits from wider system integration. An inclusive child benefit can incentivise important developments in birth registration and identification through a centralised Single Registry information warehouse, while creating potential for the system to be shock responsive. There is significant scope to integrate social protection registration, enrolment, payment and delivery mechanisms to disaster risk management in order to build a system that can scale up existing Social Protection transfers during an emergency. Inclusive income support schemes are crucial to enable the system to scale up support during an emergency. Only when Somaliland has a Social Protection system that is inclusive of all citizens, can the system be scaled up rapidly to those affected by a crisis. Investing in an inclusive Social Protection system, in itself, will generate significant savings in the areas of post-disaster response and humanitarian assistance in the long term by building families' resilience to shocks as they are able to access a minimum income.

Building a child-sensitive Social Protection system in Somaliland

Somaliland is able to progressively realise an inclusive child benefit system through a phased in approach, starting with an income guarantee for children aged 0 to 4 years, prioritising children during the initial 1,000 days of life, which are crucial for children's cognitive development and growth. Subsequently, no child will be taken off the scheme until they reach their 18th birthday, meaning that the scheme will expand year-on-year until it reaches all children aged 0 to 17 years by 2033, when the scheme reaches universal coverage of children. As such, the child benefit system can form a strong foundation for the inclusion of families in income security schemes, benefiting wider public services and registration. While the scheme will already benefit 64 per cent of the population in 2020, either directly or indirectly through the child benefit, this will grow to 95 per cent when the scheme reaches universal coverage in 2033. Therefore, the child benefit system can achieve nearly universal registration of households, which can build the capacity of systems across other sectors, including birth registration, ID registration and shock-responsive transfers, as emergency support can be deployed more rapidly when the affected population is already included in a database alongside details to enable payments.

The implementation of a comprehensive child benefit system in Somaliland requires significant investments to ensure that the system is equitable and inclusive of all children. However, through a phased-in approach, investments are more politically and financially feasible while the costs of inclusive schemes are far less than the level of funding currently required to manage humanitarian cash transfer operations in Somaliland. Significant achievements can be made towards building the foundation of an inclusive Social Protection system in Somaliland if the portfolio of humanitarian cash transfers, estimated to be over US$ 80 million, is re-invested in the progressive realisation of a child benefit. The child benefit, reaching all children aged 0 to 4 years in 2020, will require an investment of approximately US$ 41.4 million in its initial year of implementation. When the scheme reaches universal coverage of children in 2030, costs will amount to US$ 143.5 million, while the scheme will reach approximately 2,278,000 children. Therefore, the cost of humanitarian cash transfer operations exceeds the level of investments required for the implementation of a small child benefit in its initial year, while the gradual implementation of a universal child benefit to all children aged 0 to 17 by 2033 will be manageable if humanitarian funding were to be gradually re-invested in building MESAF's capacity to deliver a child benefit for Somaliland.

However, in order for Somaliland to build a system that is child-sensitive, it is essential that Somaliland lays the foundation for Social Protection schemes that support citizens in addressing risks and challenges faced throughout the lifecycle. Children born today will grow to face further challenges in the labour market when they reach adulthood, in particular when they have a disability, and will require income support when they lose their capacity to earn income in old age. Building on the foundation established by the child benefit system in its first year of implementation, Somaliland will be able to implement inclusive lifecycle schemes at a level

of investment of US$ 81.2 million, providing a benefit of US$ 5 to children aged 0 to 4 years, a child and adult disability benefit of US$ 20 and an old age benefit of US$ 20. Under this scenario, the complete package of lifecycle schemes will ensure coverage of 74.4 per cent of the total population, while reaching 75.5 per cent of those among the poorest 10 per cent.

The implementation of inclusive lifecycle Social Protection schemes will have transformative impacts on households' consumption, poverty and inequality. The schemes will, in particular, benefit the poorest households in Somaliland, as per capita household consumption would increase by 14.3 per cent among the poorest 10 per cent of the population. Further, the scheme will lead to an estimate reduction in Somaliland's poverty rate by 3.8 per cent and a reduction in the poverty gap by 7.1 per cent. Higher impacts can be achieved if Somaliland were to achieve universal coverage of all children below the age of 18 years under the proposed system of lifecycle benefits. This would lead to an average increase in per capita household consumption in Somaliland by 8.8 per cent, while the increase would be 24.5 per cent among the poorest 10 per cent. The poverty rate is estimated to reduce by 9.9 per cent as a result, while the poverty gap would reduce by 17 per cent.

Social care services are a key component of a comprehensive Social Protection system but are different in design and nature from income support schemes. While social care has not been included in the review of the Social Protection sector, for the purpose of defining a clear scope for building core income support schemes, it should be recognised that child and adult social care services play an essential role in the protection of citizens, alongside the provision of a minimum income guarantee. The CSSP pilot provides a key opportunity to enhance social services to children, including lessons learnt from its child-sensitive cash-plus approach. By investing in a cash-plus approach linked to registration for the proposed child benefit, Somaliland can ensure the availability of basic social services to families, including basic health and nutritional care services. However, in order for Somaliland to start building a social care sector, it is important that this is dealt with through a separate process to ensure adequate quality standards and capacity building, underpinned by an investment strategy.

Conclusion

Social Protection has the potential to play an essential role in strengthening Somaliland's economy and society, by fostering social cohesion and growth, which contributes to peacebuilding, reconstruction and resilience. However, significant steps need to be undertaken to build an effective system, that guarantees that children born today can access the minimum protection that enables them to maintain and improve their living standards throughout their life course. For future generations, it is essential that no children are left behind and are not disadvantaged by unequal access to core income support schemes. In fact, there are significant risks to society if Somaliland continues to underinvest in children.

Building on the pilot CSSP, Somaliland can establish the foundations of an inclusive Social Protection system by phasing in an inclusive child benefit. While lessons can be learnt from achieved outcomes of the CSSP cash transfers and its cash-plus approach on child wellbeing, it is essential that Social Protection schemes that are implemented at a wide scale are designed based on simple eligibility criteria, that minimise exclusion and complexity in the design, operations and delivery of schemes.

In order for Somaliland to build a rights-based child-sensitive Social Protection system, it is crucial that policy makers take advantage of the opportunity presented by setting out the Social Protection Policy, to lay the foundation for inclusive schemes across the lifecycle, including a child benefit, disability benefits and and old age pension system. These are essential to ensure that the system does not generate future coverage gaps, and children continue to be protected throughout the life course. Building on the foundation set up by an inclusive child benefit system, Somaliland is able to implement an inclusive package of lifecycle schemes, for a cost that is less than the investments currently made to fund humanitarian cash transfer operations, yet it will lay the foundation for a system that has long-lasting impacts on the economy and society, present opportunities for strengthening systems while building families' resilience to shocks.

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ACRONYMS

ACTED	Agency for Technical Cooperation and Development *(Agence d'Aide à la Coopération Technique Et au Développement)*
CARE	Cooperative for Assistance and Relief Everywhere
CBT	community-based targeting
CCT	Conditional Cash Transfer
CDI	Combined Drought Index
CESVI	Cooperation and development (cooperazione e sviluppo)
COOPI	Swiss cooperation and development (cooperazione internazionale Suisse)
CSD	Central Statistics Department
CSSP	Child-Sensitive Social Protection
CT-OVC	Cash Transfer for Orphans and Vulnerable Children
DRC	Danish Refugee Council
DTM	Displacement Tracking Matrix
ESS	Ethiopia Socioeconomic Survey
ETT	Emergency Tracking Tool
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
HAVOYOCO	Horn of Africa Voluntary Youth Committee
HIV	human immunodeficiency viruses
HSNP	Hunger Safety Net Programme
ICDP	International Child Development Programme
ID	identity document
IDP	internally displaced person
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
ISIR	Institute for Strategic Initiatives and Research
KIHBS	Kenya Integrated Household Budget Survey
MESAF	Ministry of Employment Social Affairs and Family
MFA	Ministry of Foreign Affairs
MICS4	Multiple Indicator Cluster Survey
MIS	management information system
MOLSA	Ministry of Labour and Social Affairs
MoLSD	Ministry of Labour and Social Development
MoPD	Ministry of Planning and Development
NADFOR	National Disaster Preparedness and Food Reserve Authority
NDP II	Second National Development Plan
NDRA	National Displacement and Refugee Agency
NERAD	National Environmental Research and Disaster Preparedness Authority
NGO	non-governmental organisation
NRC	Norwegian Refugee Council
NREGA	National Employment Guarantee Act
OAG	Old Age Grant (Swaziland)
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Co-operation and Development
PDM	Post-Distribution Monitoring
PMT	proxy meanst test
PSNP	Productive Safety Net Programme (Ethiopia)
RBA	Rights Based Approach
SASSA	South African Social Security Agency
SCG	Senior Citizens' Grant (SCG)
SDF	Somaliland Development Fund
SHFS	Somali High Frequency Survey
SHS	Somaliland Household Survey
SOS	SOS Children's Villages 'save our souls'
SSPP	Somaliland Social Protection Policy
SWALIM	Somalia Water and Land Information Management
TB	tuberculosis
UN	United Nations
UN-JPLG	United Nations Joint Programme on Local Governance and Decentralized Servcie Delivery
UNCRC	United Nations Convention on the Rights of the Child
UNCRPD	Convention on the Rights of Persons with Disabilities
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
UNPS	Uganda National Panel Survey
US$	United States Dollar
USAID	United States Agency for International Development
WASH	water, sanitation and hygiene
WFP	World Food Programme
WHO	World Health Organization

INTRODUCTION

CHAPTER 1

INTRODUCTION

This Scoping Study and Sector Review is a strategic analysis of the existing policy landscape in Somaliland in order to inform the development of a Social Protection system. Its key focus is to analyse gaps in the current system, and identify key challenges and opportunities moving forward to build the Social Protection Sector. This review will focus on Somaliland's pilot Child-Sensitive Social Protection Pilot (CSSP), within the context of Somaliland's wider sector of social development, with a forward-looking analysis of opportunities to invest in inclusive programmes and build the capacity of stakeholders to deliver a Social Protection system.

Social protection has the potential to play a key role in strengthening social cohesion and economic growth, contributing to peacebuilding, resilience building and reconstruction. However, there are significant steps to be taken to build an effective system. Social protection encompasses a broad understanding within Somaliland, in the absence of a concrete definition and scope for the Social Protection sector. The Ministry of Employment, Social Affairs and Family (MESAF) has made significant steps to build its capacity for coordinating and delivering schemes that support vulnerable groups in Somaliland, including the establishment of the Department of Social Affairs with a Social Protection Division. However, the majority of assistance to vulnerable families and individuals is provided on an ad hoc basis by external partners and NGOs while there are no social protection schemes that ensure income support. Therefore, most schemes in Somaliland are limited in coverage and do not provide long term predictable transfers.

Stakeholders in Somaliland are engaging in discussions to develop a Somaliland Social Protection Policy (SSPP), by the end of 2020. The SSPP will set the direction of Social Protection in Somaliland, with the aim of ensuring the progressive realisation of an inclusive system. By 2030, key stakeholders aim to ensure substantial coverage of families and address major lifecycle risks, in line with the Sustainable Development Goal 1.3., which calls on all governments to 'implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and vulnerable.'

This Scoping Study and Sector Review consists of eight chapters.

- Chapter 2 provides a brief overview of the methodology;
- Chapter 3 discusses the context for Social Protection in Somaliland, including an overview of the demographic, economic, social and environmental context;
- Chapter 4 sets out the key risks and challenges faced by the population of Somaliland across the lifecycle;
- Chapter 5 includes a discussion of global evidence on designing Social Protection systems;
- Chapter 6 provides an overview of existing programmes and the wider policy context in Somaliland;
- Chapter 7 identifies opportunities and challenges in the overall system;
- Chapter 8 provides recommendations for investing in potential schemes, based on an analysis of costings and simulations; and
- Finally, Chapter 9 provides concluding remarks and sets out next steps for investing in Social Protection, moving forward towards the development of the Somaliland Social Protection Policy.

METHODOLOGY

CHAPTER 2

METHODOLOGY

2.1. Qualitative analysis

2.1.1. Fact-finding mission in Hargeisa

The Scoping Study and Sector Review was carried out by a consultant from Development Pathways, who worked closely with MESAF and Save the Children International to conduct consultations and key informant interviews with a range of relevant stakeholders during a fact-finding mission. The consultant completed a total of 21 key information interviews, for which the complete list of agencies interviewed can be found in Annex 1. The fact-finding mission aimed to collect information on the involvements of donor agencies, UN partners, NGOs and civil society organisations in the provision of social assistance programmes in Somaliland. Further, it enabled a more in-depth study of the policy context and delivered key insights into the perceived challenges and opportunities for social protection in Somaliland.

2.1.2. Review of documentation and literature

The study incorporated a review of relevant documentation and literature in order to build a comprehensive understanding of Somaliland's context of vulnerability, existing programmes, as well as the legislative and policy context. The review included the following:

- The study reviewed a number of Government of Somaliland strategic documents that are central to Somaliland's development objectives up to 2030. This includes the Second National Development Plan, Somaliland's Vision 2030 and MESAF's 2018-2010 strategic plan, as well as a range of policy documents developed by relevant line ministries.
- A review of vulnerability studies aimed to inform the risks and challenges faced across the lifecycle, including analyses of the context of gender and disability in Somaliland.
- A comprehensive list of programme documentation was reviewed to analyse existing schemes, including implementation proposals and monitoring reports from a range of relevant stakeholders providing assistance to vulnerable populations in Somaliland.

2.2. Quantitative analysis

Secondary analysis of datasets was conducted to inform the context of vulnerability faced across the lifecycle, as well as the broader socio-economic context, including income and poverty indicators. An overview of datasets analysed as part of this study is included in Box 2 1.

Costings and simulations analyses were conducted to inform recommendations for potential Social Protection schemes, which will be presented in Chapter 8. This includes year-on-year levels of investments, as well as projections of coverage, investment and potential impacts of the schemes on poverty. This analysis was based on an interactive tool developed by Development Pathways, using the SHS 2013.

BOX 2 1: DATASETS USED FOR SECONDARY ANALYSIS

This study includes information from the following key datasets:

- UNICEF Multiple Indicator Cluster Survey 4 (MICS4)
- Somaliland Household Survey 2013 (SHS 2013)
- Somalia High Frequency Survey (2017/18)
- Save the Children's Child-Sensitive Social Protection Pilot Post-Distribution Monitoring data (Sept 2018 – August 2019)

THE CONTEXT FOR SOCIAL PROTECTION IN SOMALILAND

CHAPTER 3

THE CONTEXT FOR SOCIAL PROTECTION IN SOMALILAND

3.1. The economic context of Somaliland

Somaliland faces significant economic challenges, but its economy has been experiencing growth during recent years. According to the most recent statistics, Somaliland's GDP increased by 10.6 per cent between 2012 and 2017, with an average annual growth rate of 2 per cent. However, real GDP decreased by 1 per cent in 2017 due to a substantial decrease in the exports of livestock as a result of drought which has further led to a depreciation of the Somaliland Shilling. Household consumption in Somaliland is likely to be affected by the fluctuation in food prices and inflation, which was measured at a rate of 11.1 per cent in 2017 (CSD, 2018).

Somaliland's economy is volatile due to a limited diversification of exports and high unemployment rates. The economy of Somaliland relies heavily on livestock exports which comprised 73 per cent of total export products in 2017. However, recurring droughts have led to the total volume of livestock export decreasing by 45 per cent between 2012 and 2017. Other markets in Somaliland include wholesale and retail trade (CSD, 2019). However, urban markets in Somaliland expanded during recent years, in particular due to the increase in skilled labour and small businesses supplied by returning migrants.

Public expenditure targets set out in the National Development Plan II place a significant emphasis on stimulating economic growth through infrastructure development to enhance access to markets. In particular, public investments in transportation and road infrastructure are prioritised, with further plans to improve Somaliland's ports and airports, as well as access to neighbouring markets in Ethiopia and Djibouti and connectivity between rural and urban areas.[1] Tax revenues contributed over 85 per cent of revenue in Somaliland between 2018 and 2019, with the remaining 15 per cent being derived from non-tax revenues. Tax revenues are mainly derived from taxation on the import of commodities, including oil (ISIR, 2019).

A large proportion of Somaliland's population uses mobile money wallets, as technical innovations are filling the gap left by a limited presence of commercial banking services within Somaliland's financial services infrastructure. Traditional forms of money transfer services include the use of Hawala, which is an unformalised means of conducting fund transfers. Hawala has been widely used for the transfer of money across borders, most commonly to facilitate the transfer of remittances. However, the use of mobile money services has increased significantly, with its e-transfers being used for both money transfers as well as payment transactions, including the payment of bills and purchases of items in the marketplace. Mobile money accounts are supplied by two main providers, Dahabshiil and Telesom Group. While coverage of e-money accounts is nearly universal in urban areas, an increasing number of people in rural areas are using mobile money wallets through their mobile phones. The emergence of a 'cashless' economy in Somaliland enhances the access of remote communities to payments services. However, the coverage of mainstream banking services, including credit and loans, and savings, is still limited.[2] This may present challenges to financial inclusion in Somaliland, as the majority of the population is not integrated in a comprehensive banking system which further limits Government capacity to ensure compliance to financial regulations.

[1] Source: https://www.somalilanddevelopmentfund.org/
[2] Source: Key informant interviews with Dahabshiil and Telesom Group

Somaliland's wide coverage of mobile money services facilitates the current payment infrastructure for cash transfer programmes. The majority of humanitarian cash transfers are paid through e-payments, with the exception of WFP's cash transfers. Recipients are able to access financial services to withdraw payments in cash, through money agents, which includes shopkeepers who operate as merchants. Bank branches are mainly accessible in major towns, which makes mainstream services more difficult to access by those living in remote areas.

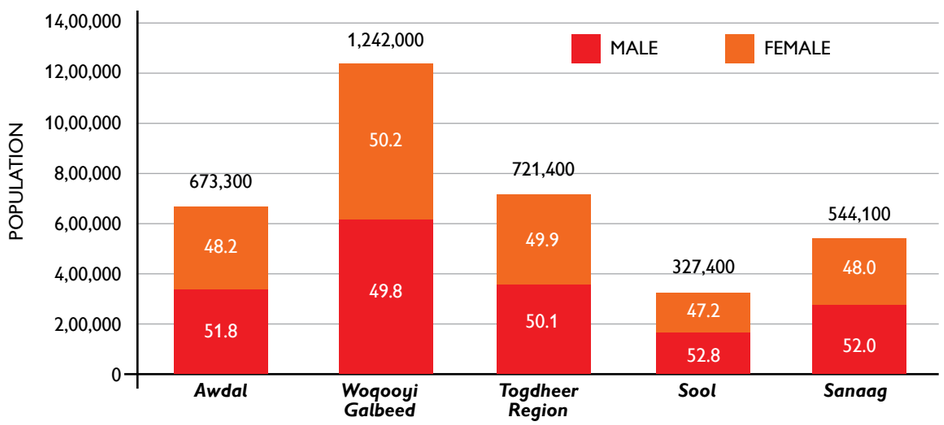
A significant proportion of Somaliland's population relies on remittances as a source of income. In 2014, remittances to Somaliland were reportedly valued at US$ 400 million annually (Smith, 2014). The wide coverage of mobile money and its provision of international e-payment services at a low cost provides families in Somaliland with more access to remittances from family members abroad. However, remittances were found to reach mainly urban families while rural families were more likely to rely on other traditional forms of family and kinship support (Smith, 2014). Indeed, remittances still comprise a significant component of the financial market and payment industry in Somaliland, as the majority of international transactions to Somaliland households comprise remittances sent by family members who settled abroad during diasporas.

3.2. Demographics of Somaliland

The total population of Somaliland is estimated to be approximately 3.9 million. Fifty-three per cent of the population live in urban areas. Figure 3.1 indicates the distribution of the population of Somaliland by region, disaggregated by gender. The most populated region is Woqooyi Galbeed, which is where Somaliland's largest city, Hargeisa, is located.

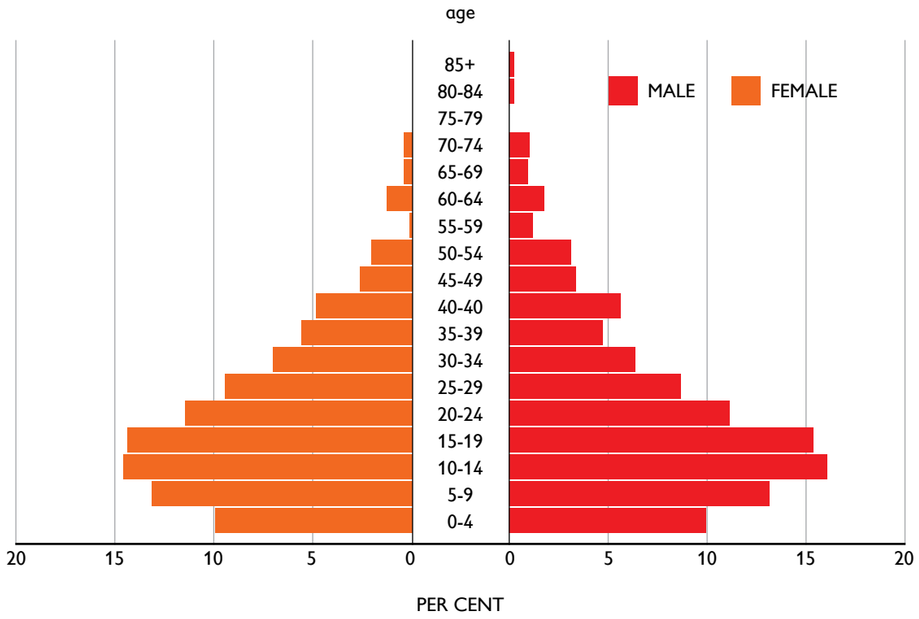
Somaliland has a young population, as over half of the population was below the age of 20 years at the time of the latest population estimation survey in 2014. Approximately 60 per cent of the population in Somaliland was between the age of 15 to 64 years, while two per cent of women and three per cent of men were aged 65 years or above (MoPD, 2018). The Labour Force Survey conducted across Hargeisa, Borama and Burao indicated that the dependency ratio, which comprises the population ratio of working age population (aged 15-64 years) compared to children and older people, in urban areas was 53 per cent, while that in rural areas was 51 per cent (MoPD & MoLSD, 2012). Figure 3.2 shows the population distribution by age and sex in Somaliland.

Figure 3.1: Population distribution by sex and region



Source: UNFPA 2014

Figure 3.2: Population pyramid, showing the population distribution by age and sex, 2014



Source: UNFPA (2014) in MoPD (2018)

The demographic age distribution in Somaliland is influenced by high fertility rates, as women, on average, were estimated to have 5.4 children in 2014. Furthermore, families in rural areas are likely to have more children than families in urban areas, as fertility rates are estimated at 6.1 births per woman in rural areas and 5.0 births per woman in urban areas (MoPD, 2018). Furthermore, fertility rates were found to be higher among those with limited access to education and income. The average fertility rate among women with no education or only primary education were 5.7 and 5.6 respectively, compared to 3.5 among women with at least secondary education. Fertility is highest among women in the poorest quintile at 6.7, while women in the richest quintile have the lowest fertility rate, at 4.3 children (MoPD, 2018). However, as Figure 3.2 indicates, Somaliland has a smaller prevalence of children aged 0 to 4 in comparison to higher age groups. While this may be resulting from issues with data collection, it may indicate a reduction in birth rates among families with young children.

A significant proportion of the population in Somaliland is likely to experience challenges due to having a disability. While there are no reliable estimates available on the prevalence of disability in Somaliland, the number of persons with disabilities is likely to be significant. Globally, between 15.3 and 15.6 per cent of the population in any society live with a disability, while 2.2 to 2.9 per cent experience severe functional limitations. Based on international estimates of prevalence, at least 535,000 persons in Somaliland are estimated to experience a severe functional limitation. Furthermore, in reality, many more people are likely to be living with a disability as prevalence are often reliant on limited reporting of disabilities, due to the stigma associated with having a disability in most societies across the world (WHO & World Bank, 2011 as cited in MOLSA, 2012). Indeed, a survey conducted by CESVI and Handicap International on children with disabilities in Somaliland estimated that 42 per cent of households in the survey contained at least one member with a disability (CESVI & Handicap International, 2013).

3.3. Environmental context of Somaliland

Somaliland is prone to climatic shocks, including droughts and floods, which have increased in frequency and severity during recent years. As a result, a large proportion of the population is faced with seasonal and chronic shortages of water and food, with adverse effects on food security, markets and employment. For example, shortfalls in rain during 2014 and 2015 led to poor crop production, acute shortage of water and death of livestock, leading to a surge in malnutrition among children (Somalia NGO Consortium, 2015). Similarly, droughts experienced during 2018 have led to declines in cereal production and rising food prices across Somaliland's largest markets (NADFOR, 2019). Rainfall patterns have reportedly become more volatile during recent years which is likely to enhance due to climate change.

Somaliland is experiencing acute water scarcity due to its semi-arid climate which is affected by the increasing severity of drought. The availability of water across Somaliland's regions is considered to be poor and inadequate, leading to challenges in water accessibility and maintaining sanitary and health conditions, in particularly among remote areas and IDP settlements (NADFOR, 2019).

During 2014, a risk analysis estimated that approximately three million people, equal to three quarters of the population in Somaliland, are susceptible to drought, indicating that they are likely to experience a significant decrease in living standards during rainfall shortages. Households affected by drought are likely to experience negative consequences in agricultural production, food security, education, water and sanitation, housing and health conditions.

Over half of the population in Somaliland relies on pastoral livelihoods, facing significant challenges due to environmental shocks (Smith, 2014). Due to more extreme weather conditions and the socio-economic challenges experienced in rural areas, livestock is becoming scarce. In January 2019, it was reported that the price of goats in the market had increased by 25 per cent during the previous six months as a result of the decrease in supply of local livestock. Reductions in the viability of livestock has significant consequences for Somaliland's current export markets, while rural populations are more likely to migrate to urban areas in order to seek other opportunities for employment and income generation. Furthermore, due to the decline in land viability, clan-based conflicts over land and resources have increased during recent years, affecting social cohesion among rural populations. Loss of land is a driver of forced migration of populations to urban areas (NADFOR, 2019).

Somaliland is experiencing rapid urbanisation, leading to the creation of overcrowded informal settlements. Urbanisation is driven by large scale displacement in the Horn of Africa. For example, Mogadishu is one of the most rapidly urbanising cities in the world with 70 per cent of Somaliland GDP based in the urban area.[3] Urban growth in Somaliland is estimated at 3.4 per cent per year. The population living in Internally Displaced Person (IDP) camps experience significant insecurities, due to limited income generating opportunities and lack of access to basic services and social infrastructure, such as clean water, schools and health centres. Migration can significantly increase social and economic vulnerability, as people become isolated from their informal networks. People that are less able to migrate, including children and older people, comprise some of the most vulnerable people in society as they are more likely to be left behind or separated from their support networks.

The number of internally displaced people in Somaliland is increasing rapidly. In 2016, UNHCR indicated that there were approximately 85,000 IDP households in Somaliland. However, more recent estimations from 2017/18 suggests that the number of IDP households has increased to 150,400.[4] The number of individual internally displaced persons was reported to be over 1 million in 2017 (IOM, 2017). Research conducted during early 2018 found that 85 per cent of internally displaced households in Somaliland reported leaving their homes due to drought, while 72 per cent said they had arrived in the displacement site in 2017 (Fanning, 2018).

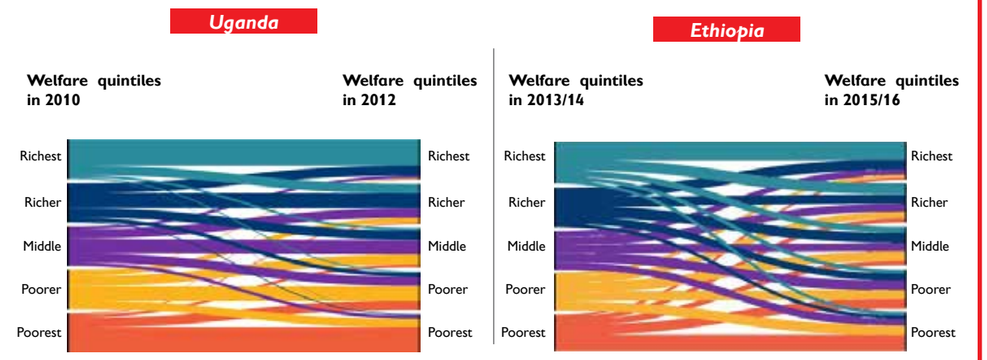
[3] Source: World Bank (7 September, 2017). 'Somali Authorities Make Urban Resilience a Priority'. Retrieved from https://www.worldbank.org/en/news/feature/2017/09/07/somali-authorities-make-urban-resilience-a-priority.
[4] Source: KII with NDRA.

3.4. Income and Poverty in Somaliland

Existing evidence on social and economic indicators in Somaliland suggest that poverty and vulnerability are widespread. The majority of the population currently lacks access to a predictable form of income security even though most people would benefit from social protection. The latest estimates based on the poverty line in 2013 estimated that the poverty rate in urban areas is 30 per cent, while rural poverty was estimated at 37 per cent.[5] Although the poverty rate is already estimated to be high, these are likely to be underestimates as it does not take into account the large number of households in Somaliland living in urban internally displaced persons (IDP) and nomadic communities who commonly have some of the highest poverty rates. Taking into account nomadic and IDP households, poverty estimates are higher.

Poverty lines are useful to measure progress in tackling poverty but are severely problematic for determining social policy since poverty is much more complex than a simple line. While poverty estimates indicate the situation of poverty during a specific period in time, the number of people living in poverty is likely to change due to the dynamic nature of income and consumption. Figure 3.4 indicates the movement of households nationally, across consumption quintiles, in Uganda and Ethiopia. In both countries, households significantly changed their position in the welfare distribution over a period of two years, with a high proportion of households in the richer quintile becoming poorer. Similarly, many of the poorest households became richer, two years later.

Figure 3.3: Income dynamics in Uganda and Ethiopia

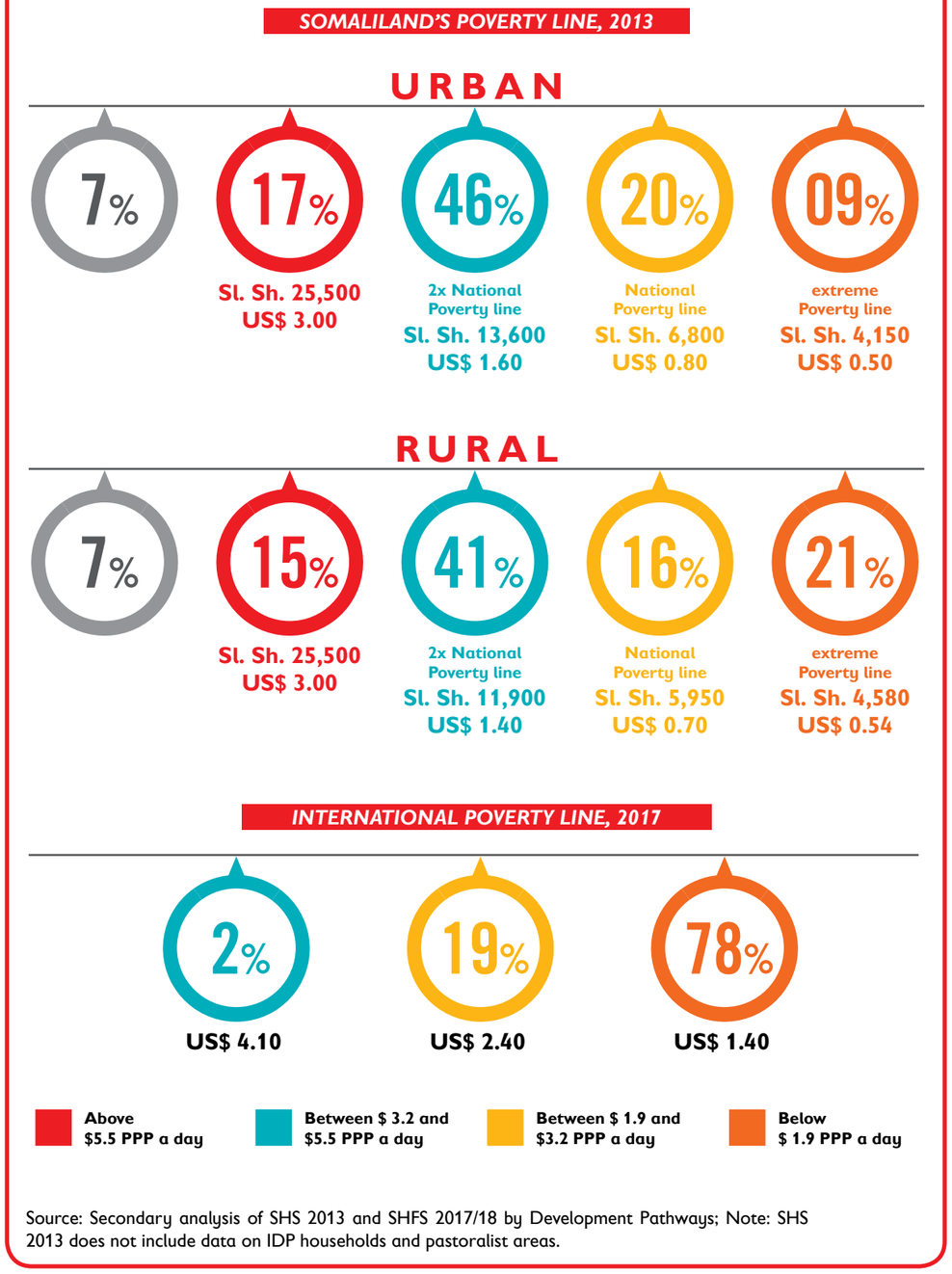


Source: Analysis of UNPS (2010/11) and (2011/2012), and ESS 3 (2015/16) and ESS 2 (2013/14) by Development Pathways

In reality, the majority of Somaliland's population live on very low incomes and their vulnerability is exacerbated by covariate and idiosyncratic shocks. Therefore, poverty rates vary depending on the type of metric used to assess the level of poverty, while the majority of the population can be regarded as living in poverty. Figure 3.4 illustrates the proportion of the population living on different levels of daily per capita consumption, comparing Somaliland's poverty lines of 2013 and the international poverty line used in 2017. Looking at the poverty estimates of 2013, while consumption levels are lower in rural areas, 93 per cent of the population in both urban and rural areas were still living on very insecure incomes of Sl. Sh. 13,600 (US $ 1.60) and Sl. Sh. 11,900 (US$ 1.40), respectively. Furthermore, 78 per cent of the population was regarded to live in extreme poverty in 2017, using the international extreme poverty line of PPP $ 1.90 per person per day.

[5] This is based on the upper bound poverty line estimated at 207,300 Shillings per adult per month in urban Somaliland and 180,900 Shillings per adult per month in rural Somaliland. The equivalent of Somaliland's poverty line in 2019 values, after taking into account inflation, is 367,100 Shillings per adult per month in urban Somaliland and 320,400 Shillings per adult per month in rural Somaliland.

Figure 3.4: Economic classes in Somaliland and the proportion living on different levels of daily per capita consumption in 2013, comparing Somaliland's poverty line to the international poverty line



Source: Secondary analysis of SHS 2013 and SHFS 2017/18 by Development Pathways; Note: SHS 2013 does not include data on IDP households and pastoralist areas.

Incomes are similar across the majority of Somaliland's income distribution, but incomes rise steeply among those living on the highest incomes. Income inequality is likely to persist without adequate investments in social protection. The urban Gini coefficient in Somaliland is 0.43 while it is 0.46 in rural areas. High levels of inequality are not only a threat to social cohesion but, as noted by the IMF, reduce economic growth (Hakura et al., 2016).Error! Reference source not found. highlights the total income distribution in Somaliland, showing that most people live on low incomes of less than Sl. Sh. 500,000 per month (US$ 60), but incomes start to rise significantly among the highest segment of the population distribution.

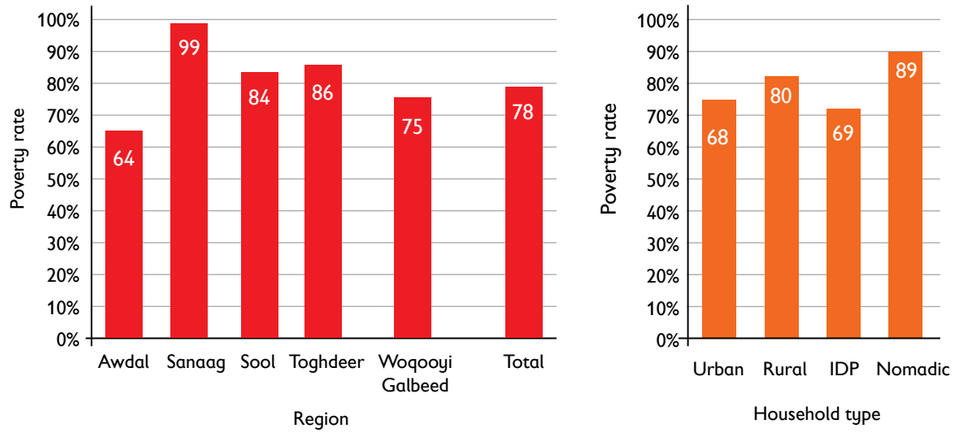
Figure 3.5: Cumulative distribution function, showing the population distribution across income levels in Somaliland

Source: Secondary analysis of SHS 2013 by Development Pathways

People living in nomadic and rural households are more likely to be living below the international poverty line, while poverty estimates also vary by region in Somaliland. Whereas internally displaced persons (IDP) face significant vulnerabilities as a result of displacement, incomes are lower among those living in nomadic and rural households. Families living in remote areas may also face particular challenges due to the lack of access to public services and facilities. Comparing regions, poverty estimates are highest in Sanaag, where almost the entire population lives below the international poverty line. Nonetheless, high poverty rates across household types – at a poverty rate of 78 per cent according to the international poverty line – suggest that vulnerabilities are widespread across all households in Somaliland. In particular, households facing displacement face specific vulnerabilities due to limited access to basic needs and services, which cannot be measured through income or consumption.

Opportunities for economic growth in Somaliland are limited by high unemployment rates and human development constraints which contributes to lower productivity and skilled workforce in the labour market. The 2012 labour force survey across Borama, Hargeisa and Burao districts estimated high rates of unemployment. Unemployment is particularly high among young people (15-24 years), as this was measured at 66 per cent, 38 per cent and 41 per cent across Borama, Hargeisa and Burao respectively. Of those that were economically active, 56 per cent of men and 63 per cent of women reported being engaged in business

Figure 3.6: Poverty rates by region (left) and household type (right), at household level, using international poverty rate



Source: Secondary analysis of SHFS 2017/18 by Development Pathways

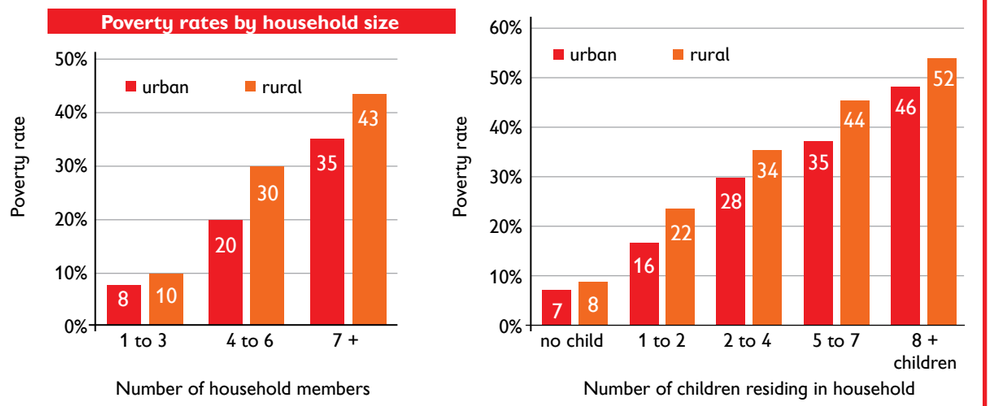
activities, while 20 per cent of men and 27 per cent of women engaged in farming or herding.[6] However, the labour force survey is limited to three districts and has limited representation of IDP and nomadic communities which may show different patterns in labour market activity (MoPD & MoLSD, 2012).

Women in Somaliland have a disadvantaged position in the labour market and are more likely to be active in the informal sector. The total employment to population ratio – defined as the proportion that worked for pay during the past 7 days in etiher formal or informal work – for the working age population (15-64 years) was found to be particularly low among women (16.7 per cent) compared to men (28.5 per cent). Overall, this indicates a low average employment ratio in Somaliland, as employment to population rates are significantly lower than the 2010 average across Africa of 70.1 per cent among men and 49.9 among women. are (MoPD & MoLSD, 2012).

Children in Somaliland face particular challenges in accessing adequate incomes and living standards. The poverty headcount in 2013 was reportedly higher among children (below 18 years) in comparison to the overall poverty rate, at 35 per cent in urban Somaliland and 42 per cent in rural Somaliland. Furthermore, higher poverty rates are observed among larger households and households with higher numbers of children. Figure 4 5 compares poverty rates by household size to the average number of children living in the household, comparing urban and rural areas. The average poverty headcount among households with at least seven members is 35 per cent in urban areas and 43 per cent in rural areas, compared to 8 per cent and 10 per cent among households with three members or less. Poverty rates are consistently higher among rural households, where the average household size is also larger. However, this information does not take into account nomadic and IDP households which are likely to experience significant vulnerabilities. As Section 4.1 will discuss, children in Somaliland are facing a range of challenges that can create significant setbacks for child development and the ability to achieve a higher living standard later in life.

[6] Note: the 2012 Labour Force Survey measured the 'economically active' as the employed and unemployed population actively supplies labour for the production of goods and services. The employed population refers to individuals who worked during the last seven days, while the unemployed refers to those who are available for work but did not work during the reference period. The inactive population includes those of working age who are: attending school, involved in household duties (homemakers), retired, sick or
injured and the disabled.

Figure 3.7: Poverty rates by household size (left)and number of children residing in the household (right), comparing urban and rural households



Source: Analysis of SHS 2013 by Development Pathways

3.5. Access to public services

Access to public services, including schools, hospitals and sanitation facilities are unequally accessed by communities in Somaliland, and limited in availability overall. As Chapter 4 will discuss, the net school attendance ratio in Somaliland is low at 51.4 per cent in primary schools and 33.1 per cent in secondary schools.[7] Basic schooling and health services are comparatively more accessible in larger urban town centres. However, access is limited across IDP settlements and rural areas. Families living in IDP settlements face significant challenges in accessing basic needs, including a lack of toilet facilities and access to clean water, while there is limited access across rural areas. Including urban areas, the most common water sources in Somaliland are wells and water tanks.

The health services infrastructure in Somaliland comprises public and private health institutions, which provide varying degrees of treatments and medications at different costs. However, certain treatments in Somaliland aimed at children are provided free of charge, including the treatment of TB, HIV, Malaria, and Mother and Child Health Therapy. Furthermore, a number of NGOs, including SOS Children's Villages, subsidise the cost of healthcare for children in hospitals when they receive a referral. The main health infrastructure across rural areas and remote IDP settlements includes small Maternal and Child Health Centres, while hospitals are mainly accessible in larger urban towns. However, Maternal and Child Health Centres provide limited types of health treatments and medication. As of 2014, Somaliland has a total of 105 Maternal and Child Health centres and 160 health post for treatment of common diseases, preventive and promotive healthcare services.

Access for persons with disabilities. The current agenda of the department of disability is focused on enhancing disability access in buildings and facilities. A taskforce has been developed between MESAF's Department of Disability, Head of building committee and Ministry of Infrastructure. An assessment has been planned of the urban building and facilities in Hargeisa. The MESAF Disability unit is in charge of planning and delivering support for persons with disabilities, mainly through collaboration with partners including Handicap International and HAVOYOCO. There are plans to conduct an assessment of disability accessibility in public buildings throughout urban Hargeisa with support from HAVOYOCO. However, this project has not yet kicked off or reached formal discussions. A pilot will take place in Hargeisa, with further expansion dependent on available funding as there is currently a scarcity of funding.

[7] Source: MICS (2011).

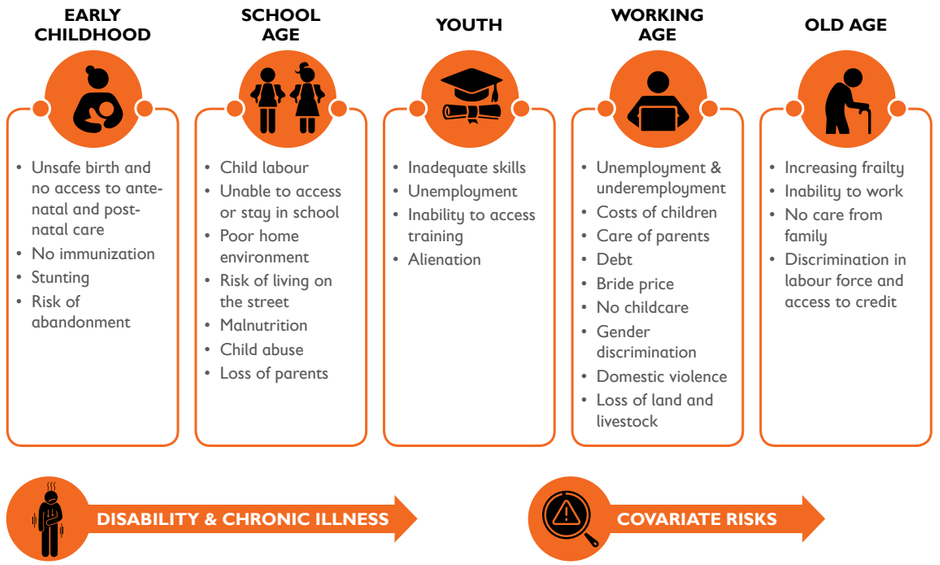
RISKS AND CHALLENGES FACED ACROSS THE LIFECYCLE

CHAPTER 4

RISKS AND CHALLENGES FACED ACROSS THE LIFECYCLE

People face a range of risks and challenges across the lifecycle. The risks faced by children, younger people, those of working age and older persons can significantly impact on families, households and wider kinship groups. These risks undermine family incomes and exacerbate vulnerabilities, which in part, can be addressed by the provision of social protection. The following sections examine some of the key risks experienced in Somaliland across the lifecycle, as summarised in Figure 4.1.

Figure 4.1: Summary of the main lifecycle risks in Somaliland



Source: Created by Development Pathways based on analysis conducted for this study

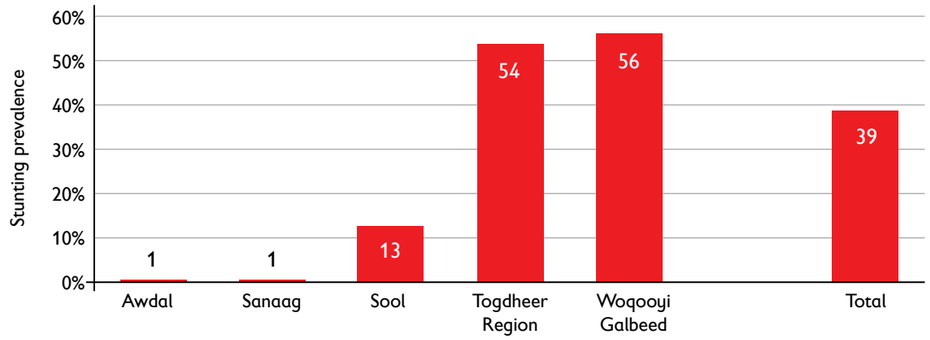
4.1. Challenges faced during early childhood

There are significant risks to underinvesting in children during the earliest stages of their lives. In particular, the first 1,000 days of life are the most sensitive to brain development and, therefore, most formative for health, growth and cognitive development that set the path for adulthood. Poor health and undernutrition can have irreversible effects that last throughout the lifecycle. When women are unable to access adequate diets during pregnancy, this can impact children's nutritional standards. Malnutrition and micronutrient deficiencies among women can heighten the risk of issues experienced during pregnancy, as well as resulting in low birth

weight of children (Cusick & Georgieff, n.d.). These risks are intensified when families have limited access to health services. Among women in Somaliland in the poorest wealth quintile during the two years preceding 2011, only 9.4 per cent of births were delivered by a skilled provider while the figure was 44.1 per cent among all births in Somaliland.[8]

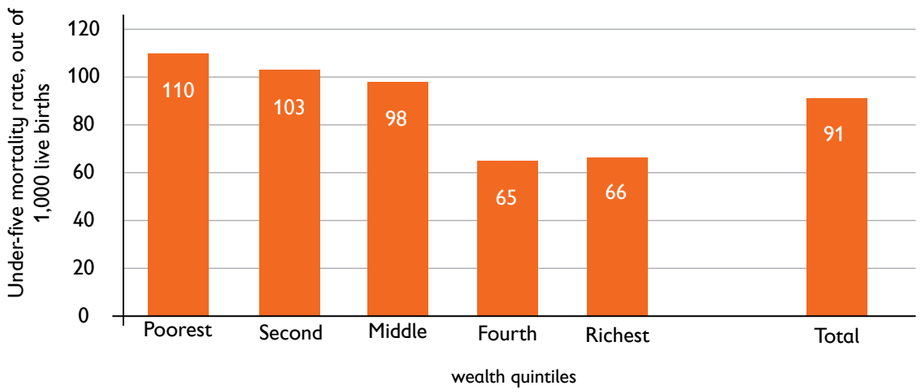
During early childhood, poor nutritional standards can lead to stunted growth among children. These nutritional setbacks impact children's cognitive development and future earning, which significantly impedes the development of a healthy and productive workforce. Stunting likely affects a high proportion of children in Somaliland. Between 2007 and 2010, an estimated 39 per cent of children below the age of five years experienced stunting, while prevalence varied significantly across Somaliland's regions (see Figure 4.2). A high prevalence of stunting in Somaliland is found to be linked to increases in acute malnutrition as a result of erratic rainfall and drought (Kinyoki et al., 2016).

Figure 4.2: Proportion of children below the age of five that experience stunting, by region (2007-2010)



Source: FSNAU data in Kinyoki et al. (2016)

Figure 4.3: Under-five mortality rates (out of 1,000 births during the previous 5 years) across wealth quintiles, 2011



Source: MICS 2011

[8] Source: MICS 2011

Health risks experienced during pregnancy and childbirth can limit children's chances of survival at birth, while poverty experienced in early childhood further exacerbates childhood mortality. In 2011, on average, 42 out of 1,000 children born in Somaliland did not survive the first month of life. Furthermore, under-five mortality rates are particularly high among the poorest income quintile but remain significant among children living in middle and higher-income families who, as discussed earlier, are nonetheless living in poverty (see Figure 4.3).

4.2. Risks and challenges facing children of school age

One of the main challenges faced by children in Somaliland is the risk of being unable to attend school. Somaliland strives to ensure free universal primary education. However, families continue to face costs, including the need to purchase materials and uniforms, transportation costs, as well as contributions towards teachers' salaries, which can present significant barriers to schooling. The most recent recorded net attendance ratio for primary schools in Somaliland was 51.4 per cent, while it was 33.1 per cent for secondary school. While school attendance ratios have likely evolved, most families in Somaliland still continue to face significant social and economic barriers to schooling. As Figure 4.4 shows, children from families living on low incomes are less likely to attend school, while girls are less likely to attend school than boys. The net attendance ratio of primary schools within the poorest quintile is 30.5 per cent for boys and 25.5 per cent for girls. Almost no children among the poorest wealth quintile attend secondary school.

Figure 4.4: Net school attendance ratio for primary (left) and secondary (right) education, by consumption quintile and gender, 2011

Source: MICS, 2011

Many children in Somaliland face protection-related issues which can exacerbate the risk of not attending school. Children from low-income families are more likely to engage in child labour in order to supplement families' incomes, which can form a significant barrier to schooling while being detrimental to children's health and development. In 2011, 26 per cent of children aged 5-14 were found to be involved in child labour.[9] Furthermore, girls in Somaliland particularly face protection issues that are likely to impact education

and work opportunities. Many girls in Somaliland are at risk of early child marriage, as 8.7 per cent of women aged 15-49 were married before the age of 15. Furthermore, almost all women in Somaliland have undergone some form of female genital cutting.[10]

Children with disabilities experience some of the most severe challenges in Somaliland as a result of stigma and exclusion from education and future labour market opportunities. In a survey on attitudes surrounding children with disabilities, 42 per cent of households in Somaliland surveyed were estimated to have at least one member with a disability. Children with disabilities are found to be less likely to go to school, which is linked to negative attitudes around the benefits of schooling for children with a functional limitation. Further, qualitative research indicates that children with disabilities in Somaliland are often excluded from society and victimised by negative attitudes and stigma around disability, in particular children with intellectual impairments (Mills, 2015). Indeed, children with intellectual impairments are least likely to go to school when compared to children with other forms of impairments, and children with no disabilities. Due to poverty and stigma, children with disabilities in Somaliland are often victimised by violence and abuse. For example, 75 per cent of respondents in a survey on attitudes towards disability agreed that children with disabilities are highly vulnerable to sexual violence (CESVI & Handicap International, 2013).

Without adequate income support, families caring for a child with a disability face significant extra costs that are likely to put a significant strain on household income. These costs can range from increased transportation costs to significant expenses on healthcare or assistive devices. For example, in South Africa, extra costs experienced by households with at least one member with a disability were 40 per cent of household income, on average, if it were to attain the same standard of living as a household without a member with a disability.[11] In addition, family members and caregivers in Somaliland likely experience a reduction in income due to their inability to work as a result of care responsibilities in the home while, in other cases, children with disabilities are found to be left without a carer while family members are forced to leave the home stead to work.

4.3. Risks and challenges facing young people and people of working age

Further challenges are faced when people enter the labour market and start families. Young people in Somaliland are faced with high unemployment, while many rely on low earnings from the informal economy or subsistence sector. While employment ratios are overall low in Somaliland, women are less likely to be in employment than men. Seventeen per cent of women, compared to 28 per cent of men aged 15 to 64 years, are in employment. Furthermore, women are more likely to be active in informal work, such as domestic labour and market selling (MoPD & MoLSD, 2012).

Many families in Somaliland struggle to provide for their children, including young people. The birth of a child often leads to mothers reducing informal income generating activities in order to care for the child, which can pose barriers to families' means of survival. As indicated earlier, fertility rates in Somaliland are high, while women from families in the lowest wealth quintile have an average of 6.7 births compared to 4.3 among women in the highest wealth quintile.[12] Gender disparities in access to schooling increase for higher

[9] Source: MICS, 2011. Note: Among children aged 5-11, a child is considered to be involved in child labour activities if they had performed at least one hour of economic work or 28 hours of domestic work during the previous week. Among children aged 12-14, this was at least 14 hours of economic work or 28 hours of domestic work per week.
[10] Source: MICS, 2011.
[11] See Kidd et al., (2019) for an overview of international evidence on the extra costs experienced by households with a member with a disability.
[12] Source: MICS, 2011

education, as women are less likely to continue to tertiary education. Whereas the gender parity index among primary school is estimated at 0.89, this decreases to 0.70 in tertiary education.[13]

Persons with disabilities continue to face challenges during working age, as they have unequal access to employment opportunities. The barriers to accessing education for persons with disabilities leads to long-lasting impacts on their economic opportunities during working age. Global evidence indicates that working age adults with disabilities are less likely to enter formal employment, facing lower wages and less job security, while women face the exacerbated risks of unequal pay and access to employment and training (Filmer, 2008; Groce & Bakshi, 2009; O'Reilly, 2003; WHO & World Bank, 2011). Qualitative research in Somaliland has found that most people with disabilities depend on their communities and family members for survival, while some are forced into begging. Disability rights organisations have highlighted the need to enhance economic opportunities for people with disabilities (Smith, 2014). In any context, only a relatively small number of persons with disabilities of working age do not have the capacity to work (Kidd et al., 2019). The limited access to economic opportunities by persons with disabilities in Somaliland is likely to be a significant loss to the economy.

4.4. The challenges facing older persons

As older persons become increasingly frail and disabled, their capacity to work and earn an income reduces. And, older persons becoming less able to earn an independent income has negative impacts on their level of autonomy while increasing dependency on others, which can result in a reduction of care and support for older persons. As older persons become less able to contribute to their family and community members, they may face growing isolation and a loss of support from family members who struggle to provide for children themselves. In Somaliland, 8 per cent of older persons aged 60 years or above live in skipped generation households, in which they are caring for grandchildren – or are cared for by their grandchildren – without the contribution of adult parents. Of older persons living in skipped generation households, over 90 per cent are women.[14]

[13] Source: Population Estimation Survey, 2014 in MoPD (2018). Note: the gender parity index is calculated as the number of females by the number of males enrolled in a given stage of education.
[14] Source: Secondary analysis of SHS 2013.

GLOBAL APPROACHES AND EVIDENCE ON THE IMPACTS OF SOCIAL PROTECTION

CHAPTER 5

GLOBAL APPROACHES AND EVIDENCE ON THE IMPACTS OF SOCIAL PROTECTION

This chapter sets out the common definitions and approaches to social protection, in order to illustrate key design considerations for Somaliland. Considerations for social protection schemes in Somaliland are contextualised by international evidence on impacts of different social protection schemes, with a particular focus on East African experiences.

5.1. Global approaches and definitions to designing social protection systems

There is no single definition of social protection, as different systems comprise varying selections of schemes depending on the scope and approach set out by governments and policies. Internationally, proponents exist of both narrow and broad understandings of social protection. For example, a broad understanding of social protection typically aims to address a wider range of vulnerabilities, ranging from income security schemes to legal protection, health, education, agricultural and employment. In contrast, a narrow understanding of social protection – which focuses more on social security – may incorporate only on a core system of schemes, those that offer income security. Therefore, a broad understanding conceptualises a range of schemes that are administered across different sectors and ministries within Government. As Chapter 6 will assess in the context of Somaliland, adopting a broad definition of social protection can risk fragmentation, and pose challenges for oversight and coordination, as there is no single unit within Government that can encompass the responsibility of providing all of these public services.

While many public services make an essential contribution to the outcome of socially protected families – that is, the protection of citizens against shocks and vulnerabilities – they do not necessarily need to be considered as components of a the Social Protection Sector. Indeed, health, education, employment, housing, and other sectors, typically embody relevant line ministries that possess the mandate of providing health care, schooling, adequate housing, sanitation etc. Therefore, to gain clarity on the definition of Social Protection, governments may distinguish between the Social Sector, including a range of services that contribute to social outcomes, and the narrower Social Protection *(or Social Security)* Sector, that encompasses a system of core lifecycle schemes that provide income transfers. Public services that are not in the core Social Protection Sector but are socially protective, can be regarded as complementary schemes within the wider Social Sector.

Globally, there are different approaches to the design of core social protection systems. Predominantly, these approaches operate within the two paradigms that can be distinguished as a charity-based model, and a rights-based model. Many international studies of the role and effectiveness of social protection debate the relative benefits of either targeting 'the poor', in order to limit the amount of resources spent on social protection, or providing an inclusive benefit that can be accessed by all those that are eligible for the scheme.

The former, which aims to target limited resources to 'the poor', conceptualises Social Protection as a handout, which is provided to certain members of society who are deemed more needy and, therefore, more deserving of support. Therefore, a charity model conceptualises social protection as support that is exclusively provided to 'the other,' in other words, groups that are different to 'us' and who we deem to be 'vulnerable groups.' While poor relief models are based on the rationale that Governments have limited resources to spend, they are politically less sustainable, due to relying on a system of low taxation and low benefits – and have limited impacts due to their limited coverage. In contrast, Social Protection systems that are based on a rights-based model regard benefits as entitlements that are provided on the basis that all citizens have a right to social security in the event that they are in need. Therefore, a rights-based model is embedded in a model based on social cohesion, as it guarantees support to all members of society, when we face certain types of vulnerabilities. Social security is enshrined in many international human rights frameworks, with subsequent adaption in many countries' constitutions and national legal frameworks, as a mechanism to address lifecycle challenges (see Box 5.1).

BOX 5.1: THE RIGHT TO SOCIAL SECURITY SET OUT IN INTERNATIONAL HUMAN RIGHTS FRAMEWORKS

Social security is internationally recognised as a universal human right, recognising its essential role in addressing core lifecycle challenges experienced through childhood to old age, with disability cutting across the life course. Further, social security is embedded in the 2015 Sustainable Development Goals, which recognises that lifecycle Social Protection systems are essential in the global agenda to end poverty and ensure health lives. In addition, the Social Protection Floor Recommendation, No. 202 (2012) reaffirms the human right to social security, and the crucial role of social protection in furthering human dignity, social cohesion, equality, social justice, as well as sustainable social and economic development.

Universal Declaration of Human Rights (1948)

Article 22: "Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international cooperation and in accordance with the organization and resources of each state, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality."

Article 25: "(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection."

International Covenant on Economic, Social and Cultural Rights

Article 9: "The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance."

Convention on the Rights of the Child

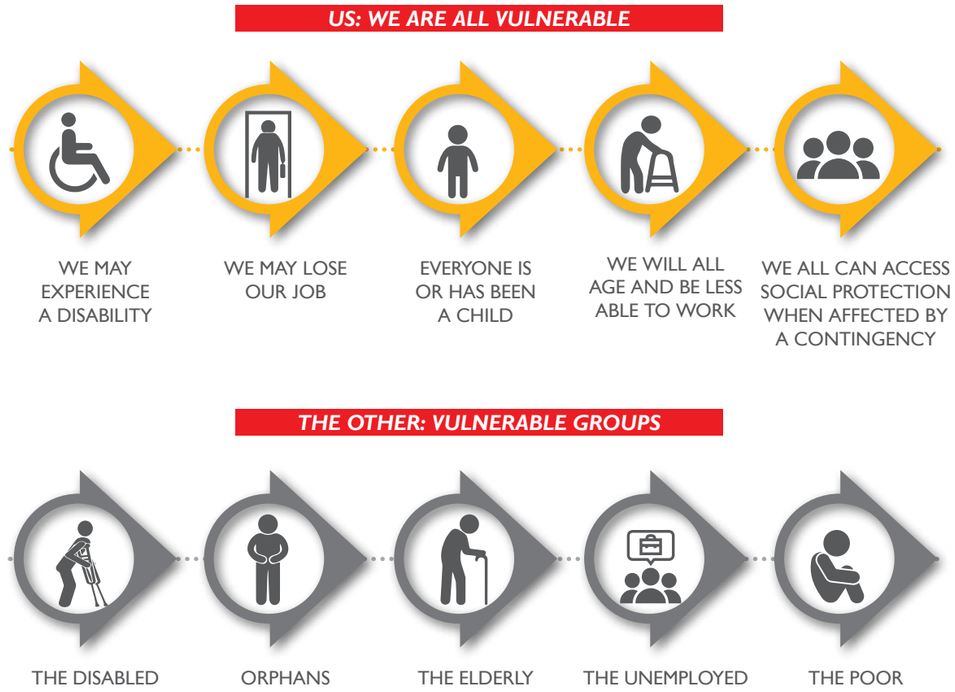
Article 26: "States Parties shall recognize for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realization of this right in accordance with their national law."

Convention on the Rights of Persons with Disabilities

Article 28: "States Parties recognize the right of persons with disabilities to social protection and to the enjoyment of that right without discrimination on the basis of disability, and shall take appropriate steps to safeguard and promote the realization of this right.."

Sources: United Nations, retrieved from: https://www.un.org/.

Figure 5.1: Conceptualisation of social protection for 'us', versus 'the other' vulnerable groups



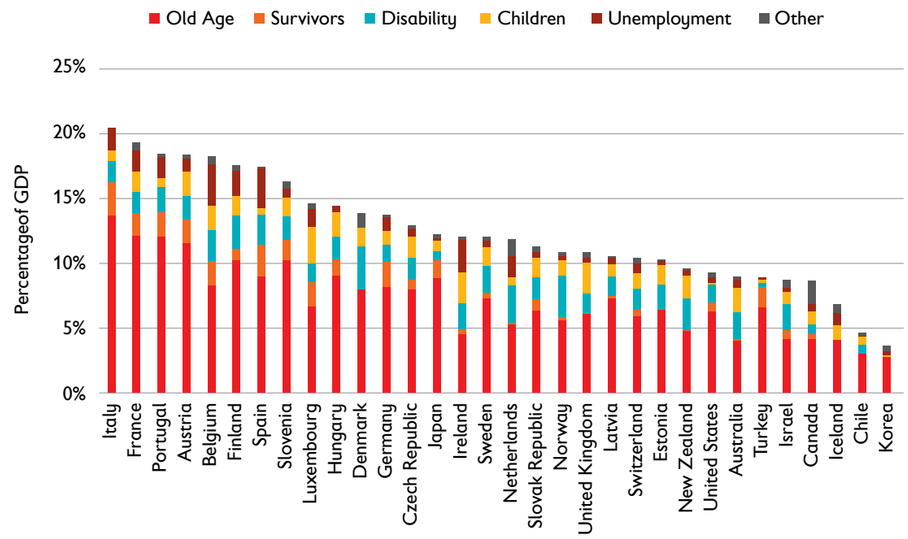
Social Protection schemes that are embedded in a rights-based model typically follow a lifecycle approach, providing benefits that aim to address vulnerabilities faced by all citizens from childhood to old age (see Figure 5.2). A rights-based model aims to ensure sustainability in laying the foundation of a Social Protection system, by ensuring that all citizens have access to a benefit when they are in need, such as when a child is born, when a person retires or in the event that a person has a disability. Therefore, rights-based schemes aim to minimise barriers to access, by adopting simple eligibility criteria. In contrast, a poor relief approach which conceptualises a safety net model, is less effective in providing all vulnerable citizens with a minimum income guarantee, as many are at risk of being excluded from support. An example of a rights-based social protection scheme is Mongolia's inclusive Child Money Programme, which, until recently, was offered to every child up to 18 years of age at a cost of 1.4 per cent of GDP. Furthermore, other countries are gradually expanding income support to children in recognition of the right to social security. Nepal, which provides a child benefit to families of ethnic minorities in two regions, is gradually expanding its child benefit geographically to achieve universal coverage of children below the age of 5 years by 2023 2023 (Garcia & Dhakal, 2019). Many other governments – including in East Africa – offer universal old age pension schemes. Due to being more inclusive and more popular, rights-based schemes have been shown to secure higher levels of Government funding, and more long-term investment. Furthermore, inclusive schemes can result in other benefits to systems growth, such as stimulating the universal registration of children at birth – which contributes to the development of a country-wide civil registry – or expanding access to financial services through their payment mechanisms.

Figure 5.2: A lifecycle approach to social protection in comparison to a poor relief model

Among higher income countries with more established Social Protection systems, an average of 12 per cent of GDP is invested in Social Protection, which makes it the largest area of public expenditure. Social Protection systems are established gradually over time. Indeed, most systems across Europe have existed for two centuries, and largely expanded as a strategy of building social cohesion in post-war societies in the aftermath of the Second World War, while ensuring a minimum set of standards to stimulate economic growth and recovery. The majority of investment in Social Protection includes guaranteeing income security for the most vulnerable members of society, including children, persons with disabilities and older persons.

Most mature and developed Social Protection systems comprise a combination of tax-financed systems and contributory schemes. Tax-financed schemes comprise the foundation of a Social Protection system, ensuring coverage and providing a minimum income guarantee. In addition, contributory schemes allow

Figure 5.3: Levels of investment in core lifecycle Social Protection schemes across higher income countries



Source: OECD (2013)

recipients to smooth their consumption, by enabling a social insurance mechanism through which recipients contribute a share of their income and receive a benefit in the event of a shock, which may include an unemployment benefit, maternity benefit, sickness or injury benefit. Therefore, contributory schemes enable recipients to secure an income at a higher level than the minimum income guarantee provided through tax-financed schemes.

5.2. Key design considerations for developing social protection systems

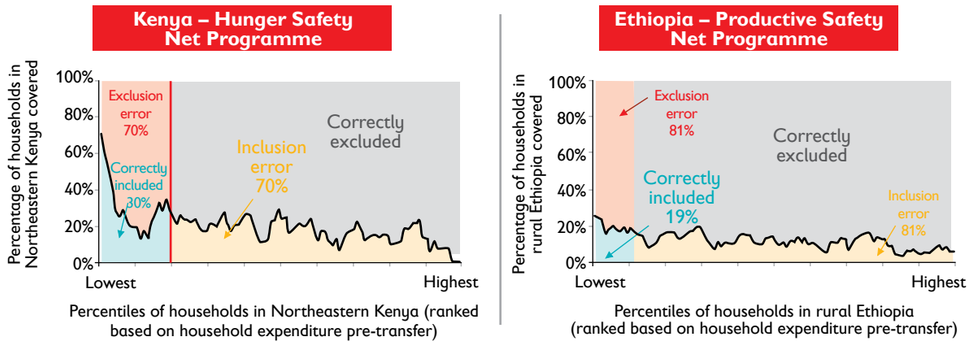
Targeting social protection or universal provision

Poverty-targeted programmes can be found across many low- and middle-income countries, as they are often promoted as mechanisms to address poverty with limited resources while prioritising the most marginalised groups. However, targeted programmes typically require complex design specifications to identify recipients, which can be costly and contain many inaccuracies. In order to target 'the poor' in countries where the majority of people work in the informal sector and there is no reliable information on income, programmes need to rely on alternative selection mechanisms to assess a person's level of wealth. A common methodology to target the poor is the proxy means test (PMT), which is based on the design of a set of vulnerability indicators, acquired through extensive household surveys, that function as proxies to estimate household wealth. Another methodology which is widely used, often in combination with the PMT, is community-based targeting (CBT), in which community representatives select the 'poorest' members.

While multiple mechanisms are used to undertake poverty-targeting, each mechanism contains inaccuracies and typically excludes a significant proportion of the most vulnerable people. Indeed, a global review of targeting mechanisms has demonstrated that Social Protection schemes targeting individuals

or households based on poverty criteria exclude at least half of their intended recipients (Kidd & Athias, 2019). For example, the Philippines' Pantawid programme which targets the poorest 20 per cent of households with children, is found to have the highest performing poverty targeting mechanism yet excludes more than half of intended recipient families. As a result, around 45 per cent of eligible families with children in the Philippines in the poorest decile were found to miss out on crucial support, due to being excluded. Other schemes targeting families living in poverty demonstrate high exclusion errors, such as Kenya's Hunger Safety Net Programme (HSNP) in Northern Kenya, which excludes 70 per cent of eligible families and Ethiopia's Productive Safety net Programme (PSNP), which excludes 81 per cent of eligible families. These high exclusion errors are partially driven by errors in the design of the targeting mechanism, such as the inaccuracy of proxies for wealth. However, a significant number of vulnerable individuals and families are commonly excluded from programmes due to under-coverage, as poverty-targeted programmes tend to have small budgets and small recipient numbers. In the context of Somaliland, where most families can be considered to live in poverty and are highly susceptible to environmental shocks that impact further on living standards, poverty-targeted schemes will exclude the majority of families in need of support as it will be impossible to identify the most needy.

Figure 5.4: Targeting efficacy of Kenya's Hunger Safety Net Programme and Ethiopia's Productive Safety Net Programme



Source: Analysis by Development Pathways of KIHBS 2016 and ESS 2015

Furthermore, there are many social challenges associated with targeting social protection, including perverse incentives, social tensions and stigmatisation. Perverse incentives can be created, as recipients may be disincentivised to improve their economic status by entering the labour market if the small additional income from work would disqualify them from receiving a benefit. As a result, recipients of poverty-targeted schemes are more likely to remain 'poor' in order to qualify for the benefit, increasing their dependency on the scheme. Poverty-targeting can generate tensions between recipients and non-recipients of social protection schemes (Kidd, Gelders and Bailey-Athias, 2018). In particular, because the rationale for the selection is often unclear and many non-recipients are vulnerable members of society. Furthermore, studies have highlighted how poverty-targeting can generate stigma and shame among community members. In contrast to providing recipients with the ability to participate in social and economic life, a targeted programme labels them as 'poor' which can affect their sense of self-respect and social standing within society.

Social protection schemes that ensure universal access based on simple eligibility criteria are more effective at reaching vulnerable groups in society, as they limit exclusion errors and avoid the social challenges commonly resulting from targeting. Inclusive benefits, which are entitlement schemes, have the potential to generate larger social and economic benefits to society, by bringing cash into communities and stimulating small businesses and markets, while ensuring the participation of all members of society. As universal income guarantees are less exclusionary, they have the potential to gather more popular support and trust in government stakeholders. Instead of stigmatising the poor, entitlement schemes offer recipients

the security that the State will support them when they are in need. Indeed, inclusive schemes have been used as political tools to generate greater support and cohesion among community members and wider society. A recent qualitative study in Kenya has demonstrated that its universal social pension for older persons aged 70 years and above has built more trust in the Government and brought community members closer together.[15]

A significant challenge to designing schemes based on poverty-targeting mechanisms is the cost that is associated with managing and implementing the schemes. The selection of recipients based on poverty status, while leading to inaccuracies, imply high administrative costs due to the added human resource needs and systems requirements to select recipients based on vulnerability criteria and monitor their poverty status. For example, the selection of recipients based on welfare proxies (PMT) requires the implementation of a survey. Due to the high costs associated with implementing a PMT survey, schemes are often not retargeted for several years. As household consumption is dynamic and changes over time, many households that are initially selected based on welfare proxies are likely to improve their living standards over time while other households that were initially excluded will have fallen deeper into poverty. Inclusive Social Protection schemes, due to their simplified eligibility criteria such as those based on age, are less costly to implement as they require less administrative and human resource requirements to monitor eligibility. A global review of universal and targeted Social Protections schems by the International Labour Organisation (ILO) in its appraisal of Universal Social Protection Floors has concluded that universal schemes exhibit an administrative cost of around 2.5 per cent of total programme costs, whereas targeted programmes require a significantly higher average administrative cost of 11 per cent (Ortiz et al., 2017).

Evidence on social protection for children indicates that an inclusive scheme translates into greater impacts on child poverty, in comparison to targeted schemes. Poverty targeting can lead to harmful outcomes on child poverty and vulnerability by excluding a high number of families in need of support. For example, an evaluation of the Philippines Pantawid programme has found that, whereas the health and nutritional standards of children in recipient families improved, children in non-recipient families faced worsening nutritional outcomes as a result of the inflation of food prices (Filmer et al., 2018). In Mongolia, the Child Money Programme was launched in 2005 as a conditional, poverty-targeted transfer with the aim of reducing poverty in the context of economic and social transformation. Due to errors in its targeting mechanism which led to significant exclusion of families living in poverty, the Government changed the design of the programme to a universal child benefit provided to all children under the age of 18, at a higher transfer value, with an additional transfer provided for newborn children. A study by Hodges et al. (2007) found that the targeted programme reduced the child poverty headcount by almost 4 percentage points, while the universal scheme reduced the poverty headcount by 10 percentage points (in Orton, Richardson, & Stewart, 2019). The Government of Nepal has incorporated core child-sensitive objectives from the Child-Sensitive Social Protection (CSSP) project into its 10-year Social Protection Framework (Lath & Pun, 2014). Recognisiong the positive impacts that can be achieved by ensuring that all families are reached through social protection, the Government is gradually expanding Nepal's Child Grant into a universal child benefit for children below the age of 5 year, to be achieved by 2023 (Garcia & Dhakal, 2019).

Transfer values

In order to guarantee citizens with the support required to reach their potential as productive and contributing members of society, an effective Social Protection system should not only ensure adequate coverage but offer an adequate minimum income guarantee. An adequate benefit amount should, at a minimum, enable citizens to address the unique risks and challenges that they may face across the lifecycle, while enabling them to be more resilient to climate risks and other covariate shocks. Therefore, Social Protection benefits should aim to enable citizens to maintain their consumption during times of shocks, but the level of the benefit may vary depending on the purpose of the scheme. For a child benefit, the benefit may aim to ensure that the child receives adequate nutrition and access to health care and education. However,

[15] Source: Forthcoming paper by Development Pathways on the Inua Jamii pension in Kenya and citizenship.

adult persons with disabilities can face significant extra costs, such as the need for transportation services and assistive devices, which may imply a higher benefit amount. And, older persons require income replacement, given that many are unable to work.

Transfer values are either designed as household transfers or as individual entitlements. Poor relief programmes often encompass a household benefit, as the transfer is based on household-based wealth indicators and vulnerability criteria. Therefore, flat-rate household transfers do not take into account household size and composition, even though the poorest families tend to be larger. Alternatively, a transfer amount that is adjusted based on the size of the household may incentivise households to increase, or merge together. Recognising that household compositions differ, while intra-household inequalities may exclude certain household members from support, an inclusive lifecycle Social Protection system comprises individual entitlements that take into account the risks that individual household members may face. Therefore, within one household, members may receive multiple benefits. For example, a household may comprise several children, a person with a disability and an older person who each receive a benefit based on their unique vulnerability. In the context of Somaliland, where household sizes contain multiple generations and many children, a small household benefit is unlikely to have significant impacts, while certain household members are likely to be left without support.

Policy makers have an important role in ensuring that an adequate minimum income is provided across all Social Protection schemes. In order to ensure the effective protection of citizens, a comprehensive Social Protection system ensures that benefits levels are embedded in policy and legislation that guarantees human rights and the dignity of all citizens. For instance, income replacement schemes may be pegged to the minimum wage, in order to effectively ensure the same level of consumption as guaranteed by the labour market, for those unable to work. Furthermore, the level of the benefit needs to take into account inflation and, therefore, be revised regularly.

Conditional and unconditional

Certain social protection schemes are designed as conditional combined with sanctions, with the aim of ensuring the benefit is used for positive outcomes. Conditional cash transfers (CCTs) are often designed to encourage young children to access health or schooling, for instance, through a maternal cash transfer that is conditional on receiving medical check-ups or a child benefit that is conditional on school attendance. When these conditions are not met, this results in sanctioning, by withdrawing the benefit or reducing the benefit amount. Schemes that are conditional on certain behaviour require stronger monitoring capacity than unconditional schemes, in order to ensure that recipients are complying to the eligibility criteria. For example, a CCT that is conditional on receiving medical check-ups requires consistent monitoring of health visits on a case-by-case basis. In Kenya, the use of conditions in the pilot CT-OVC was found to be too challenging to implement. The verification of compliance to conditions was both time consuming and resource intensive to undertake, while health and education services could not meet quality standards (Republic of Kenya, 2017). CCTs have been shown to produce positive outcomes on school attendance and health. However, there is no concrete evidence that positive outcomes are the result of conditions, rather than the provision of the cash benefit. Indeed, a global review by Manley et al., (2012) has demonstrated that CCTs are not more effective than unconditional cash transfers in tackling undernutrition among young children, while an examination of Pakistan's Child Support Programme indicated that conditions have not resulted in impacts on school attendance and positive effects have only been attributed to the families receiving a benefit (Raza, 2009). Indeed, many unconditional schemes are just as effective in supporting children in attending school, including old age pensions.

Conditions and sanctions, as part of the design of CCTs, can be detrimental to wellbeing, as the requirements of a CCT can enhance stress among recipients while those excluded from the CCT are disadvantaged by exclusion and/or loss of support. In reality, CCTs can lead to higher exclusion from income security schemes, as families living in fragile and vulnerable context are more likely to have limited access to public social infrastructure, such as schools and hospitals. As a result, the most vulnerable families, including

the intended recipient group, have a higher likelihood of being sanctioned by the CCT due to unequal access to services. Indeed, rural, nomadic and IDP populations in Somaliland face significant barriers in accessing education and health facilities which would make it more challenging for them to meet certain conditions. In Malawi, the likelihood of girls receiving the CCT experiencing psychological distress increased by 3 percentage points for every dollar received. In contrast, the unconditional cash transfer in Malawi led to a decrease in early marriage and pregnancy, while the CCT did not (Baird et al., 2011) . Furthermore, conditions can lead to perverse incentives, as families in Nicaragua's Red de Protección Programme could not comply with the condition of ensuring that their children maintained an adequate, leading to some families overfeeding their children before they were due to be weighed as part of the programme's monitoring mechanism of compliance (Moore, 2009).

Instead of conditions and sanctions, a design feature which can promote positive outcomes in schooling and education, without harming children, are behavioural nudges. Nudges can be integrated into the design of social protection schemes in order to stimulate families to invest in the care of children or provide advice and training on child feeding and nutrition. Benhassine et al. (2013) have proposed the registration of children for a child benefit within schools, in order to generate a direct link between the child benefit and school attendance. The CSSP in Somaliland has embedded comprehensive behavioural nudges, through the provision of child-sensitive awareness training sessions. This includes a core parenting skills training, that forms the foundation for additional child-sensitive awareness sessions that inform mothers of child feeding practices, family budgeting and education.

Public works programmes

A large number of countries, in particular in Africa, have implemented public works schemes as a social protection programme which provide a benefit to families living in poverty on the condition that the recipient participates in labour-intensive work. Public works programmes are often promoted by donors and international institutions on the basis that they enable poor families to receive financial support, while engaging in productive labour and building assets. Similar public works schemes have been developed in Ethiopia, Rwanda, Tanzania, Uganda and Mozambique, among other countries. However, several studies have argued that there is an opportunity cost to implementing public works programmes, as participation in work activities as part of the programme results in reduced participation in actual income-generating work. As a result, the effective transfer value received by the participant is lower, due to the opportunity cost of work in the labour market. For example, Ahmed et al., (2007) highlights the opportunity cost of work requirements for Bangladesh's food for assets programmes as participants forgo income and work elsewhere. Moreover, Ravallion (2018) illustrates the limited cost effectiveness of India's NREGA public works scheme in part due to workers having to forgo income. The study emphasises that opportunity costs are significant, even in contexts of underemployment, as families living on low incomes are more likely to maintain productivity to ensure survival. While public works programmes are often advocated as tools to enhance work opportunities for women, in reality, many women resort to participation in public works as a result of poverty, without receiving adequate remuneration for their labour.[16]

5.3. Global evidence on the effectiveness of social protection in addressing vulnerability

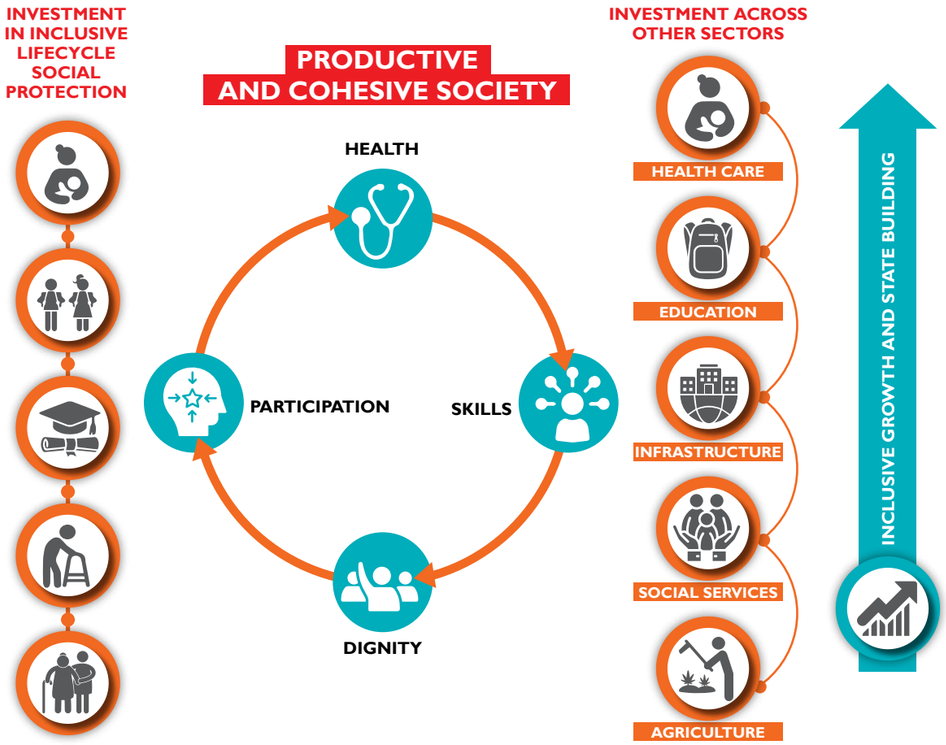
There is a strong case for building the foundations for an inclusive social protection system in Somaliland to help address some of the most severe social challenges, ranging from covariate shocks to the individual risks and challenges experienced from childhood into old age. In particular, the situation of poverty and susceptibility to environmental shocks creates an even stronger rationale for investing in Somaliland's citizens. As evidence from more established, or growing, social protection systems worldwide illustrates, investment in social protection is an essential component of a successful and sustainable economy. In fact, there are significant

[16] For further discussion on gender and public works programmes, see Sengupta (8 March 2019), available at https://www.developmentpathways.co.uk/blog/all-work-and-no-pay-the-invisibilisation-of-womens-labour-in-public-works-programmes/

costs to society when governments do not invest in the income security of its citizens. The Global Partnership for Universal Social Protection to Achieve the 2030 Sustainable Development Agenda has highlighted that when children are denied access to social protection, this damages any efforts in growth and development, and has high political costs for governments (Orton et al., 2019). A global study of the long-term benefits of early childhood intervention finds that there is a significant cost to societies associated with underinvesting in children, as children who experience stunting are likely to earn 26 per cent less as adults than if they had reached their full development potential (Richter et al., 2017). Ensuring that young children have optimal nutrition, health, care and stimulation during the first five years of life is essential for them to reach their full potential and make maximise their contribution to the economy. Another study in Russia has highlighted that, following the collapse of the pension system in 1998, the loss of pension income was associated with a 5 per cent increase in mortality among older people (Jensen & Richter, 2004).

As set out in the NDPII, Somaliland aims to develop a more sustainable economy, by reducing poverty and increase economic opportunities while maintaining the human rights of its citizens through good governance. At the centre of the NDPII is the goal to build a more skilled and prosperous labour force and ensuring equal access to social services and economic inclusion (Republic of Somaliland, 2017). While public investments in the supply of health and education services are crucial, these are insufficient on their own to achieve outcomes that stimulate inclusive growth and development. Social Protection is an essential investment that stimulates the demand side of skill and labour, by guaranteeing citizens with a minimum income to

Figure 5.5: Social Protection enhances investments across other sectors



access adequate diets and health care, building a more educated and adaptable workforce. As illustrated in Figure 5.2, a comprehensive Social Protection system enhances investments across other sectors, alongside stimulating economic growth and advancing state-building, by contributing to more cohesive societies. While the essential role of social protection is well established in higher income societies, an emerging body of evidence from social protection transfers across low- and middle-income countries, with many examples from Africa, highlights the positive outcomes of investing in social protection. A range of examples on the impacts of Social Protection across other public sectors is discussed in the following sections.

Impacts of social protection on education outcomes

By investing in children, social protection can enhance education outcomes which contributes to a more skilled workforce. An inclusive child benefits ensures that children have access to a minimum level of support, education and training opportunities more accessible and affordable, while children are less likely to engage in work. For example, in South Africa, the Child Support Grant has been associated with greater cognitive development and better school performance among children. A study by DSD et al., (2012) has shown that the earlier children enrolled in the Child Support Grant, the higher their test scores in mathematics and reading once in school. However, other lifecycle social protection schemes have also been found to result in positive outcomes for children. In particular, evidence from inclusive old age pensions has indicated that a significant proportion of transfers to older persons are invested in the wellbeing of young children. Gelders & Athias (2019) have found that households receiving Uganda's Senior Citizens' Grant (SCG) is associated with a 4 percentage point reduction in the number of children who never attended school. Furthermore, the share of children attending school full-time increased by more than 7 percentage points. The increase in school attendance in Uganda was found to be coupled with a reduction in child labour. Within households receiving the SCG, the proportion of girls aged 5-17 years engaged in child labour dropped by 7 percentage points, from 26 per cent to 19 per cent.

Impacts on health outcomes

Social protection contributes to boosting health outcomes, by increasing access to hospitals and health centres. By enabling recipients to rely on a minimum income guarantee through social protection, health treatments and medication become more affordable, while households have more capacity to save for larger health expenses. In particular, households living in rural and remote areas face additional barriers to accessibility, as they are often required to travel long distances in order to reach health services. Positive health outcomes as a result of social protection programmes have been found across other countries in the region. Among recipients of Malawi's Social Cash Transfer, 84 per cent of adults and 80 per cent of children were found to be more likely to access healthcare when falling ill, in comparison to 10 per cent among non-recipients (Miller et al., 2008). In Swaziland, 71 per cent of respondents reported an increased ability to afford health care for themselves after receiving the Old Age Grant (OAG). Furthermore, the OAG affected health outcomes among family members as well, as 25 per cent of respondents reported higher spending on health care due to a different member in the household receiving the OAG (RHVP et al., 2010).

Impacts on food and nutrition outcomes

A small transfer received through Social Protection already has the potential to provide families with the means to address food insecurities. The High-Level Panel of Experts on Food Security and Nutrition estimates that a 10 per cent increase in income can improve household food security by 5 per cent. Global evidence illustrates how food is often prioritised as a primary expenditure from Social Protection transfers, resulting in improvements in food in-take, due to more reliable income available for food consumption. In Malawi, 93 per cent of households receiving the Mchinji Social Cash Transfer Pilot reported improvements in their food consumption after a year of receiving the transfer, in comparison to 11 per cent of non-recipient households (Miller et al., 2008). South Africa, respondents were, on average, 25 per cent less likely to skip a meal as a result of receiving the Old Age Grant (Case, 2001). Similarly, 24 per cent of recipients of Swaziland's Old Age Grant, reported in a study that meals were consumed more frequently since receiving the transfers, while 28 per cent reported improvements in the quality of their meals (RHVP et al., 2010).

Social protection also allows its recipients to achieve better diets, with significant outcomes for the nutritional standards of children. In Kenya, 95 per cent of respondents receiving the Older Persons Cash Transfer reported a positive impact on their dietary diversity (Republic of Kenya, 2017). Furthermore, as a result of Swaziland's Old Age Grant, households spend 63 per cent more on protein-rich food items and 44 per cent more on vegetables and/or fruit (RHVP et al., 2010). In Uganda, the Senior Citizens' Grant has increased the average number of meals consumed per day by 3 per cent, while the share of households having two, or more meals a day increased by an average of 4 percentage points (Gelders & Athias, 2019). Results of the Old Age Pension in South Africa show that children living with a pensioner were found to be up to 5 centimetres taller than other children, which was approximately equal to half a year's growth.[17] Similar impacts have been found as a result of the Child Support Grant in South Africa (Aguëro et al., 2006).

Impacts on employment and economic participation

By providing households with more financial security, Social Protection enables more risk-taking, as families are able to save for large investments that achieve higher returns, rather than focusing on immediate concerns. Therefore, social protection promotes greater economic participation, as it encourages business activities which can boost local markets, ensuring more inclusive economic growth. By supporting families in dealing with factors that can limit economic opportunities, such as care responsibilities and high transportation costs, social protection can facilitate greater labour mobility which is key to a well-functioning market.

Although Social Protection is often assumed to create dependency, in contrast, a well-designed social protection system does not discourage work. In fact, evidence indicates that Social Protection enables recipients to engage in more decent and stable forms of work. In many low- and middle-income countries, families living on low incomes are forced to engage in casual labour, which is often physically demanding but generates low returns. Through income from Social Protection, families are less required to rely on insecure forms of work and can invest in more skilled and sustainable forms of employment. In Zambia, receipt of the Child Grant Programme was associated with a 9 percentage point decrease in the share of households where an adult engages in wage labour. Instead, the share of households engaging in non-farm enterprises increased by 16 percentage points, while people spent an average of 20 days extra tending to their own farm (Daidone et al., 2014). Similarly, in Lesotho, the Child Grant Programme led to a reduction in temporary and casual work (Daidone et al., 2014). However, as Section 5.2 discussed, social protection risks creating perverse incentives when benefits are poverty-targeted, as people may be discouraged from investing in assets and engaging in labour when they risk being taken off social protection schemes.

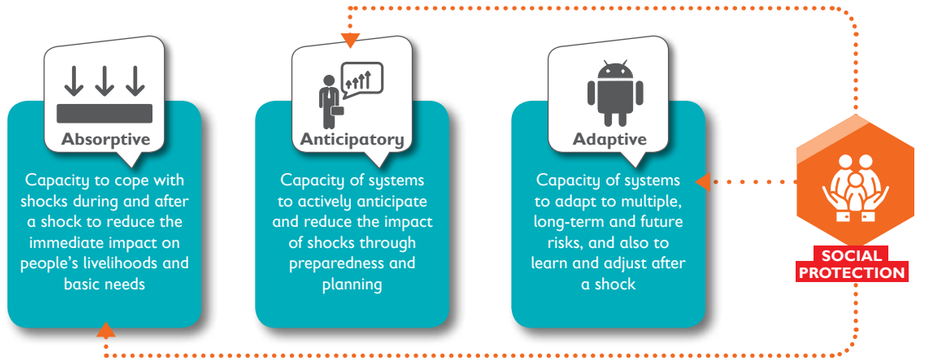
The potential for social protection to enhance resilience and shock-responsiveness

Global debates on the sustainability of international humanitarian support indicate an increasing call for the need of Governments to contribute to the resilience of its populations. In the context of climate change and the increasing number of people worldwide being affected by crises and forced displacement, the gap between available resources and the global need for humanitarian support is widening.

There is substantial evidence that social transfers support recipient households in mitigating the risks of environmental shocks. Social Protection helps households maintain consumption, reducing the need for negative coping mechanisms which exacerbate vulnerability. By guaranteeing a minimum income, a comprehensive Social Protection system can enhance families' capacity to: anticipate shocks, by guaranteeing families with the financial means to prepare and plan for a shock; absorb shocks, by reducing the impact of an emergency on living standards; and adapt to recurring shocks and long-term crises to better adjust living

[17] Note: The impact of the Old Age Pension in South Africa on anthropometric outcomes has only been found to be significant among female recipients, which led to an increase in the height-for age of girls by 1.16 standard deviations. However, no effect was found when the pension is received by a man, and there is no significant anthropometric outcome for boys. See Duflo (2000).

Figure 5.6: The potential for social protection to build families' resilience to shocks



standards in the event of emergencies (Slater & Ulrichs, 2017) (see Figure 5.3). For example, recipients of Lesotho's Child Grant Programme received a top-up in response to the consecutive environmental crises caused by droughts, early frost and floods in 2012. In Kenya, the Hunger Safety Net Programme registers additional households living in arid counties for its cash transfer for households living in extreme poverty. By providing an additional quarter of a million households with a bank account, emergency payments are rapidly disbursed in the event of a shock (Republic of Kenya, 2017).

In fact, an international study across East Africa points to the large-scale savings that can be made on post-crisis humanitarian support efforts by investing in income support to build families' resilience. In a cross-country analysis of Ethiopia, Kenya and Somalia, Venton (2018) has reported that an early humanitarian response would save an estimated US$ 2.5 billion in post-crisis aid responses over a period of 15 years, taking into account the avoided losses in assets. A combined approach of early humanitarian response and social protection could save around US$ 287 million per year across all three countries.

The role of social protection in state-building

Social Protection can be an important tool to promote citizenship and state-building. Systems that prioritise all families through the provision of a minimum income guarantee are more popular among citizens due to their non-discriminatory nature and potential to generate wider benefits to the population. Inclusive schemes are embedded in human rights, by ensuring that citizens are entitled to social protection during times of need. As a result, inclusive schemes have the potential of increasing citizens' trust in policy makers, by offering regular and reliable social transfers. In Kenya, recipients of the Inua Jamii social pension indicated that the programme brought community members together, while many expressed being thankful to the Government for supporting its people.[18] In fact, Kenya's universal pension has played a role in the nation's politics, as the ruling political party advocated the scheme in its 2017 political manifesto, which contributed to its victory (Chirchir and Tran, 2018). Furthermore, in Nepal, Smith & Watson (2015) have found that the Child Grant enhances citizens trust in the Government. Indeed, Nepal's social protection transfers were an important tool for nation building and political healing. Following a period of civil conflict driven by poverty and social exclusion, transfers were significantly scaled up after a peace agreement in 2007. Most of Nepal's programmes are provided to identify groups in low income regions that have been most affected by conflict, while the Government has committed to expanding its lifecycle programmes at a national scale (Koehler & Mathers, 2017). Moreover, Drucza (2018) highlights changes in political leadership as windows of opportunity to institute welfare reforms and build more inclusive states.

[18] Source: Forthcoming paper by Development Pathways on the Inua Jamii pension in Kenya and citizenship.

OVERVIEW OF THE LEGISLATIVE AND POLICY CONTEXT FOR SOCIAL PROTECTION IN SOMALILAND

CHAPTER 6

OVERVIEW OF THE LEGISLATIVE AND POLICY CONTEXT FOR SOCIAL PROTECTION IN SOMALILAND

This chapter will provide an analysis of the policy context for Social Protection in Somaliland. It focuses on the conceptualisation of the definition for Social Protection and its legal framework. With the aim of discussing the current capacity for building a Social Protection system, this chapter will also review existing support programmes, operations and delivery of schemes and existing financing mechanisms. Due to the complexity of the sector, and the different implications of narrow and broad definitions for Social Protection as discussed in Section 5.1, this review will focus on the capacity for building core lifecycle Social Protection schemes that aim to address the challenges facing children in Somaliland through a minimum income guarantee. Although an ideal system encompasses a broader sector of care and support services under the social care system, this will imply a broader analysis of human resource capacity, skill-building and social infrastructure. For the purpose of setting out potential options for schemes that build the foundation of a Social Protection system, this overview will adopt a narrow definition of social protection that is also referred to as the system of social security. However, a number of other schemes will be discussed in the broader context of Social Protection.

6.1. The legal and policy framework

Somaliland has not yet developed a legal and policy framework for social protection, which emphasises the need for a Policy on Social Protection to define the scope for Somaliland's Social Protection Sector. There are plans in the pipeline to draft a Social Protection Policy, with the engagement of relevant stakeholders, to map out priorities for Somaliland's Social Protection Sector. The Second National Development of Somaliland (NDP II) sets out a Vision for Social Protection to *'reduce extreme poverty, discrimination, inequality and ensure everyone has access to all basic needs/services through an appropriate social protection system'*. The NDP II articulates a goal to ensure that 30 per cent of the vulnerable population will have access to social protection systems by 2021, while the proportion of vulnerable people that have access to basic services will increase by 5 per cent. However, no clear priorities are set for governance of the social protection sector with strategic aims to ensure the sustainable investments in Social Protection (Republic of Somaliland, 2017). Nonetheless, it should be realised that a comprehensive Social Protection system should be progressively realised over time.

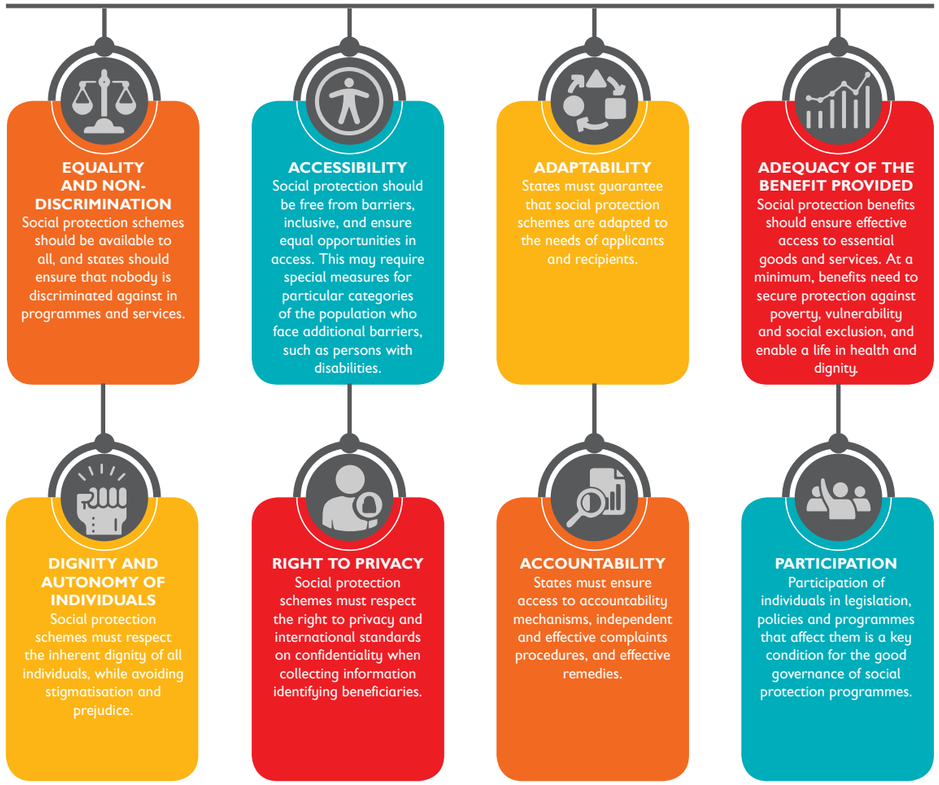
Although Social Protection is not embedded in legislation or policy, the Constitution of Somaliland expresses the responsibility of the state to ensure the care for children, mothers and persons with disabilities. Article 19 of the Constitution articulates that *'The state shall be responsible for the health, care, development and education of the mother, the child, the disabled who have no one to care for them, and the mentally handicapped persons who are not able and have no one to care for them'*.

Furthermore, Somaliland's commitment to ensuring the basic rights of its citizens including the right to social security, is embedded within the legal frameworks that have been adopted. Somaliland is signatory to the UN Convention on the Rights of Persons with Disabilities (UNCRPD), which stipulates the right to social

security for all persons with disabilities, and the Convention on the Rights of the Child (UNCRC), which states that *'Parties shall recognize for every child the right to benefit from social security'*. The Ministry of Employment, Social Affairs and Family (MESAF) has established various legal instruments to ensure the basic rights of its citizens from a lifecycle perspective. Somaliland is in the process of implementing the Public Service Pension Fund Bill, which ensures an income guarantee for civil servants upon retirement. Furthermore, Somaliland has established a Disability Policy and Gender Policy that promote the participation of persons with disabilities and women in society, while tackling poverty and discrimination. Therefore, to a large extent, the overarching legal and policy framework in Somaliland aims to protect the rights of citizens throughout their lifecycle while recognising social security as an entitlement, that all citizens should be able to access, when they are in need.

There is a strong rationale for the design of a Social Protection system in accordance to human rights standards, to align with Somaliland's growing legal and policy framework. In order to establish a Social Protection system that is sustainable and promotes equal access, it is essential that legal and regulatory frameworks are built to acknowledge the right of citizens to access social protection and the right to an adequate standard of living. Figure 6.1 highlights an essential set of human rights principles to ensure the rights of citizens in accessing social protection throughout the lifecycle. Adhering to these principles will enable the Somaliland to establish more inclusive growth while maintaining the human rights of all citizens.

Figure 6.1: Human rights principles for design and delivery of social protection systems and schemes



The definition of social protection in Somaliland

Policy makers in Somaliland have articulated progressive goals for future economic growth underpinned by investments in social services and ensuring the human rights of citizens. Social Protection plays a key role in realising Somaliland's Vision for 2030, which sets out a long-term goal for Somaliland to develop 'A Stable, Democratic and Prosperous Country Where People Enjoy a High Quality of Life'. Furthermore, aligned with Vision 2030, Somaliland's NDP II for 2017-2021 sets out aspirations to:

1. Reduce poverty through increased economic opportunities and coordinated investment in youth, services, production and infrastructure;
2. Increase resilience against the effects of climate change through improved management of the environment, strategic water management, food security and diversification of the economy; and
3. Maintain the human rights of every citizen through good governance, equal access to social services and economic inclusion.

In the NDP II, Social Protection has been defined as a cross-cutting theme which underpins support to Somaliland citizens across a multitude of public sectors, including: the economy, infrastructure, governance, education, health and the environment. Therefore, the NDP II recognises the role of Social Protection in promoting growth across other sectors. However, framing Social Protection as a cross-cutting theme risks generating ideas on Social Protection and its purpose without clarity and a concrete scope for delivering Social Protections schemes and building a sector. As discussed in Section 5.1, a broad definition for Social Protection can risk fragmentation and pose challenges for oversight and coordination of a Social Protection sector.

The recent establishment of the Department of Social Protection within the Ministry of Employment, Social Affairs and Family presents an opportunity to develop a definition and mandate for Social Protection. It is critical that the definition for Social Protection is easy to explain to policymakers and the general public, in order to establish its support and sustainable investment. The Social Protection sector may provide an opportunity to consolidate programmes that are relatively similar in nature, including all programmes that offer regular and predictable transfers. A concrete definition for Social Protection needs to be set out by a Social Protection Policy which is set to be drafted by the end of 2020.

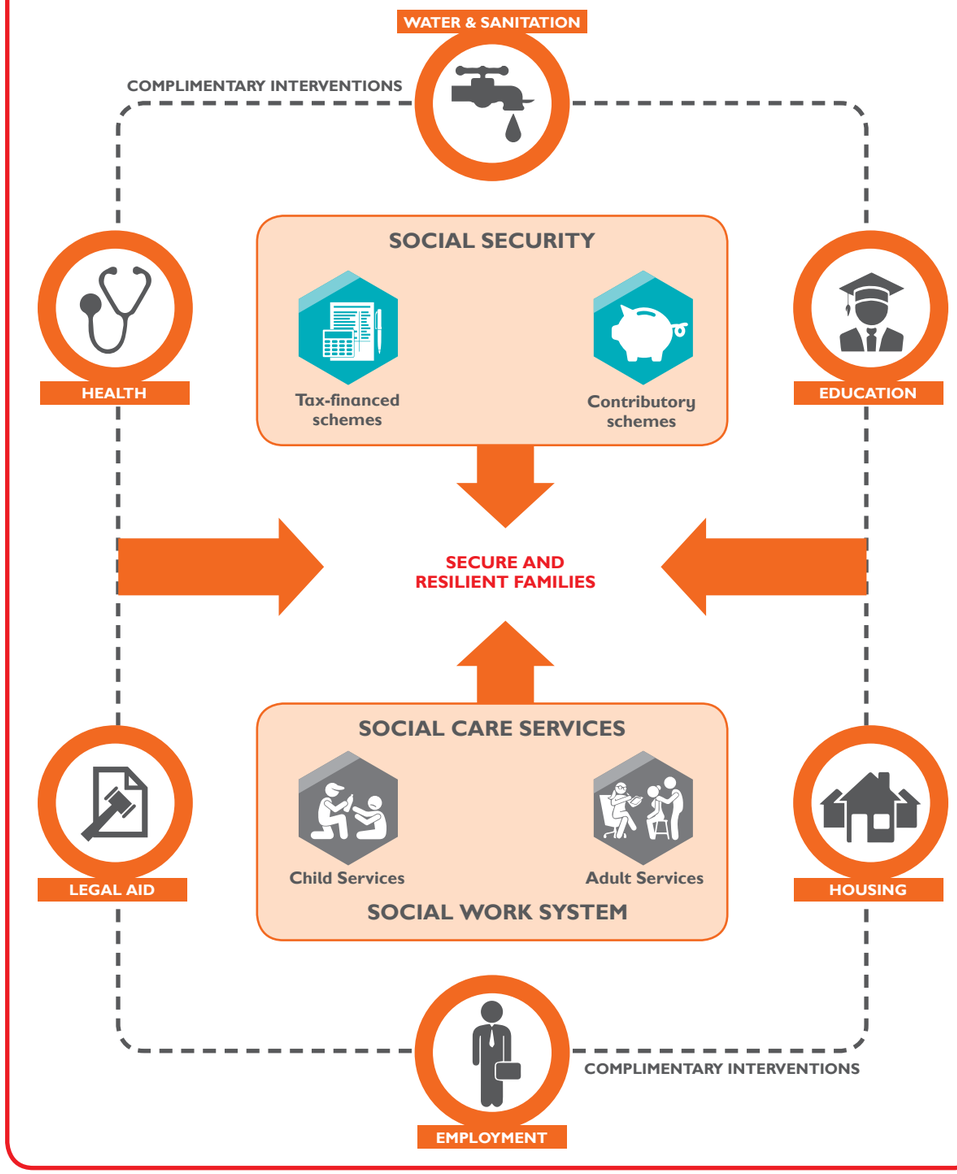
In order to gain clarity of the definition and scope for Social Protection in Somaliland, it is useful to distinguish the core Social Protection sector as the Social Security system – with a core focus on establishing income support schemes across the lifecycle – from other programmes and services that are socially protective. Health, education, housing, employment, water and legal services can be regarded as complementary schemes that embody wider services within the social sector. While these services play an essential role in contributing to the security and resilience of families, it is useful to regard them as separate services in order to develop a clear mandate belonging to the Social Protection sector and its delivery. Indeed, many of these services are delivered by other line ministries, that administer its oversight and coordination.

Figure 6.2 presents a potential framework for the future development of a comprehensive Social Protection system in Somaliland. An essential component of any Social Protection Sector is the provision of social security, which provides citizens with a minimum income guarantee that can be financed through taxes or contributions. In the context of Somaliland, where the majority of the population is active in the informal sector, the provision of inclusive tax-financed schemes is a priority to ensure coverage and a minimum level of support to families.

Furthermore, a comprehensive system ideally includes a social care and social work system, that provides services to the most vulnerable members to society, which typically includes areas such as child protection and institutional care in a holistic approach to ensuring child survival and child development. For example, social care provision can include the establishment of older persons homes and

orphanages. Therefore, social care services represent a key sub-sector of a comprehensive social protection system, outside of the delivery of minimum income support, and require significant skill and human resource requirements. Social care services need to be underpinned by a comprehensive network of social workers, that have obtained a specialised skillset that enables them to work with vulnerable individuals and families who need specific tailored support.

Figure 6.2: Potential framework for a comprehensive social protection system



6.2. Overview of Social Protection Schemes

This section aims to provide a stock-take of various support schemes in Somaliland that will be relevant to the future Social Protection Sector. Recognising the limited presence of core social protection schemes that comprise Somaliland's social security system, this section focuses on the Child-Sensitive Social Protection Pilot (CSSP) while reviewing other schemes that are important to contextualise the wider Social Sector. Therefore, this review will include the Child-Sensitive Social Protection Pilot, the Public Service Pension Bill, and a brief overview of the context of cash and food for work schemes and school feeding programmes which provide regular support to households. In addition, the context of humanitarian support in Somaliland will be discussed separately to the Social Protection Sector. However, this review aims to emphasise the important role of Social Protection to contribute to resilience, and the potential for building synergies between the two sectors.

Child-Sensitive Social Protection Pilot

The Child-Sensitive Social Protection Pilot (CSSP) is the most comprehensive scheme in Somaliland offering a regular income guarantee to families. The CSSP was initiated in 2017, and provides a pilot cash transfer operating for a duration of four years, between 2018-2021, within three IDP settlements in Hargeisa: Sheikh Omar, Mohamed Mooge and Sancaani settlements. The CSSP pilot aims to target the most marginalised children living in the vulnerable context of IDP settlements in Hargeisa. Eligibility criteria for the programme includes families who are caring for two or more children below the age of five years.

The long-term goal of the CSSP pilot is to support the expansion of a comprehensive scheme, managed and coordinated by MESAF. Therefore, the CSSP is embedded in a strategy to strengthen government capacity to deliver the CSSP, in the context of building frameworks for a Social Protection system in Somaliland. The CSSP pilot is jointly implemented by MESAF, Save the Children and the Horn of Africa Voluntary Youth Committee (HAVOYOCO), with a child-sensitive cash-plus component mainly delivered by SCI and HAVAYOCO, although training and capacity-building to implement the CSSP includes the contribution of MESAF staff. The programme is mainly funded by the Ministry of Foreign Affairs (MFA) of the Government of Finland, through Save the Children Finland. However, MESAF aims to grow its funding of the CSSP, along with enhancing its capacity for coordination and delivery.

The overarching goal of the CSSP is to reduce deprivation and vulnerability among children of IDP households. In order to measure its desired outcomes based on this goal setting, Save the Children has developed a set of indicators to measure the desired objectives of the scheme:

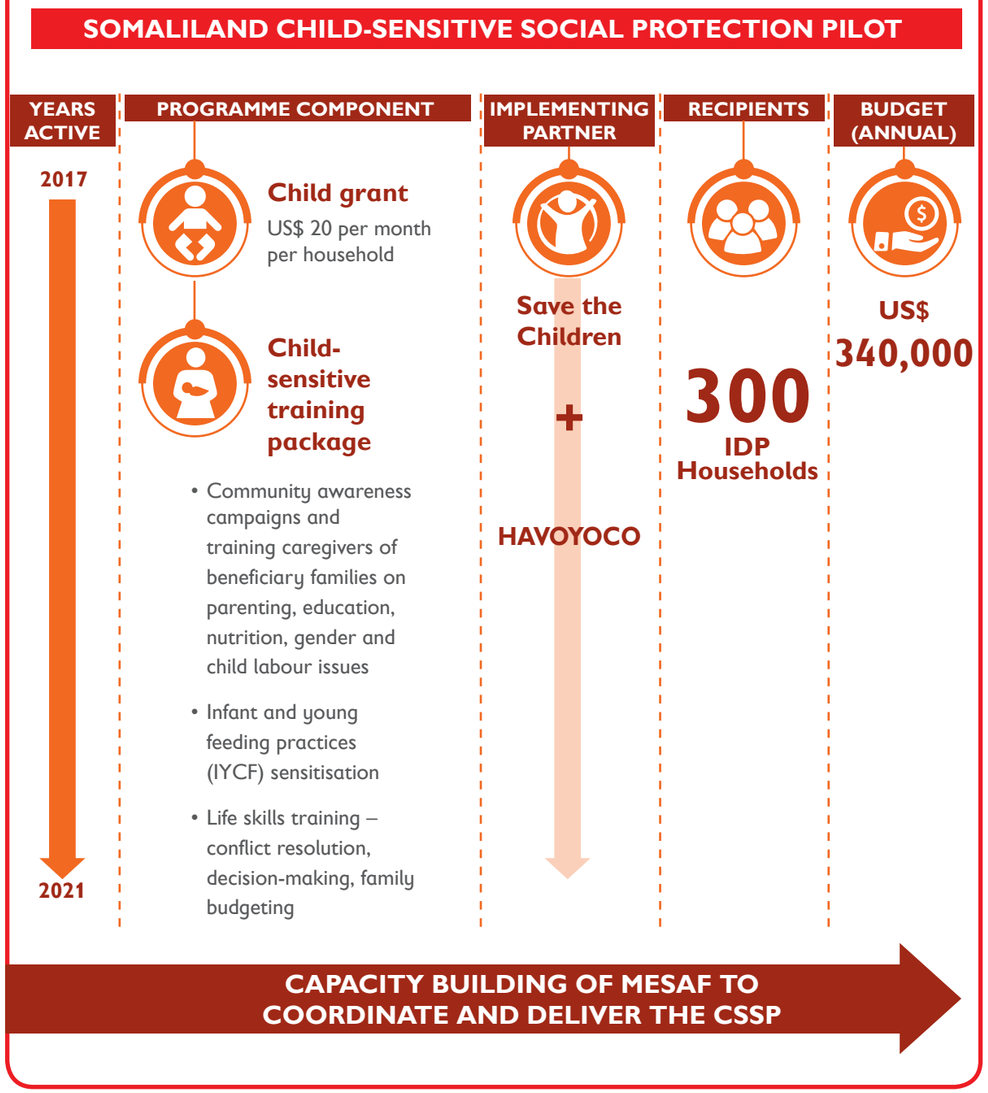
- Percentage increase in school retention and regularity among target IDP households
- Percentage increase in nutrition among target IDP households
- Percentage reduction in child labour among target IDP households
- Percentage increase in overall care by parents/caregivers as reported by children among IDP households

In order to achieve its desired outcomes, the CSSP's pilot cash transfer programme is implemented alongside a child-sensitive training package which is provided to the families receiving the cash transfer.

The CSSP comprises two components: a monthly child benefit of US$20 is provided to 300 targeted families, while recipient families receive additional child-sensitive awareness trainings as part of the International Child Development Programme (ICDP). The child-sensitive awareness training comprises a core parenting skills training, which forms the foundation of five additional areas of awareness raising, including: infant and young child feeding; child labour; gender; family budgeting; and child education. While the cash transfer of US$ 20 is implemented by Save the Children, the child-sensitive awareness training is implemented jointly by Save the Children and the Horn of Africa Voluntary Youth Committee (HAVOYOCO). Therefore, the CSSP is embedded in a cash-plus approach, based on the recognition that a range of social services, including in the areas of health, education and nutrition, are essential to ensure child wellbeing

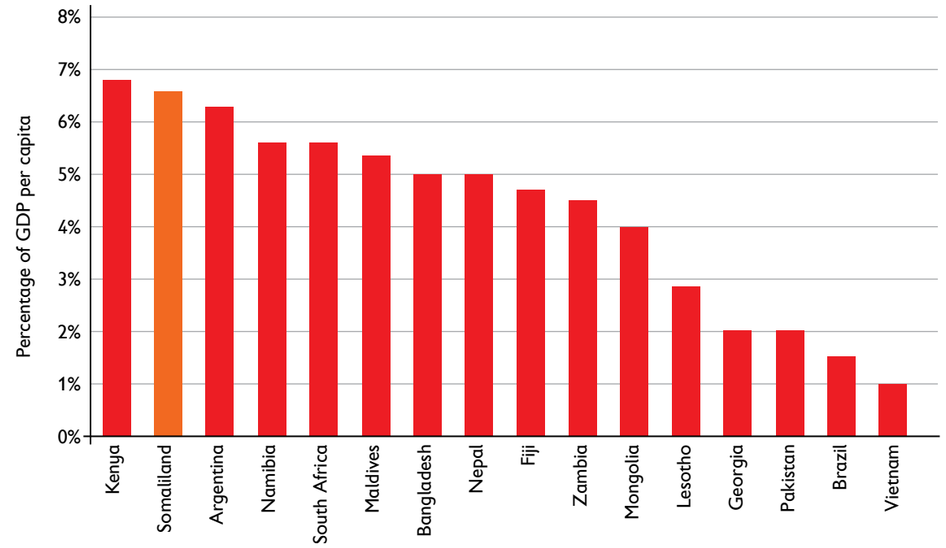
alongside the provision of a transfer. The CSSP embeds key components of resilience building, aimed at youth, through life skills training and promoting transparency and accountability in access to social services and education. Furthermore, the overall CSSP incorporates a number of specific design elements that aim to address issues around gender and discrimination. The programme aims to achieve equal representation of girls and boys. As part of the training components, the CSSP provides training – specifically aimed at boys – to communicate the importance of gender sensitivity. Further, women are represented in the identification and registration of households. Figure 6.3 presents an overview of key features of both components of the CSSP scheme.

Figure 6.3: Key features of Somaliland's Child-Sensitive Social Protection Pilot



The transfer value provided by through the CSSP is broadly in line with those offered in other countries, while the size of the economy of Somaliland is smaller and domestic capacity to provide the transfer to children on a wider scale is more limited (see Figure 6.4). It should be noted that the value of the benefit through CSSP, and its impact on families, is variable as the transfer does not take into account household composition. Therefore, the transfer will have a more significant impact on families with two children, while the transfer will be smaller for families with a higher amount of children. Assuming a fertility rate of 5.4 births per woman, as set out in Section 3.2, the transfer is equivalent to 6.6 per cent of GDP per capita, on average, which is higher than many other countries implementing child benefits that have higher funding capacity for social protection. In further plans to expand the CSSP to reach more families, MESAF may consider providing the benefit as an individual entitlement to children, paid to the primary caregiver. Initially, Somaliland may consider providing a smaller benefit, that ensures a minimum level of support to children, but ensures that families with more children will receive more support trough individual entitlements.

Figure 6.4: The CSSP in comparison to child benefit transfers across a selection of lower- and middle-income countries



Sources: Republic of Kenya (2017); CEPAL Non-contributory social protection programmes in Latin America and the Caribbean database, at http://dds.cepal.org/bdptc/en/; Lüderitz (8 August, 2015), at https://www.unicef.org/namibia/Child_Grants_HIS_print.pdf; Government of South Africa, at https://www.gov.za/services/child-care-social-benefits/child-support-grant; Maldives National Statistical Yearbook at http://statisticsmaldives.gov.mv/yearbook/; Kidd & Damerau (2016); Kidd et al., (2015); Natali et al., (2016)

Public service pension

Somaliland has released a Public Service Pension Fund Bill in 2018, with the aim of establishing a contributory retirement system for public servants. The Bill has been developed with support from the World Bank. However, further approvals for the financing of this scheme have not yet been obtained. The Public Service Pension will comprise Somaliland's first formalised pension scheme, providing its members with a form of income replacement when they are no longer able to participate in the labour force. However, the scheme will only be accessible to those in formal, civil service employment while Somaliland does not yet guarantee a minimum income in old age.

The Public Service Pension Scheme will be a Funded Defined Contribution scheme. The scheme will comprise a mandatory contributory pension, in which every civil servant will contribute to the scheme at a rate of five per cent of earnings, while the Government will contribute into the scheme on behalf of the member, at the same rate of five per cent. Members will be able to access their retirement income upon reaching the retirement age of 65 years.

The scheme will provide benefits in the form of periodic payments, through the purchase of annuities, a lump sum payment, or an income drawdown, which allows members to draw income directly from the fund at any given point in time. Therefore, the scheme enables its members to use the pension fund as a consumption smoothing mechanism, by accessing a reliable income guarantee through annuities. However, the Scheme can also act as a provident fund, or savings scheme, through which an accumulated amount can be accessed as a lump sum payment upon retirement, or income can be taken directly from the fund. Lump sum payments cannot exceed more than one third of the size of the fund.

BOX 6.1: TYPES OF CONTRIBUTORY SCHEMES

There are different ways in which contributory schemes can be designed, based on their funding mechanism. For example, social insurance schemes should be distinguished from private schemes. Social insurance schemes involve employees and employers contributoring a percentage of the employee's salary into a fund, which is managed or overseen by government on the basis of solidarity principles. This means that there is a sharing of benefits between members, with higher contributors receiving less than they invested and lower contributors receiving more. Social insurance schemes are typically mandatory, as workers in the formal sector automatically start contributing once they receive earnings. Private contributory schemes are run by the private sector although they operate under government regulations. They may or may not incorporate a solidarity principle. These funds are invested by the insurance companies and the final pension depends on the success of the investments.

Social insurance schemes can offer a range of benefits, but the main types are old age, disability and survivors' pensions, employment injury benefits, unemployment insurance, and maternity insurance.

Cash and food for work programmes

Prior to the implementation of the CSSP, the majority of regular assistance to vulnerable groups in Somaliland was provided on a project-basis by external partners and NGOs. The largest schemes operating across the wider region include FAO and WFP cash and food for assets programmes. USAID's Food for Peace programme additionally incorporates a food for work component. These programmes are designed to provide poor and vulnerable households with access to a cash or in-kind transfer and are conditional on a member of the household participating in labour-intensive work. However, coverage of these interventions is low, while there is no approach for building broader capacity. In addition to providing poverty-targeted support to address income poverty and food insecurity, these schemes have a dual objective of building community assets to enhance resilience to climatic shocks, in particular with the aim of addressing water scarcity in remote areas.

An independent evaluation of the FAO cash for work programme indicated that, while the programme enhances household consumption in the short-term, assets were not able to enhance community resilience to shocks. One of the conclusions of the evaluation was that the cash for work programme was mandate-driven, rather than needs-driven, indicating that the conditions of labour were only fulfilled in order to gain access to cash rather than the need for asset-building. The quality of infrastructure resulting from the programme was found to be poor by the communities, with water catchments and tertiary canals expected to be washed away by rains. To ensure the sustainability of assets, large-scale investments are required in building human capital and equipment. In contrast, cash for work programmes often rely on low-skilled manual labour, which compromises the quality of the assets. Furthermore, the evaluation found that the most vulnerable households were most likely to miss out on the transfer, due their inability to contribute labour capacity (Smith, 2014).

In practice, due to the low level of transfers provided in cash and food for work schemes, these interventions promote vulnerable forms of employment at low remuneration. This can have adverse effects on health and wellbeing among recipient families. In Tanzania, youth participating in the Productive Safety Net Programme, a programme based on work conditionalities, were shown to have symptoms of depression (Palermo et al., 2017). And, as indicated above, In Ethiopia, there is evidence of families becoming poorer as a result of participating in the public works component of the Productive Safety Net Programme (Tafere & Woldehanna, 2012). Indeed, unless public works produce high quality assets that are also maintained over the long-term, there is little evidence that they provide value for money. Unconditional transfers are much more likely to offer income security to families and enable their engagement in the labour market.

Nonetheless, employment and livelihood interventions remain a significant priority for the MESAF in order to address high unemployment rates, low and precarious incomes. MESAF is committed to promoting decent work and job creation, in particular among youth, with the recent development of the Employment Policy. A number of NGOs provide livelihood schemes in the form of small business grants with a training component. Most of these schemes targeting women and youth to promote entrepreneurship and skill-building but are small in scale. MESAF implements a small programme providing business grants to vulnerable families. The grants amount to approximately US$ 500 and reached 29 households in 2018, and 50 households in 2019. An alternative scheme that can fulfil the aim of providing employment security are labour-intensive infrastructure programmes, that aim to build public infrastructure through employment schemes. This approach differs from cash and food for work programmes (see Box 6.2).

BOX 6.2: TYPES OF PUBLIC WORKS SCHEMES

Public works schemes can either refer to social assistance schemes or labour-intensive infrastructure programmes. Each is designed with a different objective. Social assistance schemes are designed to offer food- or income security to recipients. In contrast, labour-intensive infrastructure programmes prioritises construction, while maximising the use of labour. Public works schemes that are designed with the objective of a social assistance scheme typically 'target the poor' while labour-intensive schemes aim to ensure the participation of quality workers, although these typically derive from low income households. In both types of scheme, it is essential that measures are taken to avoid discrimination against persons with disabilities who face significant barriers in accessing schemes that are conditional on work participation.

School feeding

WFP provides school meals across schools in the wider region, reaching an estimated total of approximately 50,000 children. While ensuring basic food security and nutrition needs, school meals also aim to promote improved school attendance outcomes. School meals are provided on a daily basis in targeted schools located in rural areas. However, there is significant scope for the Somaliland to build capacity within the Ministry of Education to provide school meals as part of the overall strategy to enhance school attainment. The provision of school meals is included In Somaliland's NDP II as one of the priority interventions under social protection, and its objective of poverty reduction. WFP school meals are currently sourced outside of Somaliland. There is significant scope within Somaliland to build its own capacity to source school meals locally, which can provide a significant boost to the local agricultural food production sector.

6.3 The context of humanitarian and emergency support in Somaliland

Key agencies in Somaliland coordinate strategic responses to severe environmental shocks in collaboration from humanitarian actors across Government stakeholders, external partners and NGOs. The National Disaster Preparedness and Food Reserve Authority (NADFOR) provides oversight for the delivery of emergency responses. NADFOR coordinates humanitarian responses through support of OCHA, which includes programming efforts across different subsectors ranging from WASH, food security, protection and livelihoods training to enhance community resilience. NADFOR bears the responsibility for ensuring that emergency plans are in place to alleviate the consequences of natural disasters such as droughts, storm or flood damages, epidemics, earthquakes and wars (NERAD, 2014). Coordination of delivery of humanitarian support is devolved to regional offices, with responses coordinated through an information management unit. NADFOR is currently in the process of developing a humanitarian register, which will collect data on at-risk communities in three districts during its pilot phase and expand to all districts after its initial phase. Coordinated humanitarian responses include both emergency in-kind and cash transfers, including unconditional and conditional schemes, mostly consisting of cash for work schemes.

NADFOR regularly updates its contingency plan – the most recent plans developed in 2014 and 2017 – which aim to develop timely, consistent and coordinated responses to anticipated hazards in order to minimise the damages and promote early recovery of affected communities. The contingency plan includes three different scenarios according to the severity of the disaster, which trigger certain packages of emergency response according to their estimated level of risk to the community. Disaster risk management efforts and contingency planning are based on a comprehensive risk analysis, which take into account historical trends on drought to develop drought indices. Mapping exercises including the use of geospatial tools to provide an estimate of the number of persons affected by prolonged dry spells or floods. With support of FAO, the Somalia Water and Land Information Management (SWALIM) has developed a drought monitoring methodology which uses a combination of field observations and spatial data to develop a Combined Drought Index (CDI) that informs various scenarios for triggering emergency support.

The National Displacement and Refugee Agency (NDRA) coordinates ongoing humanitarian support to groups affected by displacement, including internally displaced persons (IDP), refugees, returnees and migrants. NDRA manages camp coordination, protection and shelter of IDPs and operations related to registration and issuing land certificates. Data on IDP households is collected in the Displacement Tracking Matrix (DTM), operated by the IOM, in order to record the number of IDPs in each location. In 2017, an Emergency Tracking Tool (ETT) has additionally been implemented as part of the DTM to plan emergency services delivery across 19 districts (IOM, 2017).

While Somaliland invests a proportion of public budgets on humanitarian support, there is no central contingency fund. Therefore, the humanitarian sector is reliant on external funding, largely provided through donor support, while external partners and NGOs provide technical assistance to programme operations of NDRA and NADFOR. While these interventions are largely based on short-term emergency support, there is significant effort to consolidate humanitarian operations across the region, in order to address the protracted situation of climate risk, poverty and conflict. In 2017, WFP, UNICEF and FAO implemented the Joint Resilience Strategy to align emergency support and resilience programming efforts, including setting up a common beneficiary database and joint monitoring and reporting processes. Furthermore, the Somali Cash Consortium, formed in 2019, coordinates a multi-donor framework for humanitarian cash operations, as well as support to livelihoods, WASH, health and nutrition with collaboration from a number of NGOs, including: Concern Worldwide, ACTED, COOPI, DRC, NRC and Save the Children.

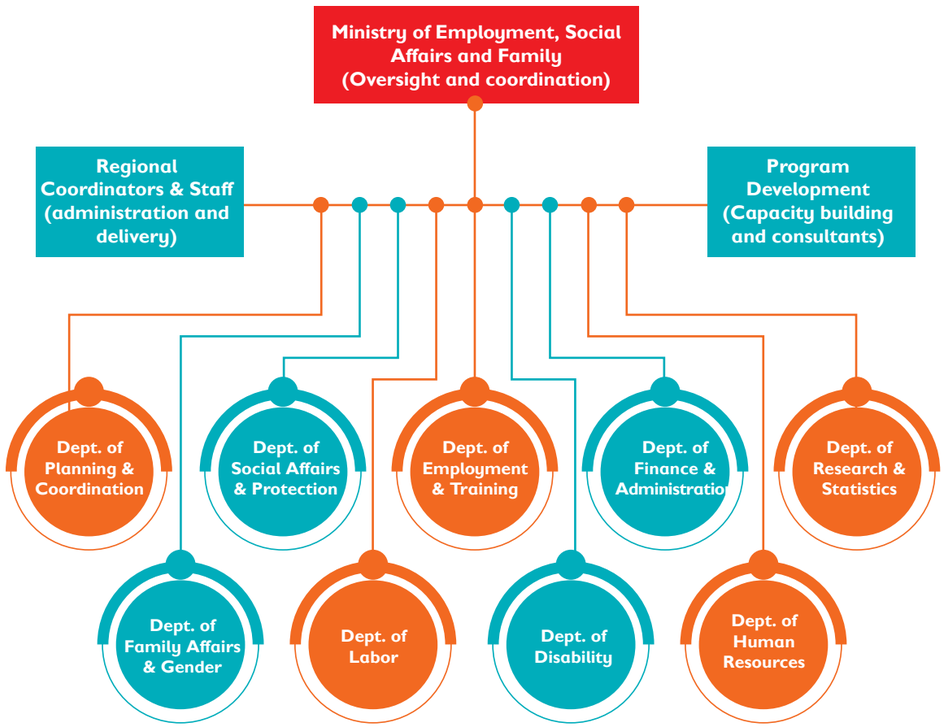
Social Protection has the potential to significantly contribute to the resilience of communities in Somaliland, reducing the need for short-term emergency responses. High levels of vulnerability resulting from climate shocks lead to adverse effects on consumption, which can even reverse progress made in economic development. Families that are guaranteed a minimum income are more able to cope with and respond to shocks in their living standards, which enables them to better maintain consumption while avoiding harmful coping strategies, such as selling off durable assets. Section 7.2 will set out the potential for Somaliland to invest in scalable Social Protection to ensure a shock-responsive system that contributes to families' resilience.

6.4. Governance arrangements for Social Protection in Somaliland

Somaliland does not have in place an institutional structure for the governance, coordination and delivery of Social Protection. A key priority for policymakers is the development of a Somaliland Social Protection Policy (SSPP), to establish a concrete definition for social protection, including clear mandates proposals for the establishment of programmes, within the context of the Social Protection sector. The SSPP will be key for MESAF to build a foundation for the Social Protection sector in Somaliland and build the case for its endorsement and enhanced investment.

The mandate for Social Protection is embedded within the Department of Social Affairs and Protection in MESAF. MESAF's Strategic Plan for 2018-2021 embeds the *'social protection of target groups through Right Based Approach (RBA) programming'* as one of the core programmatic functions of the Social Affairs department. This includes a number of programmatic functions related to care and protection issues, including: protection

Figure 6.5: Organogram of the coordination bodies within MESAF



Source: Adapted based on MESAF (2018)

of children without parental care and unaccompanied provision of social rehabilitation centres, care of minority groups, protection of persons with disabilities, as well as ensuring that vulnerable groups in society are included in legislation and policy that enables them to access basic services. A number of core functions for the delivery of programmes are managed across separate departments within MESAF. For example, planning and coordination, financing and administration, human resources and research are managed by separate departments. Figure 6.3 visualises an organogram, outlining the governance arrangements, and its various departments, within MESAF.

MESAF established a separate Department of Social Protection in 2018, within the Department of Social Affairs, to prioritise the development of a framework for Social Protection and increase stakeholder dialogue. The Department of Social Protection initiated a Social Protection Working Group during August 2019, which provides a monthly discussion platform to facilitate multi-stakeholder dialogue on setting priorities for the Social Protection Sector, including MESAF and other line ministries, such as the Ministry of Finance, Ministry of Planning and Ministry of Interior, as well as external partners and NGOs. The aim of the working group is to align different strategies to Social Protection among various actors. Therefore, it will be key that MESAF provides leadership on the definition of Social Protection and its scope, ensuring that it is clearly defined and understood by other stakeholders and policy makers.

Recommendations for Governance and strategic oversight of the Social Protection sector in Somaliland

The creation of a single Department of Social Protection to oversee policy development form a significant step forward for Somaliland. However, the Department of Social Protection comprises a small unit within MESAF, with limited human resource capacity. Therefore, while the Social Protection unit will continue to oversee policy development within the Social Protection Sector, significant capacity needs to be built across MESAF for the effective governance, oversight and delivery of Social Protection schemes.

In addition to the limited role of the Social Protection unit, a further challenge for the institutional delivery of social protection schemes is the creation of many departments within MESAF that operate alongside one another. Indeed, human resource capacity, research, administration and planning are elements of core systems and management that need to underpin the various public services and programmes within MESAF. Furthermore, in order for the Department of Social Protection to have a lead role in the development of policy and capacity building of a Social Protection sector it requires a coordinating role within MESAF. Whereas different departments in MESAF currently possess the mandate of addressing specific lifecycle vulnerabilities (e.g. children, disability, and gender), ideally, one unit should coordinate the overall provision of income support across the lifecycle. Furthermore, care and protection issues should be managed through a comprehensive system of social care services. Currently, care and protection issues are separately managed within different departments.w

Other countries within the region have enabled the expansion of Social Protection schemes by elevating its priority within the governance structure through key institutions with a sole mandate on Social Protection. For example, the Government of Kenya formed the State Department of Social Protection in 2015, which has overall responsibility for coordination of the Social Protection Sector and manages most of Kenya's lifecycle income support programmes. In 2018, the State Department had effectively lobbied for support to roll out a universal social pension for older persons aged 70 years and above, after which it was renamed the State Department for Social Protection, Pensions and Senior Citizens Affairs. Furthermore, Kenya's Ministry of Labour and Social Protection recognises social protection as its key mandate.

The concentration of all administration and delivery of schemes within one agency can be more effective for the delivery of Social Protection schemes. An example is the governance of Social Assistance schemes in South Africa. While the broader Social Protection sector cuts across the mandate of different ministries and channels, the South African Social Security Agency (SASSA) embodies a central unit which manages the administration and delivery of South Africa's tax-financed income support schemes, including benefits to

children, older persons and persons with disabilities, which includes a care dependency benefit. SASSA reports into the Department of Social Development, the Ministry with the main responsibility for social protection. The aim is for SASSA to eventually assume responsibility for the main national social insurance programme, the Unemployment Insurance scheme, which is currently positioned under the Department of Labour.

6.5. Systems and Delivery Mechanisms for Social Protection in Somaliland

The effective implementation of Social Protection Schemes relies on a key set of administrative processes as well as institutional policies, systems and management arrangements, as illustrated in Figure 7.2. Current initiatives within Somaliland will be assessed in line with this framework, while Chapter 8 will provide recommendations for building the foundation of systems and processes for Social Protection schemes. However, due to limited opportunity for expansion of other schemes, this section will only include a review of the operations of the CSSP. Although these processes are not integrated in policies and systems for the delivery of Social Protection schemes in Somaliland, this section will review a key set of implementation features of the CSSP, to assess the extent to which its delivery ensures that the right families received the correct benefit, at the allocated time and place. While the delivery of the CSSP relies on implementation planning and guidance notes from Save the Children, the development of an operational manual will be crucial for the effective delivery of Social Protection schemes.

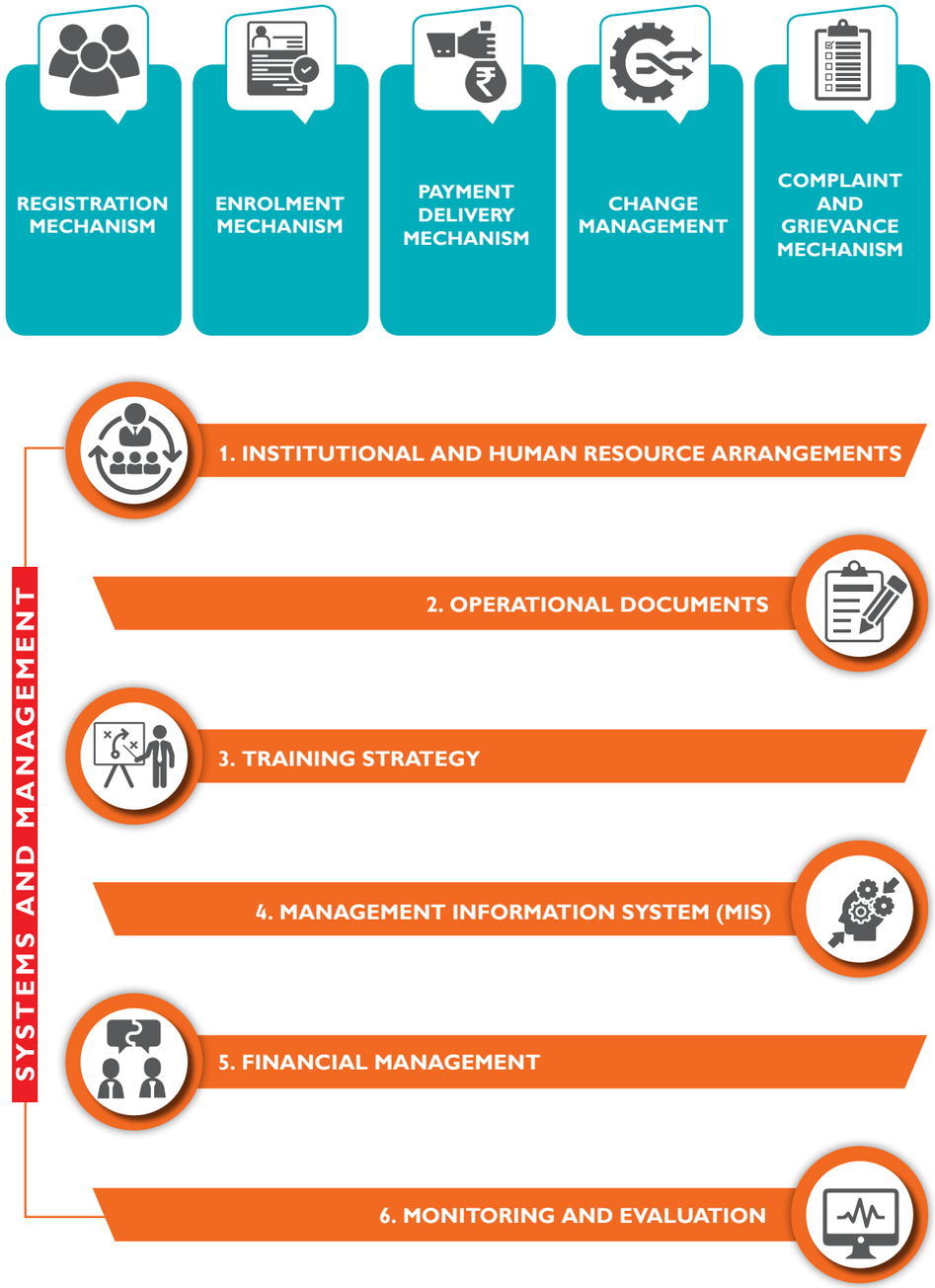
6.5.1. Operations of the Child-Sensitive Social Protection Programme

Registration

The registration mechanism comprises the selection of recipients of social protection for the CSSP. In the initial stage, sensitisation and awareness is key to ensure that communities have access to information on the programme's objectives and eligibility criteria. The registration for the CSSP is implemented with the support of a 'project committee', comprising community representatives and local leaders who increase awareness of the scheme among the target communities. Women are registered as recipients of the programme, with the aim of maximising effects on child wellbeing. Recipients are registered for the programme through a digital data gathering platform with an assigned beneficiary ID number, the name of the recipient, the name of the household head and telephone number.

The identification of marginalised families with children for the CSSP is based on a targeting tool, which is a form of proxy-means testing that incorporates vulnerability scoring, as well as community-based verification. Children and their families who meet the eligibility criteria are included in a mapping tool, which comprises a selection of child vulnerability and deprivation indicators, including having a person with a disability in the household, that act as proxies to determine families' level of deprivation. These indicators are agreed by relevant stakeholders, including Government and other external partners. Subsequently, the indicators are weighted in order to compile an index that generates a ranking of potential recipient families, with highest scores assigned to families whose profile shows the highest correlation with the proxies. In the final stage of selection, verification meetings are led by the project committees to verify the eligibility of families that have been selected through the targeting tool. As Section 5.2 highlighted, the use of vulnerability proxies comes with significant challenges, as similar targeting mechanisms applied across schemes globally have not resulted in effective targeting of vulnerable families while the majority of proxy means tests tend to exclude over half of its intended recipients. Due to the application of the vulnerability scoring in the CSSP, the targeting mechanism is likely to exclude many vulnerable families in need of support due to scheme's limited coverage, while in reality, almost all internally displaced households experience signficiant vulnerabilities and live on low incomes. Moreover, the current reliance on community verification through project committees results in significant administrative and human resource needs that may be challenging to meet as the scheme grows in size and coverage.

Figure 6.6: Administrative processes and systems and management arrangements for Social Protection programmes



Enrolment

In the enrolment phase of any Social Protection scheme, registered recipients are provided with a token to identify himself or herself during the payments process. Depending on whether a programme has manual or electronic payment mechanisms, the token might be a simple identification card or include biometric data and digital data on smart cards. The enrolment for the CSSP scheme is electronic, as identification of recipients are directly linked to mobile phones for the delivery of the payments while telephones are also used for the scheme's communications, feedback and grievances procedures. In the absence of a mobile phone, recipients are provided with a mobile phone and telephone number to facilitate the enrolment process.

BOX 6.3: DEVELOPMENT OF A SYSTEM OF BIRTH REGISTRATION IN SOMALILAND

The Ministry of Interior is in the process of developing a system for ID registration in Somaliland by phasing in birth registration. The proposals stipulate that every newborn child is required to be registered for a birth certificate and ID. Birth registration will be implemented through health centres.

Social Protection has the potential of enhancing a system of birth registration by linking the registration of children for a child benefit to a ID system.

In reality, recipients of a social protection scheme require accurate identification documents for enrolment onto the programme. However, many people in Somaliland do not have identity documents, which poses challenges for enrolment in schemes at a wide scale. Enrolment onto the scheme is conducted on a digitalised platform, while recipient data is connected to household survey information collected during baseline and follow-up surveys.

Payment delivery mechanism

The mechanism for delivery of the CSSP child benefit is operated through mobile money accounts. This payments strategy has been agreed by the Government of Somaliland, based on past experiences which indicate that mobile money has been a preferred option over physical cash transfers by recipients of emergency cash transfer payments. Furthermore, by operating electronic cash transfers, the implementers aim to minimise the impact of the movement of recipients and challenges with authentication at the point of transaction. In addition, mobile money transfers are a comparatively cost-effective mechanism in Somaliland, which charges lower commission rates than formalised banking services, or the Hawala system.

The payment of the CSSP is delivered through 'Zaad money', operated by the financial services and Telecom company TeleSom Group, one of the two main payment service provider companies operating in Somaliland. During the procurement process, the payment service provider has been examined to ensure that it is a financially viable company, including anti-money laundering checks, while ensuring that the PSP meets certain criteria, including accountability principles.

The payments are sent directly to recipients' mobile money accounts, overcoming long waiting times and travel distances to pay points which are commonly associated with cash transfer schemes. The transfers are made in US dollars, which can be changed into Somaliland Shillings at a mobile money agent, which can be found in small shops, or a TeleSom branch located in the urban town centre. Therefore, the payment of transfers directly feeds into the 'Zaad money' infrastructure, which is widely used for money transfers and purchases in Somaliland. Recipients use a pin number to authenticate themselves in order to access the payment. While this eases the access to the money account, it has been shown to cause challenges for recipients with limited digital literacy skills who require the assistance of others to use their mobile phones. Furthermore, those who are visually impaired are not able to key in an authentication code. TeleSom provides a digital speech option which allows users to listen to the instructions on their mobile phones. However, this requires users to dial 888 to activate the speech option.

Change management

A change management system enables the enrolment of replaced recipients and updates of recipient household information. As the CSSP targets marginalised children and their families, the scheme's change management system includes an exit mechanism for recipients who are no longer eligible for the programme based on their socio-economic status or household composition. Those who have moved to a new location not covered by the programme also face the withdrawal of the transfer.

The project committee, comprising community representatives, maintains a consistent role in the registration of eligible recipient families for the programme, including its change management. There is a continuous feedback loop between the community and Save the Children staff to ensure that single parent families who are no longer eligible for the scheme are exited and other eligible families are identified. After information is reported by the project committee, staff members from Save the Children travel to the community to verify the reason for the deregistration of recipient families and the eligibility of new families to be registered onto the programme.

Complaints and Grievances

An effective and transparent complaints and grievances mechanism is critical for accountability and programme performance. Cash transfer programmes should design and implement solid complaints and grievances mechanisms that enable citizens to appeal against decisions, file complaints, and provide feedback to implementing agencies.

The complaints and grievances mechanism for the CSSP is integrated into Save the Children's monitoring strategy. Save the Children's Monitoring Evaluation and Learning team follow up with recipients after every mobile money distribution through 'proactive calls' in order to collect recipients' feedback on the programme. Furthermore, a pamphlet containing recipient accountability standards is distributed before the distribution of payments, to guide recipients on the communication channels through which they can file a complaint or report a grievance. These include the complaint response mechanism (CRM) hotline that is posted in each community and advertised during the registration and enrolment procedures. Community members can use the communication channels to make an appeal at any given time.

Monitoring and Evaluation

In advance of the first payment distribution of the CSSP, Save the Children conducted a baseline survey based on a sample of programme recipients. The baseline survey includes basic household information, as well as indicators on income, food and nutrition status and access to education and other basic services. The sample for the survey includes approximately 150 recipient households.

Following the baseline survey, regular monitoring of the CSSP is conducted through Post-Distribution Monitoring (PDM) exercises. Save the Children conducts a quarterly survey on recipient households, in order to collect information on how recipient families use the transfer, how they received the transfer, in addition to questions on dietary intake, livelihoods and household income. Therefore, the aim of the quarterly PDM exercises is to monitor the effectiveness of the transfer in reaching targeted recipients as well as the level in which it achieves desired outcomes. Furthermore, Save the Children conducts 'proactive calls', through which communications teams follow up with recipients via telephone and text messaging in order to confirm that transfers have been received.

Management Information System

Programme management information systems underpin social protection schemes, by ensuring effective operational processes, including registration, enrolment, payments, grievances, as well as monitoring. Within a comprehensive Social Protection system, the effective operations of schemes require the integration of a MIS with a Single Registry. A Single Registry is an information warehouse on Social Protection schemes

which enables linkages between individual programme MISs and other external databases that can be used for registration purposes. In countries where social protection is integrated into national systems, the social protection databases may be linked to income tax databases, civil registration, disability or Disaster Risk Management databases and early warning systems. The MIS for the CSSP comprises a digital data gathering platform operated by Save the Children, which integrates registration details, identification, payment information and the PDM data.

Institutional and human resources capacity and training

Save the Children technical advisors and staff incorporate training and capacity building for Government staff into the CSSP. Its Child Welfare Committees and field implementing staff operate the delivery of the programme components. Save the Children will continue providing technical assistance to the operation of the scheme. However, MESAF is increasingly involved in programme implementation, including the nomination of staff to deliver the programme components of the CSSP and contribution to monitoring activities through PDM exercises.

6.6. Financing the Social Protection Sector

There is significant scope to build the case for social protection to stimulate investments in other sectors. Indeed, as Figure 5.4 demonstrated, Social Protection can enhance growth in other sectors, by creating a more healthy and skilled workforce, while a minimum transfer can provide families with the financial means to engage in skilful work and undertake small businesses. Funding priorities in Somaliland are guided by the NDP II, which mainly sets out investment targets in the areas of production and infrastructure to prioritise growth. By building a case for investing in Social Protection, Somaliland can facilitate growth that is inclusive of all of its citizens. Furthermore, widespread poverty and insecure livelihoods, including losses of livestock, indicate significant setbacks to the economy which, in part, can be addressed through social protection.

6.6.1. Funding priorities and budgetary process

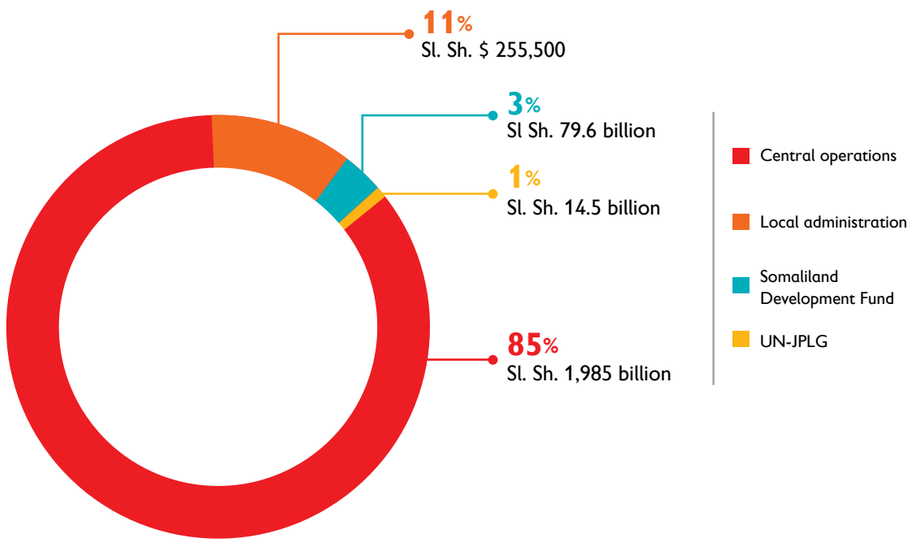
Somaliland's main funding sources for investments in the NDP II targets include the Somaliland's Development Fund (SDF) which coordinates funding of the NDP II targets through international cooperation. In addition, international donors and UN partner organisations coordinate and fund a range of other humanitarian and development support programmes. The second phase of the SDF aligns with *the timeframe of the NDP II, running between 2018-2023. The majo*rity of funding from the SDF I was concentrated on improvements in road and water infrastructure, while a significant proportion was dedicated to education and health infrastructure.[19]

Budget and investment channels in Somaliland are administered within the Ministry of Finance, with dedicated budgets for central operations, local administration and the Somaliland Development Fund. In addition to the SDF, a proportion of the budget is contributed by external funding through the United Nations Joint Programme on Local Governance and Decentralized Service Delivery (UN-JPLG) (ISIR, 2019). An estimated breakdown of the budget capacity and administration in 2019 is presented in Figure 6.7.

Limited budgetary allocation to the broader social services sector poses challenges for the allocation of spending on Social Protection. Out of an estimated budget of US$ 233 million in 2019, including internal and external funding sources, approximately 10 per cent – a combined budget of approximately US$ 23,107,000 – was allocated to the wider social services sector in Somaliland, including health, education, employment and social affairs. The largest proportion of social spending is allocated to the Ministry of Health, which represents 3.2 per cent of the budget, equivalent to approximately US$ 7.5 million (ISIR, 2019). In fact, as the following sections will discuss, public spending on social security falls far behind international standards, when

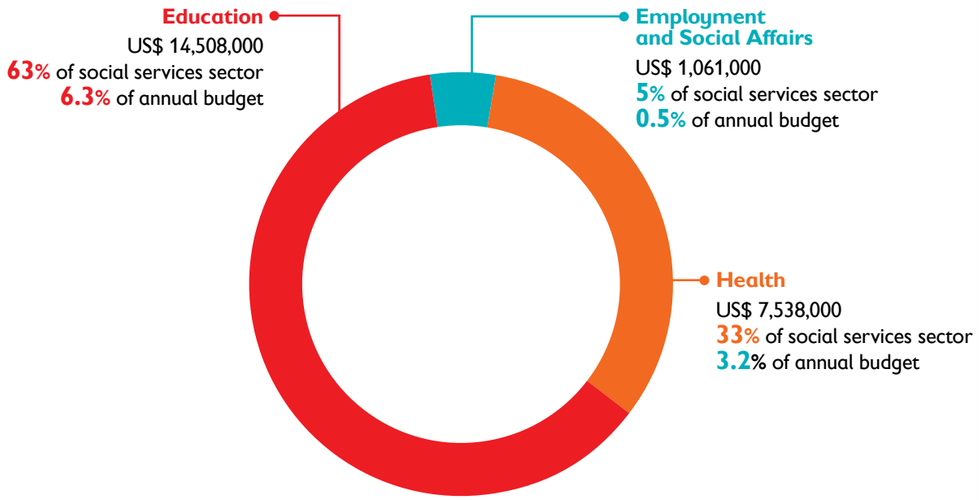
[19] Source: https://www.somalilanddevelopmentfund.org/

Figure 6.7: Budget administration 2019



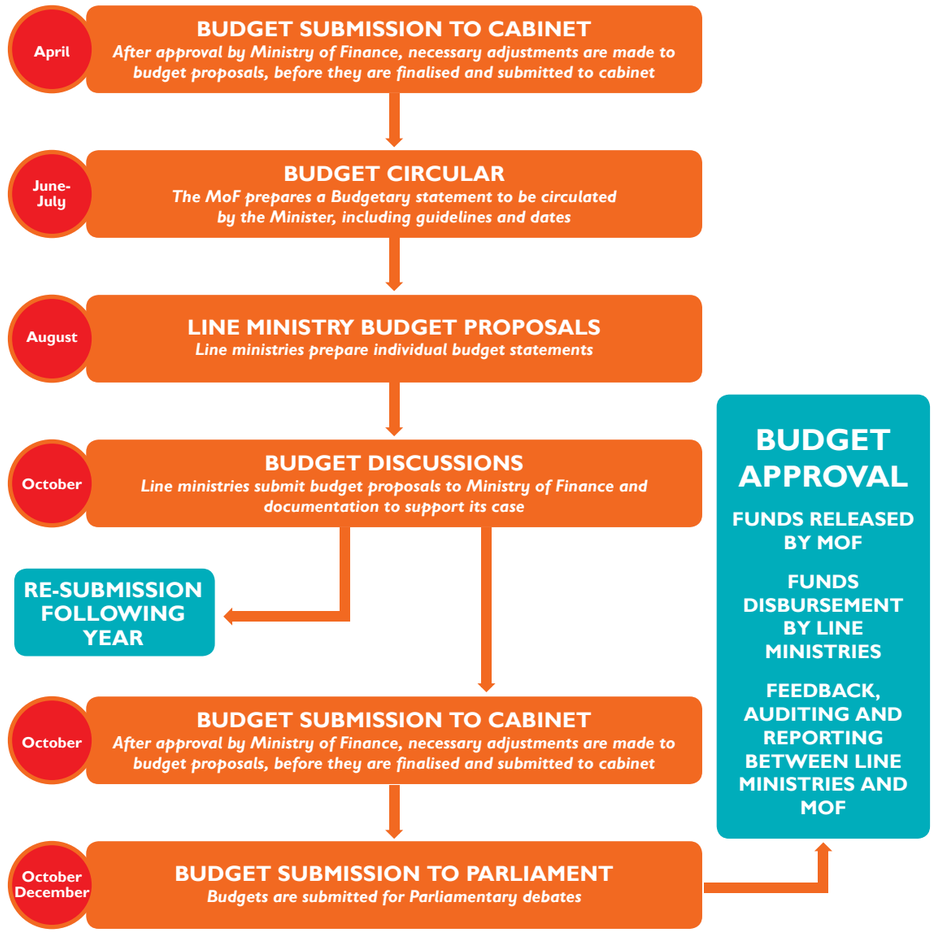
comparing Somaliland to other countries and systems in the region. The budget allocated to the Ministry of Employment Social Affairs and Family, incorporating social protection, comprises approximately US 1,061,000, which is less than 0.5 per cent of the overall budget in 2019 (ISIR, 2019).

Figure 6.8: Overview of budget allocation of the social services sector, comprising 10 per cent of the annual budget in 2019



The budget process in Somaliland comprises an annual estimation of costing, to meet NDP II targets, and align this with the fiscal capacity set out by annual budget projections. Figure 6.7 illustrates the budgetary preparation process of 2019, as set out by an annual calendar according to which relevant government actors engage in budget development. The Ministry of Finance is the central regulator of funds, including the approval of budgets and allocation of funds to line ministries. Each line ministry sets its annual budgetary priorities with a proposal for funding allocation. Budgetary proposals are submitted in addition to sufficient documentation to support its case, as budgetary proposals are defended by the relevant line ministries during discussion rounds with the Ministry of Finance. Approved budgets are submitted to Cabinet before being subjected to parliamentary debates. However, budgetary proposals can be rejected as a whole, after which line ministries are required to re-submit a proposal during the following year.[20]

Figure 6.9: Budget preparation process, 2019



Source: Adapted based on ISIR (2019).

[20] Source: KII with Ministry of Finance and MESAF

6.6.2. Funding capacity for Social Protection within MESAF

The overall budget of MESAF is largely allocated to the development of legislation and policy, in addition to a small number of support programmes and services that are funded directly through the Ministry of Finance. A proportion of funding within MESAF is dedicated to orphanages and rehabilitation centres. The largest programme budgeted by MEASF is the 'income generation' programme which reaches 50 households annually through business grants of US$ 500. Furthermore, MESAF provides in-kind support to IDP households affected by emergencies, through a small contingency fund.

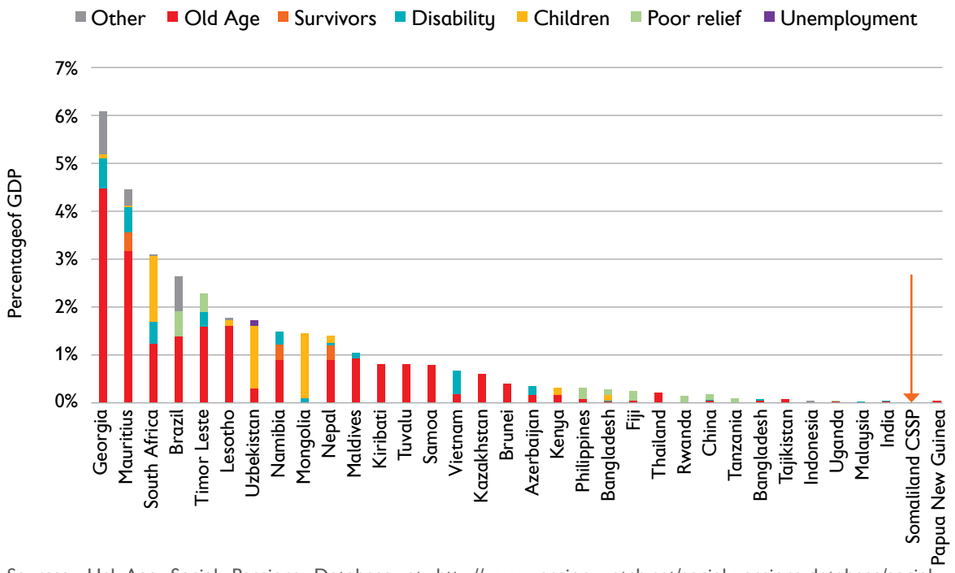
During the second half of 2019, MESAF contributed US$ 12,000 to CSSP operations as part of building its ownership of the programme and building its funding capacity. By growing its share of investment in the CSSP Pilot initiative, MESAF gradually increasing its capacity to finance and deliver the Somaliland's first Social Protection scheme.

Public investments in social protection are minimal in Somaliland, with the majority of the budget dedicated to policy formulation. In order to build capacity for scheme delivery and coordination, it is crucial that research and evidence is conducted to build the case for more investment in Somaliland, while highlighting the potential cost to society by underinvesting in its citizens.

6.6.3. Somaliland in the international context of spending on Social Protection

Lower and middle-income countries are increasingly expanding their Social Protection systems, financed by core tax revenue, as more and more nations recognise the benefits that it brings to their societies and economies. South Africa, Georgia and Mauritius invest over 3 per cent of GDP in tax-financed social protection, while countries in the region are increasingly investing in core lifecycle Social Protection schemes. Taking into account social insurance, Brazil invests approximately 13.5 per cent of GDP in its social protection, while Mongolia invests 8.7 per cent of GDP. By investing in the CSSP, MESAF could set an important milestone for funding the first Social Protection Pilot in Somaliland. However, the current level of investment in the CSSP, as indicated in Figure 6.8, still represents a limited proportion of GDP, in comparison to investments made by other countries in social protection systems worldwide, indicating that Somaliland has a long way to go in order to grow its investment to meet international standards. Nonetheless, most of these countries have built their systems gradually over several decades.

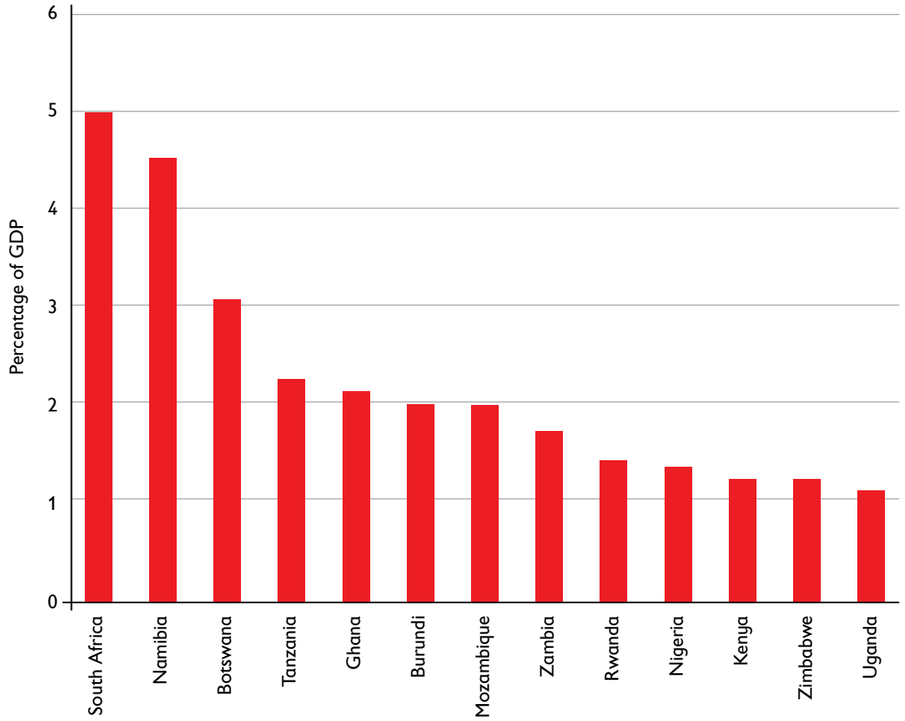
Figure 6.10: Investment in lifecycle social protection schemes across lower and middle income countries



Sources: HelpAge Social Pensions Database at http://www.pension-watch.net/social-pensions-database/social-pensions-database--/; Kidd & Damerau (2016); Kidd et al., (2015); Development Pathways Disability Benefit Database at https://www.developmentpathways.co.uk/news/launch-of-new-disability-benefits-database/; SASSA (2017); Government of the Kingdom of Lesotho (2014).

Furthermore, a number of countries in the African region invest a significant proportion of national income on inclusive Social Protection schemes, as shown in Figure 6.9. South Africa, which invests around 5 per cent of GDP in social protection, provides social transfers that focus on addressing key risks faced across the lifecycle. Similarly, Namibia invests around 4.5 per cent of GDP in a lifecycle system of social transfers. Kenya, Lesotho, Botswana, Zanzibar, Swaziland and Uganda provide inclusive social pensions that guarantee a universal minimum income for older persons with eligibility determined by age.[21] Countries within the East Africa region can present lessons for Somaliland, in terms of their recent history in building comprehensive schemes, funded through core taxation.

Figure 6.11: Investment in social protection in selected countries in Africa including civil service pensions (latest year available)



Source: Republic of Kenya (2017)

[21] Source: HelpAge PensionWatch. Retrieved from http://www.pension-watch.net.

6.6.4. The potential for financing Social Protection in Somaliland

Somaliland's economy is vulnerable to a number of factors, including low diversity of exports, limitations in skill-development, large-scale environmental shocks, and high levels of poverty which have slowed down economic growth over the last year. However, more recent investments in infrastructure and market accessibility, alongside large financial services infrastructure growth facilitated by remittances to Somaliland, can enable growth in the near future. As a result, if Somaliland maintains a more stable rate of economic growth during the following year, its tax revenues will continue to grow. Furthermore, the policymakers in Somaliland may consider generating savings in other areas of public investment, while the formalisation of Somaliland's markets and social protection system can result in efficiency gains.

Public finances in Somaliland are characterised by high recurring administrative expenditures, which may be optimised through more sustainable investments in public servants' salaries and pensions. The majority of recurrent expenditures in Somaliland are dedicated to the Presidential Palace, of which annual cost are higher than combined expenditures across other Government institutions (ISIR, 2019). In the absence of a statutory retirement age, a significant proportion of public administrative costs are dedicated to salaries of public servants who continue to live on wages through part of their old age. The implementation of the Public Service Pension Fund can potentially lead to savings, by investing more sustainably in retired civil servants through fund-accumulated pensions.

International research by the ILO, UNICEF and UN Women concludes that fiscal space for Social Protection exists, even in the poorest countries. A large number of countries are funding social protection through increased taxation on income, corporate revenues, property or natural resource extraction. For example, Bolivia, Mongolia and Zambia are financing universal old age pensions and child benefits through taxes levied on mining and gas extraction. Algeria, Mauritius and Panama have raised taxes on tobacco. Other countries have increased funding for Social Protection by fighting illicit financial flows, including tax evasions. Furthermore, over 80 countries have successfully negotiated and/or restructured debts in order to fund programmes that directly benefit children (Ortiz et al. 2017).

Potentially the most likely source of additional funds for social protection is through economic growth which will necessarily generate new tax income. And, of course, investments in Social Protection will generate economic which will, in turn, create more tax income. Social Protection strengthens the social contract which, as the system gradually expands over longer periods of time, encourages more citizens to pay taxes. Inclusive social protection systems tend to be more effective at building the social contract than smaller, poverty targeted schemes, since a larger proportion of the population benefits and citizens are aware that their contributions to society are remunerated through comprehensive social services and a minimum level of income support. Establishing inclusive Social Protection schemes can be a small step in building the trust of citizens and, over time, could lead to an increased willingness to pay taxes which can be invested not only in Social Protection but in other public services and infrastructure.

Recommendations for Financing the Social Protection Sector in Somaliland

There are significant challenges to securing long-term investment to ensure the progressive growth of the Social Protection Sector and its sustainability. The prioritisation of Social Protection as a core public investment, to stimulate more sustainable growth in Somaliland, will depend on securing its position within legislation and elevating its prioritisation in the NDP II. There is scope for further increasing public spending on Social Protection. However, the benefits – and the necessity – of Social Protection must be communicated effectively, in order for MESAF to engage more effectively with the Ministry of Finance on budget negotiations.

6.7 Recommendations for Building Effective Systems and Delivery of Social Protection Schemes in Somaliland

Box 6.2 provides a summary of recommendations for the gradual development of a Social Protection system.

BOX 6.4: RECOMMENDATIONS FOR ENHANCING POLICY DEVELOPMENT FOR SOCIAL PROTECTION SYSTEMS BUILDING

- Set out a definition for the Social Protection Sector that is easy to explain and clearly understood by stakeholders and reporting agencies.
- Social Protection needs to be embedded in legal and policy frameworks, starting with a Policy on Social Protection and a clear vision on how the government will increase its investment in lifecycle social protection over the next ten years.
- The Social Protection division should be elevated to a higher body within MESAF, that coordinates and oversees policy development in relation to child benefits, disability benefits, social insurance and pensions.
- Build a central, comprehensive delivery agency within MESAF that can build human resource capacity for the delivery of Social Protection schemes, ranging from registration to management information systems, payments and monitoring
- Build synergies between different departments in order to streamline support services operated within MSAF
- Integrate MESAF staff in the operations of the CSSP, to build capacity for the effective delivery of a Social Protection programme
- Develop a Single Registry Information Warehouse to streamline operations of future Social Protection Programmes
- Continue to build evidence on thefor potential for Social Protection to generate impacts across other social sectors, including health and education while stimulating growth and contribute to state-building, in order to defend its investment case.
- Set out plan for expansion of the CSSP into a comprehensive child benefit scheme to invest in the future generations of Somaliland, based on continued capacity building of MESAF to operate and manage the scheme.

OPPORTUNITIES AND CHALLENGES FOR THE FUTURE DESIGN OF SOMALILAND'S SOCIAL PROTECTION SYSTEM

CHAPTER 7

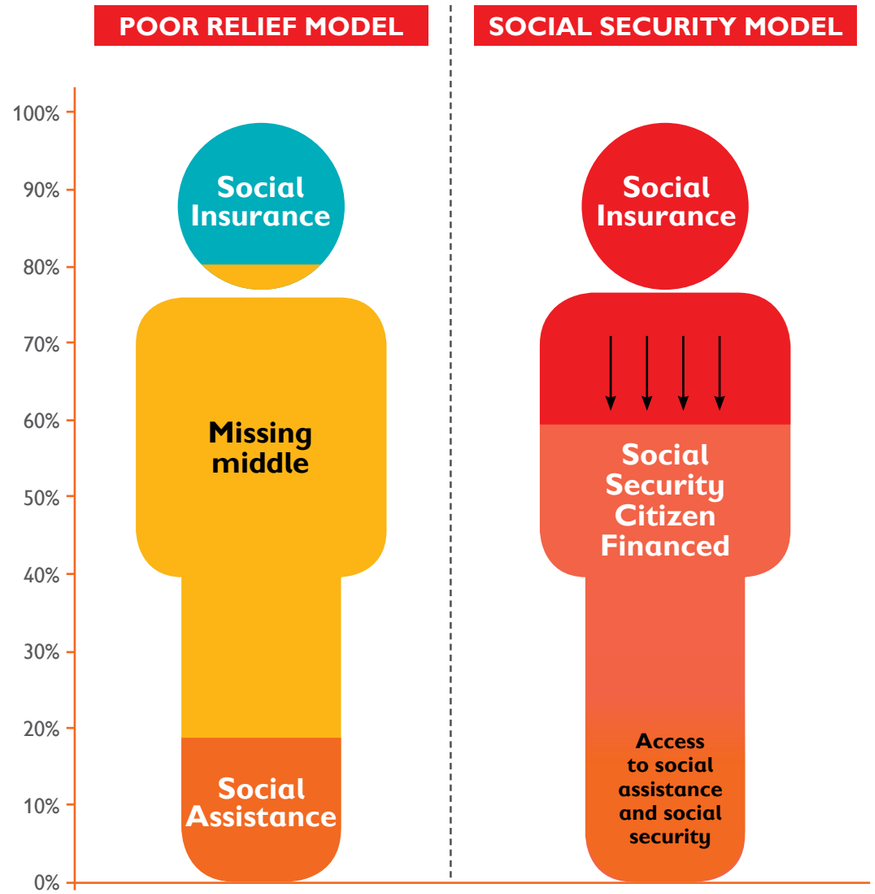
OPPORTUNITIES AND CHALLENGES FOR THE FUTURE DESIGN OF SOMALILAND'S SOCIAL PROTECTION SYSTEM

Current schemes in Somaliland are designed to prioritise the needs of those living in extreme poverty and those who are more affluent, working in the public sector. To date, investment in Social Protection in Somaliland has remained limited, resulting in the prioritisation of those living in extreme poverty. Furthermore, the majority of income support in Somaliland is provided through short-term emergency cash transfers operated by external partners. This leaves significant gaps in the system, resulting from limited investments in small programmes and exclusion of vulnerable families as a result of their design and targeting mechanisms.

There is a risk that further expansion of Social Protection in its current design risks generating a significant gap in coverage as the majority of the population will continue to remain excluded from Social Protection programmes. As discussed in in Section 3.4, the context of poverty in Somaliland indicates that the majority of people live in a vulnerable state, and are at risk of environmental contingencies that further exacerbate poverty. As Figure 7.1 highlights, current initiatives are not designed to reach the majority of the population experiencing vulnerabilities, risking the development of a 'missing middle' that is unable to access support.

Extending coverage to the 'missing middle' ensures that those experiencing significant vulnerabilities can access support, while generating further social and economic benefits. As Section 5 discussed, a system based on inclusive benefits that can be accessed by all individuals experiencing vulnerabilities results from design considerations which take into account human rights principles that effectively create entitlements, rather than handouts. Inclusive schemes are progressively realised over time. However, it is imperative that early design considerations lay the foundation for schemes to expand, by ensuring adequate coverage and inclusive citizenship. International discussions highlight the potential for inclusive schemes to benefit societies socially and economically, by establishing a more secure and resilient population. Furthermore, simple eligibility criteria have more potential to create trust in policymakers when recipients clearly understand the programmes' objectives and who provides it to them. In contrast, complex targeting procedures can cause social tensions and divisions within communities.

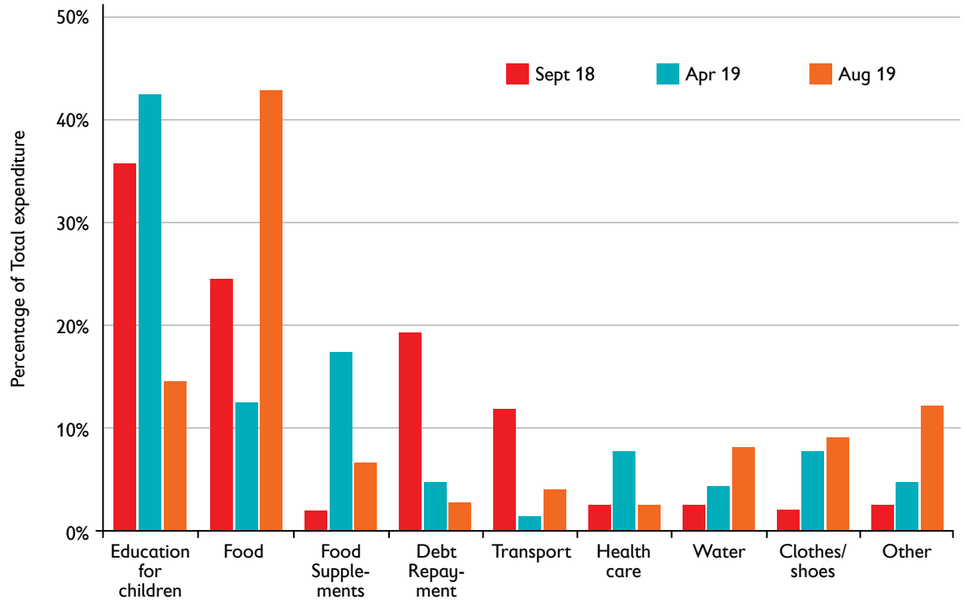
Figure 7.1: Theoretical design of current support in Somaliland's Social Protection system, versus a comprehensive social security model



7.1 Effectiveness of the Child-Sensitive approach to Social Protection

In the absence of comprehensive income support schemes, few studies have examined the relative effectiveness of Social Protection in Somaliland. A mid-term evaluation of the CSSP is currently under development to assess early impacts of the programme on family and child outcomes in the areas of health, food security and nutrition. However, post-distribution monitoring data on the CSSP already indicates that the programme has increased regular investments in children's education and food needs. Figure 7.1 indicates

Figure 7.2: Expenditure pattern of the CSSP, September 2018 – August 2019



Source: Adapted from the CSSP Quarterly PDM results between September 2018 to August 2019. Note: Save the Children's PDM tool was updated in August 2019, as such responses were measured differently in the August 2019 Survey. During September 2018 and April 2019, the survey recorded the number of persons that reported spending in each of these categories. During August 2019, the survey recorded the amount spent on each of these categories by every respondent.

expenditure patterns of the CSSP, based on survey responses during quarterly surveys conducted in September 2018, April 2019 and August 2019. During the last quarter of 2018 and first quarter of 2019, families spent the largest proportion of their transfer on their children's education, followed by food expenses as well as supplementary food items for young children. Education expenditures were lower in August, which may be due to less children attending school during this time period. Instead, a large proportion of the transfer was spent on food needs during August.

The provision of a regular and predictable transfer to families through the CSSP is increasing food consumption while enhancing access to education, by removing some of the financial barriers to schooling. These are significant investments that help protect families from poverty and build capacity for the future labour force in Somaliland. However, the impact of the CSSP is being constrained by the limited size of the programme, as only few families benefit from the transfer across Somaliland.

A significant share of the operations of the CSSP are focused on the verification of the scheme's accuracy in reaching the most marginalised IDP families with young children. Save the Children conducts a conflict analysis to ensure that selection does not exacerbate existing conflicts and tensions in the target IDP settlements. Furthermore, a consistent monitoring and feedback process is upheld to verify recipients' eligibility through community gatherings and close involvement of stakeholders. However, the programme's limited coverage is likely to cause tensions among community members if the pilot programme is not expanded to ensure coverage of all vulnerable families with children. While no assessment has been done of the CSSP's targeting mechanism, a study by USAID and CARE has found that household-based poverty targeted transfers

to female members of the household is associated with a sense of poor social cohesion among community members. Female recipients of emergency cash and voucher assistance had over twice as often reported not to get along with other community members, in comparison to female non-recipients (Foster et al., 2019).

In order to build the capacity of MESAF to deliver the CSSP, Save the Children draws on best practices from within the region for the design and delivery of Social Protection schemes, which includes moving towards simplifying eligibility criteria to limit the financial and human resources required to identify and manage recipients, while avoiding significant exclusion of the poorest and most vulnerable families. Simple eligibility criteria that are easy to understand by recipients are important for ensuring transparency of the scheme and adequate accountability mechanisms. And, there is overwhelming evidence internationally that targeting the poorest is not an effective means of reaching the poorest, due to high exclusion errors. Programmes with higher coverage are much more effective in reaching the poorest and most vulnerable, but this does require higher expenditures.

Whereas the pilot CSSP incorporated a poor relief approach, Social Protection schemes are more sustainable when they ensure accountability to citizens. The pilot of the CSSP is built around the approach of supporting the most marginalised families in Somaliland, that have been affected by humanitarian crises. Thus, while the pilot can inform design considerations on transfer levels, social and behaviour change communication and household level outcomes, it is not well placed to inform policy considerations for targeting Social Protection. In contrast, schemes that are funded, managed and delivered by policy makers at a wider scale need to acknowledge the vulnerabilities of all citizens in Somaliland in order to achieve more inclusive growth and build the wider capacity for building a core Social Protection Sector. Whereas the pilot phase of the CSSP – which relied on limited external funding – ensured its accountability to programme objectives agreed by donors, a comprehensive Social Protection programme should be reflective of Somaliland's social challenges and respond to risks and vulnerabilities that are experienced by both lower and higher income groups in society.

7.2 Potential for investing in scalable social protection

Social Protection has the potential to link benefits to wider systems that enable more efficient and effective delivery of social services, including emergency support. Operations and systems can be streamlined when local information entry points are integrated in centralised databases that include all citizens in its registration procedures. Through a Single Registry information warehouse, Somaliland has the potential to implement simplified electronic databases at local or regional levels, with clear oversight provided through a single window approach, which streamlines the operational cycle of its Social Protection schemes in a central information warehouse. These can be linked to other systems in Somaliland, including a birth registration and identification system, as well as a scalable mechanism to link programme recipients to wider humanitarian support.

There is significant scope to build a Social Protection system in Somaliland that is shock-responsive, by integrating system databases. Other sectors, including both NADOR and NDRA, are building capacity to operate centrally managed databases that collect information on early warnings mechanisms to trigger effective responses and keep records of vulnerable groups and internally displaced persons. There is significant scope to integrate Social Protection registration, enrolment, payment and delivery mechanisms to disaster risk management in order to build a system that can scale up existing Social Protection transfers during an emergency. Inclusive income support schemes are crucial to enable the system to scale up support during an emergency. Only when Somaliland has a Social Protection system in place that is inclusive of all citizens, can the system be shock-responsive. As Chapter 8 will illustrate, Somaliland can start building a strong foundation for a scalable system by reaching the youngest children, thereby reaching the majority of families in Somaliland indirectly, or directly through Social Protection.

As a result, investing in an inclusive Social Protection system that is shock-responsive can lead to significant savings in the areas of post-disaster response and humanitarian assistance. It is unsustainable for Somaliland to further its reliance on external support to continue humanitarian operations. Globally, there is a need to strengthen linkages between short-term humanitarian response and long-term sustainable development approaches. The protracted nature of crises in Somaliland, as well as other countries, is generating a need for emergency support that exceeds global capacity to address these concerns. By ensuring the complementarity between the Social Protection system, that is publicly financed, and the wider humanitarian and disaster risk management systems, this minimises overlap of different interventions. In reality, establishing basic income support through Social Protection builds families' resilience before a shock occurs, which minimises the need to finance post-disaster responses.

BUILDING A CHILD-SENSITIVE SOCIAL PROTECTION SYSTEM IN SOMALILAND

CHAPTER 8

BUILDING A CHILD-SENSITIVE SOCIAL PROTECTION SYSTEM IN SOMALILAND

Children in Somaliland face a range of challenges, as most live in low income families that are struggling to access basic needs and services, exposing children to risks of undernutrition, poor health, missing out on schooling and a good home learning environment. The majority of Somaliland's population is highly susceptible to shocks that can result in a significant drop in families' living standards at any given time, as people are constantly exposed to environmental crises and economic volatility, resulting in high rates of population displacement and further deterioration in child wellbeing. Children, and future generations, will risk facing an ever increasing deterioration in living standards unless they can access support that will help them escape the vicious cycle of poverty.

It is essential that children in Somaliland can start their lives with an adequate minimum income, which enables them to achieve better living standards in the future. If Somaliland were to start investing in inclusive lifecycle Social Protection schemes, it is possible to gradually build a system that offers income security to children being born today, and ensure that they are covered throughout the rest of their lives. By investing in citizens, Somaliland has the potential to strengthen its workforce by guaranteeing families with the means to invest in their children to achieve better education, health and higher potential for income generation, which will contribute to future labour markets and economic growth.

In light of the challenges and opportunities highlighted in this report, there is a strong rationale for Somaliland to build a comprehensive Social Protection system, based on the foundation of an inclusive child benefit through the expansion of the CSSP. The development of a Social Protection Policy presents a crucial window of opportunity to build the case for an inclusive lifecycle system, taking into account lessons learnt from global evidence and design considerations discussed in this report. The Child-Sensitive Social Protection Pilot (CSSP) in Somaliland has demonstrated meaningful outcomes for child development, as it has guaranteed recipient families with a minimum income, social counselling and care services to achieve better schooling outcomes, child feeding practices and enhanced diets. While the coverage and impacts of the CSSP remain limited in its pilot phase, there is significant scope to expand the cash transfer component to build a child benefit system that reaches the majority of vulnerable families with children in Somaliland. As international evidence illustrates, Social Protection schemes have the potential for stronger impacts on poverty, and better outcomes for child development, when the system is inclusive of all citizens.

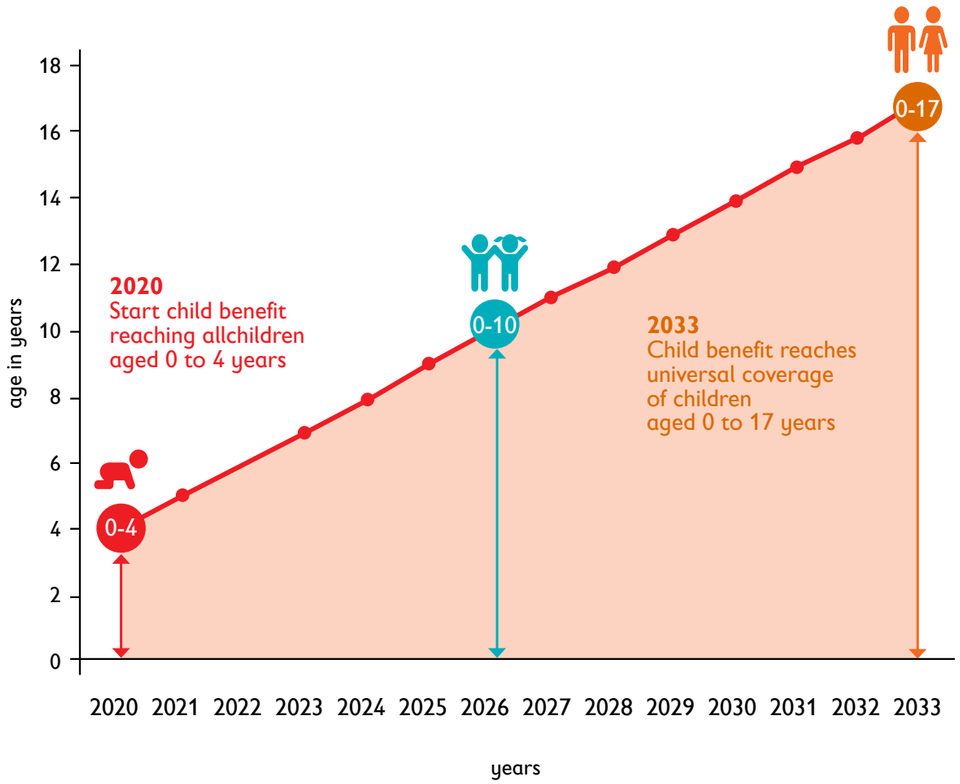
This chapter outlines recommendations for building a child-sensitive Social Protection system in Somaliland. Starting with the expansion of the Child-Sensitive Social Protection Pilot, a foundation can be built for the Social Protection Sector in Somaliland. The system will gradually achieve inclusive coverage of citizens within a system of core income support schemes, with the potential to enhance social services through lessons learnt from the CSSP's cash-plus training components. However, to ensure that children will be protected through future stages of life, it is crucial for Somaliland to consider building comprehensive disability benefits and an old age pension system that will guarantee citizens with income security throughout the life course. Realising that comprehensive systems cannot be built overnight, these recommendations will be based on a phased in approach that enhances financial and political sustainability. The system will initially prioritise

the youngest children, but gradually grow over time. Further, this section will explore a potential scenario for a wider system of lifecycle income support schemes in Somaliland and the investments that will be required for its implementation.

8.1 Gradual realisation of an inclusive child benefit system in Somaliland

Somaliland has the potential to progressively realise an inclusive child benefit system through a phased in approach, starting with an income guarantee for the youngest children in Somaliland. Somaliland can reform the CSSP to implement a child benefit system that ensures that all children born today will be guaranteed a minimum income throughout their childhood. Starting from children aged 0 to 4 years, no child will be taken off the scheme until they reach their 18th birthday. Figure 8.1 illustrates the gradual expansion of the child benefit, assuming that the scheme commences in 2020, and it will reach all children aged 0 to 17 years by 2033, when the scheme achieves universal coverage of children.

Figure 8.1: Gradual implementation of a child benefit to reach universal coverage of children by 2033



Source: Created by Development Pathways

As discussed in Section 5.2, the impacts of Social Protection Schemes are dependent on adequate coverage as well as an adequate transfer amount to enable children with the means to afford basic needs, including adequate health and diets. However, in order to ensure financial sustainability and affordability of the scheme, trade-offs need to be made in terms of coverage of children and the transfer values to be offered. It needs to be borne in mind that Social Protection schemes have a higher likelihood of gaining trust in citizens and building a stronger social contract when they are equitable, by ensuring wide coverage of families with children. The CSSP currently provides a household benefit of US$20 per month, indicating a substantial transfer to households in nominal terms, but resulting in a lower effective transfer for larger families with more children. Somaliland will be able to achieve high coverage of a child benefit scheme by providing a lower transfer as an individual entitlement to children, while indexing the transfer to inflation so that they do not lose their purchasing power.

The proposed scheme recommends a smaller child benefit of Sl Sh. 42,500 (US$ 5) per child, starting with children below the age of 5 years. By providing all children aged 0 to 4 years with a benefit, the scheme provides a higher transfer to families with larger numbers of children, who are more likely to be living on low incomes and struggling to afford basic needs for child survival and child development. For example, a family of 5 children will receive a net transfer of US$ 25, while the transfer will increase in line with the inflation of prices of goods and services.

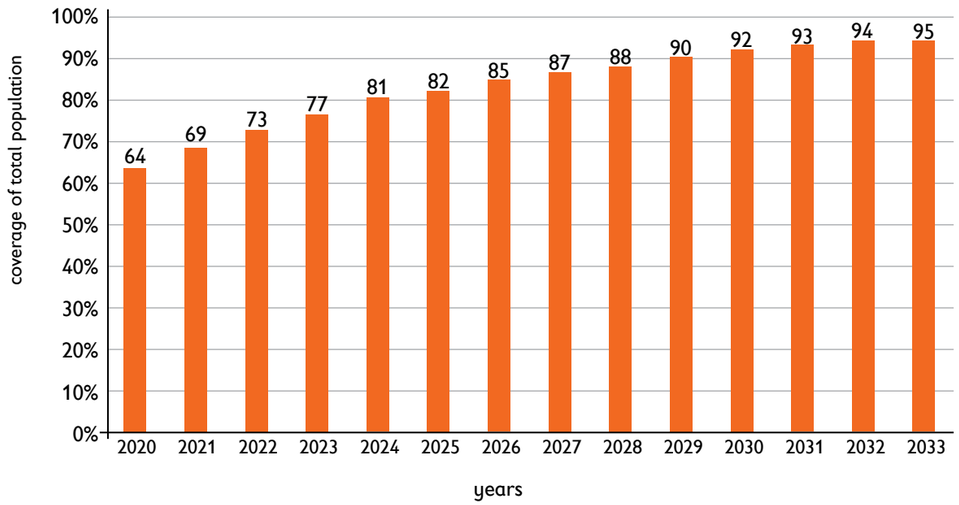
By starting with a small child benefit reaching all children aged 0 to 4 years, Somaliland will prioritise children during the initial 1,000 days of life, which are crucial for children's cognitive development and growth. If Somaliland were to reform the CSSP into a child benefit, this can build a foundation for a social protection system that reaches a significant proportion of vulnerable families across Somaliland. Simulations indicate that a small child benefit to children aged 0 to 4 years old will reach approximately 64 per cent of the population, including direct recipients of the child benefit as well as family members receiving the benefit indirectly. Furthermore, the benefit would ensure coverage of 66 per cent of the poorest 10 per cent of the population, which is a significantly better performance than that of household-based poverty-targeted schemes in other countries (Kidd & Athias, 2019).

By gradually expanding coverage of the child benefit system, it is feasible for Somaliland to achieve a universal child benefit in the long term, reaching all children below the age of 18 by 2033. As such, the child benefit system can form a strong foundation for the inclusion of families in income security schemes, benefiting wider public services and registration. While the scheme will already benefit 64 per cent of the population in 2020, either directly or indirectly through the child benefit, this will grow to 95 per cent when the scheme reaches universal coverage in 2033 (see Figure 8.2). Therefore, the child benefit system can achieve nearly universal registration of households, which can build the capacity of systems across other sectors. For example, registration for the child benefit can benefit Somaliland's progression towards universal coverage of birth certificates and ID documentation as newborn children are additionally registered for a child benefit alongside obtaining both important documents. Furthermore, when the system achieves universal coverage of households across Somaliland, it will offer a foundation for scaling up transfers to households during emergencies, since emergency support can be deployed more rapidly when the affected population is already included in a database alongside details to enable payments. When building a comprehensive Social Protection Sector in Somaliland, it is essential that stakeholders acknowledge the equal rights of all citizens in accessing a minimum income. Therefore, in the long-term, it is important that Somaliland invests in a system that deals holisitically with populations facing emergencies by building households' resilience rather than parallel systems that deal with different types of vulnerabilities, in particular in the context of Somaliland's rapid urbanisation. In fact, as Box 8.1 discusses, recognising the nature of rural to urban migration in Somaliland, there is a rationale for the wider sector of humanitarian support to shift the focus from providing separate support to internally displaced persons to ensuring inclusivity in income support schemes and building systems based on the right to access social security.

BOX 8.1: SUSTAINABILITY OF HUMANITARIAN SUPPORT TO IDP HOUSEHOLDS IN THE CONTEXT OF RURAL TO URBAN MIGRATION

In the context of Somaliland's rapid urbanisation, there is a rationale to re-think the conceptualisation of Somaliland's context of migration and displacement and its implications for vulnerability. While migration trends are common across many African and global contexts and are normally viewed as rural to urban migration, it is referred to as internal displacement in the context of Somaliland. Due to the insecurities faced in IDP camps, internally displaced persons (IDPs) are entitled to specific support from humanitarian actors. However, due to the protracted nature of crises in Somaliland, and the majority of the population being in a constant state of vulnerability to various shocks, there is, potentially, a rationale to move away from the concept of internal displacement and the specific vulnerability status given to IDP camps, in order to ensure that all citizens have equal access to support to deal with covariate shocks, regardless of location. As Somaliland experiences population growth and demographic changes that will lead to increasing growth of its urban centres, it is likely that IDP camp settlements in Somaliland may evolve into permanent urban and peri-urban settlements. As a result, the continuous provision of separate humanitarian support to populations in camp settlements will be more challenging to sustain financially. Furthermore, maintaining specific support to people in camp settlements is likely to create disincentives for populations to return to rural areas to re-build their assets and livelihoods.

Figure 8.2: Simulated coverage of the population of Somaliland, directly or indirectly through the child benefit

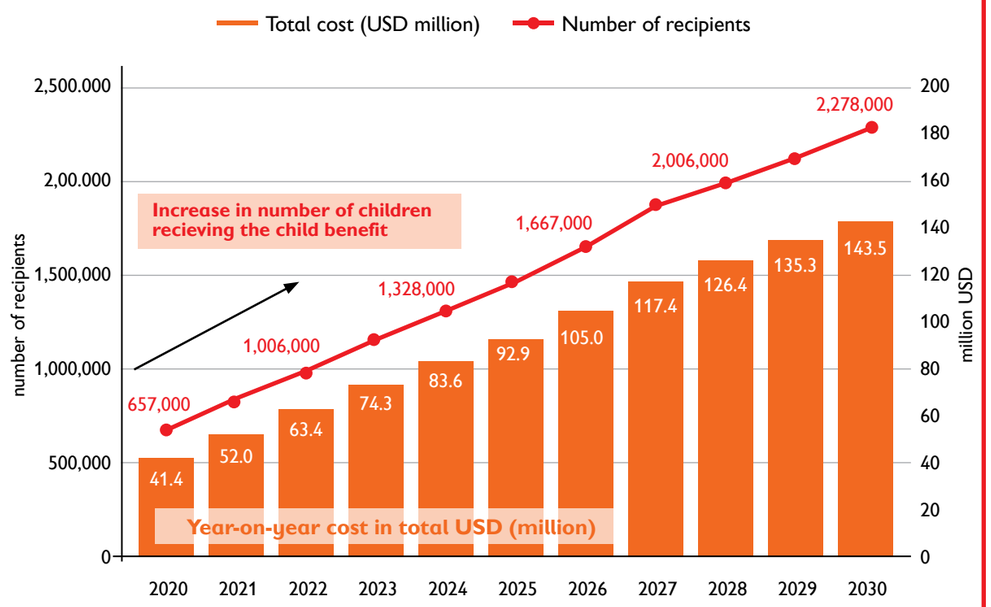


Source: Secondary analysis by Development Pathways of the SHS 2013

Levels of investment required for the gradual realisation of a child benefit

The implementation of a comprehensive child benefit system in Somaliland requires significant investments to ensure that the system is equitable and inclusive of all children. However, through a phased-in approach, investments will be more politically and financially feasible, with both coverage and the level of investment growing incrementally over a longer period of time. The child benefit, reaching all children aged 0 to 4 years in 2020, will require an investment of approximately US$ 41.4 million in its initial year of implementation. Costs will grow gradually as more children are included in the scheme. However, as Somaliland's economy continues to grow, public investments in Social Protection will become more manageable in the long run. Figure 8.3 indicates the estimated year-on-year growth in the number of children that will be reached by the scheme in comparison to the level of investment required. When the scheme reaches universal coverage of children in 2030, costs will amount to US$ 143.5 million, while the scheme will reach approximately 2,278,000 children.

Figure 8.3: Cost of the gradual implementation of a universal child benefit, compared to number of recipients



Source: Secondary analysis by Development Pathways of the SHS 2013

Significant achievements can be made towards building the foundation of an inclusive Social Protection system in Somaliland if the portfolio of humanitarian cash transfers is re-invested in the progressive realisation of a child benefit. Investments in emergency cash transfers in Somaliland fluctuate from year to year, but remain large in comparison to public finances. For example, considering a scenario in which emergency cash transfers in Somaliland, including their administration costs, amount to US$ 150 million, a reprioritisation of funding can potentially generate enough fiscal space for an inclusive social protection scheme.[22] This level of investment in humanitarian cash transfer operations would exceed the level of funding required for the implementation of a small child benefit in its initial year, while the gradual implementation of a

[22] Note: This scenario assumes an estimated level of investment in humanitarian cash transfer operations in Somaliland with a target population of 1.2 million people, indicating coverage of 30 per cent of the total population of Somaliliand that receives emergency cash transfers at an average of US$ 60 per household.

universal child benefit to all children aged 0 to 17 by 2033 will be manageable if similar levels of funding were to be gradually re-invested in building MESAF's capacity to deliver a child benefit for Somaliland.

8.2 Building a child-sensitive Social Protection system through inclusive lifecycle schemes

In order for Somaliland to build a system that is child-sensitive, it is essential that policymakers utilise the window of opportunity set out by the Social Protection Policy to lay the foundation for Social Protection schemes that support citizens in addressing the risks and challenges they face throughout the lifecycle. Indeed, children born today will grow to face further challenges in the labour market when they reach adulthood, in particular when they have a disability, and will require income support when they lose their capacity to earn income in old age. Through the implementation of inclusive disability benefits and an old age pension system, Somaliland can ensure that future generations are able to access a minimum income throughout the life course.

Based on global estimates on severe disability prevalence (2.2 to 2.9 per cent), a significant proportion of people in Somaliland are likely to live with a disability but are unable to access income support through disability benefits. Children with disabilities in Somaliland experience significant challenges as they are less likely to access schooling and face social exclusion, as described in Section 4.1. Further research should be undertaken to understand social perceptions toward disability in Somaliland to further the agenda of including people with disabilities in society. As people with disabilities face significant costs, as well as a reduction of income earned in the household due to care responsibilities, it is essential that Social Protection systems incorporate comprehensive disability benefits. Considering the varying degree of needs and additional costs that persons with disabilities face, in the long term Somaliland may develop a system of variable transfers which respond to the specific needs of each disabled person.

Children with disabilities require additional support to ensure that they receive adequate care in the home, while enabling them to continue attending school and participating in society with other children. Children with disabilities typically face higher costs to meet the same level of living standards as their fellow peers without disabilities. Therefore, it is recommended that Somaliland considers the implementation of a Child Disability Benefit that children will receive on top of the child benefit system.

Persons with disabilities who face a reduction in income due to their functional limitation should be able to access an Adult Disability Benefit. However, it is important that eligibility for the disability benefit is not linked to capacity to work, as many people with disabilities are capable of working and should be facilitated to access employment upon exiting the education system and entering the labour force. In the long run, Somaliland may consider the implementation of a carers' benefit to compensate carers for the loss of income faced due to the responsibility of caring for a family member with a disability.

As people gradually lose their capacity to work due to old age, it is essential that they access an income replacement scheme through a comprehensive old age benefit. Many studies have demonstrated that pensions often lead to child-sensitive outcomes, as the income received from pensions is invested in younger family members. For example, in South Africa, children living with a pensioner have been found to be up to 5 centimetres taller due to accessing improved diets, which is equal to approximately half a year's growth (Case, 2001). Further, a retirement benefit not only provides older persons with the income security to improve their own wellbeing and that of family members, it supports older persons to continue earning an income independently and live more autonomous lives in old age. This minimises their financial dependency on other family members, who are likely to be caring for young children. This reduction in the amount that families give to support their elderly parents can be invested in their own children as well as income-generating activities.

Building on the foundation established by the child benefit system in its first year of implementation, Somaliland will be able to implement inclusive lifecycle schemes at a level of investment of US$ 81.2 million. The level of investment required for the implementation of a comprehensive set of lifecycle schemes will therefore amount to approximately half of estimated investments for humanitarian cash transfer operations in Somaliland. Table 8.1 sets out a potential scenario of lifecycle schemes in Somaliland, including income security for children, persons with disabilities, and people in old age. Under this scenario, the complete package of lifecycle schemes will ensure coverage of 74.4 per cent of the total population, while reaching 75.5 per cent of those among the poorest 10 per cent. While the scheme will prioritise children, reaching approximately 78 per cent of children below the age of 18 years, it will ensure significant coverage of working age adults (aged 18 to 59 years) – as recipients of the child and disability benefits – and almost universal coverage of older persons aged 60 years and above (97.5 per cent).

Table 8.1: Details of scenario of lifecycle scheme options in Somaliland in 2020

Scheme	Age of eligibility	Value of transfer (in Sl. Sh. and US$)	Cost in million US$
Child Benefit	0 – 4[23]	42,500 (US$ 5)	41.4
Disability Benefit	0 – 64	170,000 (US$ 20)	9.8
Old Age Benefit	65+	170,000 (US$ 20)	30.0
Total			81.2

Source: Secondary analysis by Development Pathways of the SHS 2013

Impacts of an inclusive lifecycle Social Protection system in Somaliland

The implementation of inclusive lifecycle Social Protection schemes will have transformative impacts on households' consumption, poverty and inequality. With the package of schemes presented in Table 8.1, per capita household consumption is estimated to increase by 5.3 per cent among recipient households, while all households across Somaliland will, on average, experience an increase in per capita household consumption of 3.9 per cent. The schemes will, in particular, benefit the poorest households in Somaliland, as per capita household consumption would increase by 14.3 per cent among the poorest 10 per cent of the population. Further, the scheme will lead to an estimate reduction in Somaliland's poverty rate by 3.8 per cent and a reduction in the poverty gap by 7.1 per cent.[24] Inequality is expected to decrease by 1.8 per cent, as measured by the Gini index.

If Somaliland were to gradually achieve universal coverage of all children below the age of 18 years alongside investments in disability and old age benefits, higher impacts can be achieved. If the child benefit were to reach universal coverage of children, the complete system of lifecycle schemes would lead to an average increase in per capita household consumption in Somaliland by 8.8 per cent, while the increase would be 24.5 per cent among the poorest 10 per cent. Therefore, an inclusive lifecycle Social Protection system will enable future generations in Somaliland to enhance their investments, building greater food security and resilience to shocks, with potential for greater investments in income generating activities and a healthier and more skilled workforce. The poverty rate is estimated to reduce by 9.9 per cent as a result, while the poverty gap would reduce by 17 per cent.

[23] Note: Eligibility for the Child Benefit scheme will expand year on year through as children are not taken off the scheme until their 18th birthday.
[24] Note: Simulated impacts on the poverty rate and poverty gap in Somaliland are based on the poverty rate of the SHS 2013.

8.3 Enhancing cash-plus approaches for the child-sensitive delivery of Social Protection schemes

Social care services are a key component of a comprehensive Social Protection system but are different in design and nature from income support schemes. While social care has not been included in the review of the Social Protection sector, for the purpose of defining a clear scope for building core income support schemes, it should be recognised that child and adult social care services play an essential role in the protection of citizens, alongside the provision of a minimum income guarantee. In order to ensure the delivery of quality social care services, they need to be underpinned by a comprehensive system of social work comprising a cohort of skilled workers who can adequately tend to needs of those who need constant care, such as children and adults with disabilities and children in need of foster care.

The CSSP pilot provides a key opportunity to enhance social services to children, including lessons learnt from its child-sensitive cash-plus approach. By investing in a cash-plus approach linked to registration for the proposed child benefit, Somaliland can ensure the availability of basic social services to families, including parenting, basic health and nutritional care services. Starting with the inclusion of core childcare services in the child benefit system, Somaliland has the potential to start building the capacity for better quality services for children and adults in the future.

Alongside child-sensitive services, the CSSP embeds a training strategy aimed at preparing young people for the labour force, including skils training and promoting access to services and education. To further the agenda of enhancing job creation and labour market access, in particular among young women and men, Somaliland has the potential to enhance employment opportunities in the public sector while building a more skilled workforce for the provision of key social care and support services. In many middle and higher-income countries, the social care sector comprises a significant share of the labour market, while governments have a key role in ensuring quality skills training to build the cohort of social workers who can take on the responsibility of providing critical support to people with significant care needs. While government stakeholders have the responsibility to ensure adequate standards in the provision of care services, the contracting of social care workers can be undertaken either by ministries and government agencies or sub-contracted to the private sector and civil society organisations.

However, in order for Somaliland to start building a social care sector, it is important that this is dealt with through a separate process to ensure adequate quality standards and capacity building, underpinned by an investment strategy. Nonetheless, the development of a Social Protection Policy provides a key opportunity to secure commitment to cash-plus approaches in Somaliland, to ensure that inclusive income support programmes are linked to core basic services. In addition, there is significant potential for Somaliland to link its investment in education and skills training, as part of its broader youth employment and labour market strategy, to capacity building of core social care services.

CHAPTER 9
CONCLUSION

Social Protection has the potential to play an essential role in strengthening the economy and society, by fostering social cohesion and growth, which contributes to peacebuilding and reconstruction. However, significant steps need to be undertaken to build an effective system, that guarantees that children born today can access the minimum protection that enables them to maintain and improve their living standards throughout their life course.

For Somaliland to build the foundation of an effective system, key design considerations need to be taken into account to ensure that the system is inclusive of all citizens in need of support. For future generations, it is essential that no children are left behind and are not disadvantaged by unequal access to core income support schemes. In fact, there are significant risks to society if Somaliland continues to underinvest in children. In particular, the first 1,000 days of life are crucial for cognitive development and growth, and set the path for adulthood and future contributions to society. While current approaches to humanitarian assistance programmes in Somaliland follow a poverty-targeted approach that prioritises support for the most marginalised groups, these programmes typically require complex design specifications to identify recipients, which leads to significant costs to enable their implementation, and results in high inaccuracies when implemented at a large scale. Social Protection systems that offer inclusive entitlements to categories of the population are more effective at reaching vulnerable groups in society, as they limit exclusion errors. Furthermore, they have the potential to gather more popular support, and build a social contract, by guaranteeing recipients with the guarantee that they will be supported whenever they are in need and their contributions to society are acknowledged and remunerated.

Building on the pilot CSSP, Somaliland can establish the foundations of an inclusive Social Protection system by phasing in an inclusive child benefit. While lessons can be learnt from achieved outcomes of the CSSP cash transfers and its cash-plus approach on child wellbeing, it is essential that Social Protection schemes that are implemented at a wide scale are designed based on simple eligibility criteria, that minimise exclusion and complexity in the design, operations and delivery of schemes. Somaliland is able to progressively realise an inclusive child benefit system by reforming the CSSP pilot into a child benefit provided to all children aged 0 to 4 years in its initial year of implementation, with no child taken off the scheme until they reach their 18th birthday. By offering a lower transfer of Sl. Sh. 42,500 (US$ 5), but provided as individual entitlements, Somaliland can ensure inclusive coverage of children while offering higher benefits to large families who are more likely to live on low incomes. Through this phased in approach, Somaliland can achieve universal coverage of social protection for children by 2033, when the child benefit reaches all children below the age of 18 years. As such, the child benefit system provides a strong foundation for the inclusion of families in wider systems for the delivery of public services and support, including emergency support. Through a Single Registry information warehouse which registers all families with children for the benefit, Somaliland will gradually achieve nearly universal registration of citizens, enabling a shock-responsive Social Protection system that can scale up support during a crisis.

In order for Somaliland to build a child-sensitive Social Protection system, it is crucial that policy makers take advantage of the opportunity presented by setting out the Social Protection Policy, to lay the foundation for inclusive schemes across the lifecycle, including disability benefits and and old age pension system. These are essential to ensure that the system does not generate future coverage gaps, and children continue to be protected throughout the life course. Building on the foundation set up by an inclusive child benefit system, Somaliland is able to implement an inclusive package of lifecycle schemes, starting at a cost that is approximately half of the level of investment required to fund humanitarian cash transfer operations in Somaliland.

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ANNEX 1
LIST OF STAKEHOLDERS INTERVIEWED DURING THE FACT-FINDING MISSION

Institution/Line ministry	Key Informant/Department
Ministry of Employment, Social Affairs and Family	Head of Department of Social Affairs and Protection Head of Department of Research and Statistics
Ministry of Employment, Social Affairs and Family	Head of Department of Social Protection
Ministry of Employment Social Affairs and Family	Department of Disability
Ministry of Employment Social Affairs and Family	Department of Employment, Head of Job Creation
Ministry of Employment Social Affairs and Family	Department of Gender
Ministry of Employment Social Affairs and Family	Department of Administration and Finance
Ministry of Employment Social Affairs and Family	Department of Child Protection
National Disaster Preparedness and Food Resources Authority	Director of Planning and research
National Displacement and Refugee Agency	
Ministry of Finance	Director of Budgeting and Planning
Ministry of Finance	Department of Macroeconomics
Ministry of Planning	Planning Department
UNICEF	Social Policy Specialist
UNICEF Mogadishu	Social Policy Specialist
WFP	Programme Policy Officer
HAVOYOCO	
SOS Children's Villages	
Municipality of Hargeisa	Director of Social Affairs Director of Public Works Director of Planning
Network Against FGM	
Dahabshiil	Corporate Relations Manager Chief operator Somtel operations staff Director of Payments IT Manager
TeleSom Group	Zaad operations staff

ANNEX 2
DESCRIPTION OF KEY DATASETS AND DATA SOURCES

Data source	Description of the dataset	Objectives of the analysis
UNICEF Multiple Indicator Cluster Survey 4 (MICS) 2011	The Multiple Indicator Cluster Survey comprises an international household survey that generates data on key indicators that supports monitoring of the situation of children and women. MICS data has been used for the purpose of monitoring national progress on the SDGs and inform policy decisions and programme interventions. The primary objective of the sample design for the Somaliland Multiple Indicator Cluster Survey was to produce statistically reliable estimates of most indicators for the whole Somaliland, for urban and rural areas, and for the five regions (Maroodijeex/ Sahil, Awdal, Togdheer, Sool and Sanaag). There were two main sampling strata: rural and urban areas. The target sample size for the Somaliland MICS was calculated as 5179 households. For the calculation of the sample size, the key indicator used was the polio immunization coverage for children aged 12 – 23 months. 4,820 households were successfully interviewed.	• Lifecycle analysis • Challenges faced by children, using key indicators on child wellbeing
Somaliland Household Survey (SHS) 2013	The Somaliland Household Survey was implemented in 2013 by the World Bank in collaboration with the Somaliland Ministry of Planning and Development. This dataset contains information on consumption, income and household characteristics. The survey interviewed 852 urban and 873 rural households. The sample was drawn randomly based on a multi-level clustered design. The sample is representative of urban Somaliland, and parts of rural Somaliland. However, the survey does not include nomadic households or those affected by conflict.	• Poverty analysis • Challenges faced by people across the lifecycle • Challenges faced by children • Simulations on impacts of social protection schemes.
Somalia High Frequency Survey 2017/18	The second wave of the Somali High Frequency Survey was implemented in 2017 to monitor welfare and perceptions of citizens in all accessible areas of 17 regions within Somalia's pre-war borders including Somaliland which self-declared independence in 1991. The survey interviewed 4,011 urban households, 1,106 rural households, 468 households in Internally Displaced People (IDP) settlements and 507 nomadic households. The sample was drawn randomly based on a multi-level clustered design. This dataset contains information on economic conditions, education, employment, access to services, security, perceptions and details before displacement for displaced households.	• Poverty analysis

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