Operationalising graduation in Ethiopia's Productive Safety Net Programme

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(Drawing on work undertaken in collaboration with Guush Berhane, Samuel Gidey, Neha Kumar, Alemayehu Seyoum Taffesse, Yisehac Yohannes, Jeremy Lind, Mulugeta Handino, Keetie Roelen, Mulugeta Tefera, Biniyam Nishan)

Ethiopia's Productive Safety Net Programme (PSNP)

- Ethiopia's PSNP started in 2005 and will continue to operate until the end of 2014

- It reaches approximately seven million people living in 1.3 million beneficiary households

- With an annual budget of approximately $450 million per year, it provides most beneficiaries with six months employment on public works. A small number (approx. 15%) receive unconditional payments.

- The PSNP uses a mix of targeting methods: geographic, individual assessment and self-targeting. Targeting is done at the locality level. Assessments indicate that the PSNP is a well targeted program.

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Graduation in the PSNP

- Graduation is seen as a long term objective of the PSNP

- In the PSNP, graduation is defined as :

"A household has graduated when, in the absence of receiving PSNP transfers, it can meet its food needs for all 12 months and is able to withstand modest shocks."

- Since 2005, approximately 500,000 beneficiaries have been graduated from the PSNP.

- Graduation is seen as part of a process

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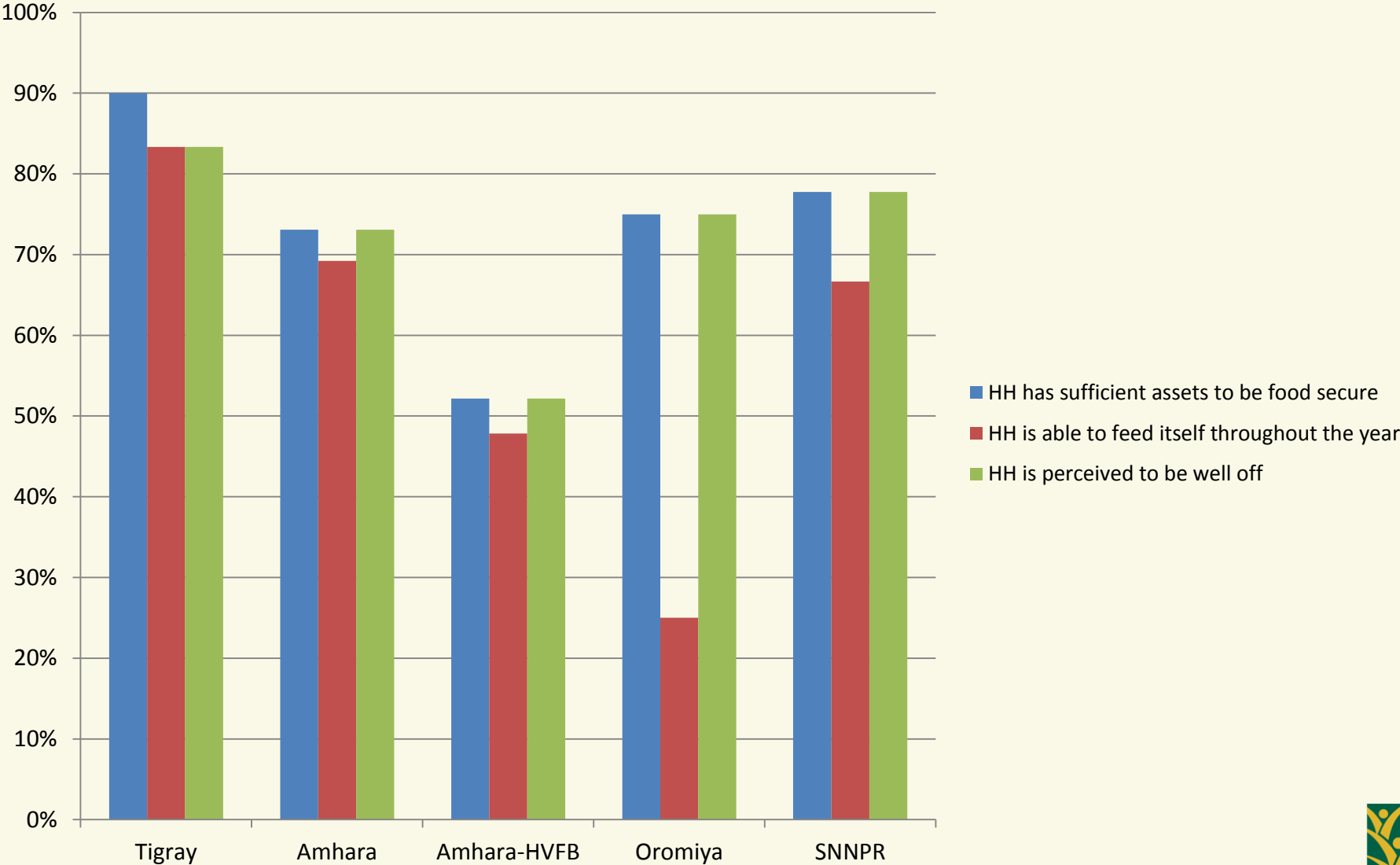# How graduation in envisaged in the PSNP
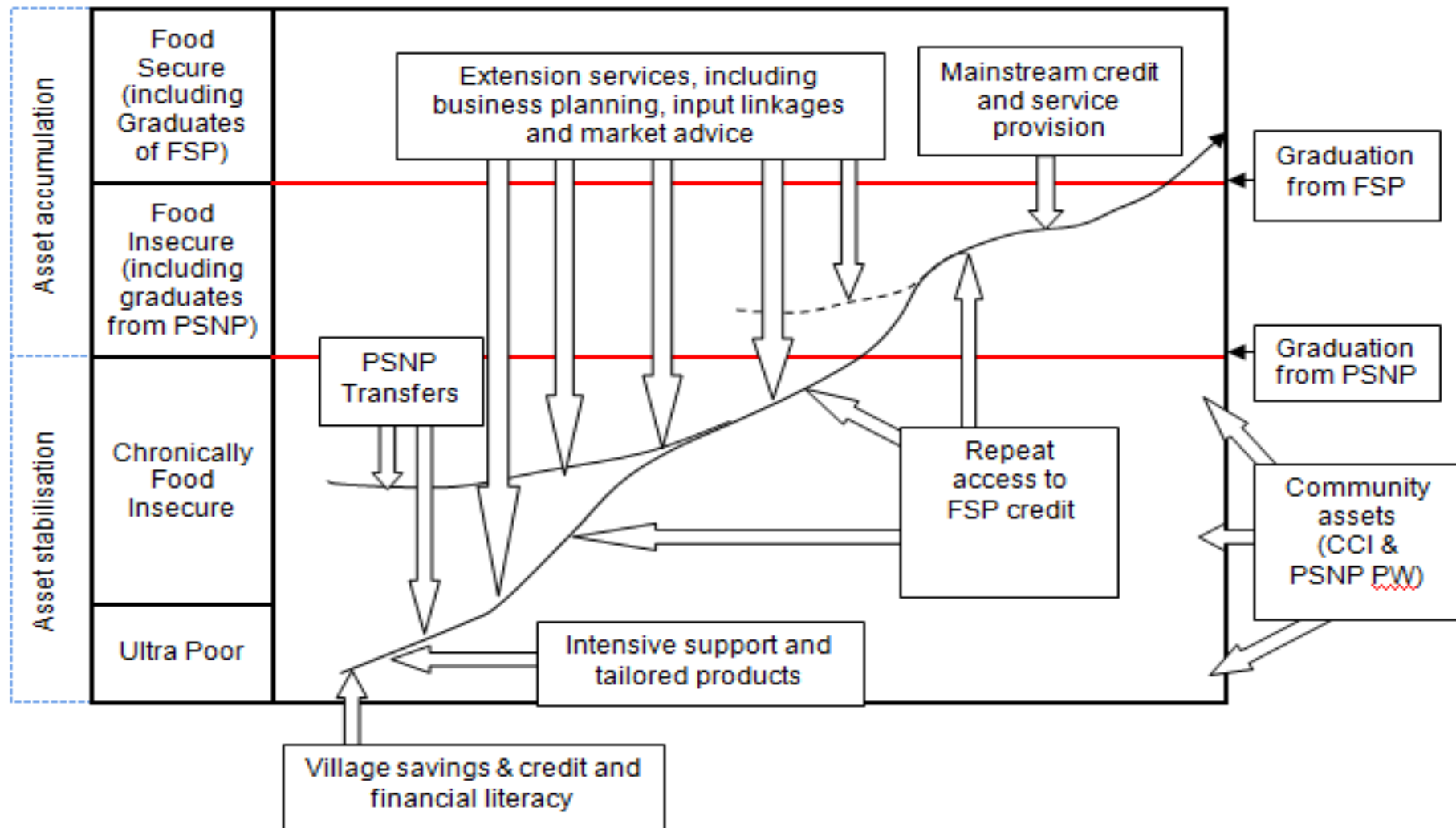
How graduation is operationalized (1)

- Graduation is supposed to follow the instructions provided in the PSNP's "Graduation Guidance Notes".

- These notes emphasize three features of the graduation process:
  - It should be transparent (ie open and understandable by all stakeholders), accountable, and flexible
  - There is a 16 step process which iterates back-and-forth between program implementers at different levels and beneficiaries
  - In each region, there are asset levels (set in 2007) at which households are reasonably expected to be food secure. These are seen as "benchmarks for graduation", though local communities can adapt these to fit local circumstances

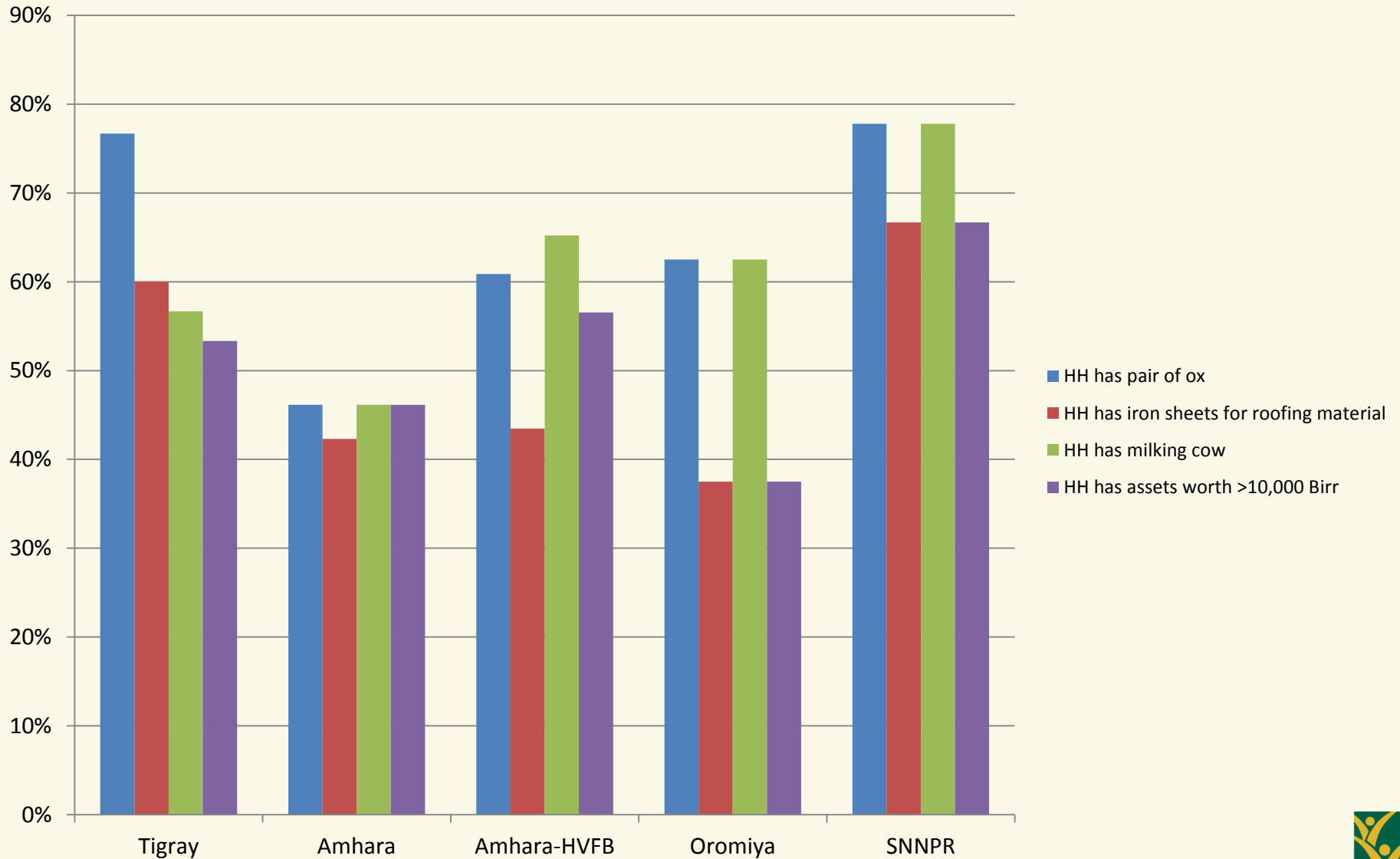- Graduation process are well understood at the regional, *woreda* (district) and *kebele* (locality) level

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How graduation is operationalized (2)

- In all regions, *woreda* officials support *kebele* officials in the evaluation of PSNP households asset levels and assist in drawing up lists of households to be graduated

- Development Agents (extension workers) are heavily involved in the assessment of household asset levels, discuss graduation with potential graduate households and participate in community meetings to discuss graduation

- In some, but not all, localities, lists of prospective graduates are published and discussed at community meetings

- Communities use discretion in their choice of assets and in adopting benchmarks for graduation

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Use of general asset and food security graduation criteria, by region

Legend:
- HH has sufficient assets to be food secure
- HH is able to feed itself throughout the year
- HH is perceived to be well off

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Use of specific asset graduation criteria, by region

Legend:
- HH has pair of ox
- HH has iron sheets for roofing material
- HH has milking cow
- HH has assets worth >10,000 Birr

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Use of non-asset graduation criteria, by region

Legend:
- Been on PSNP for more than five years
- HH has received its share of PSNP benefits
- HH has received credit
- HH has repaid credit it has borrowed
- HH has able bodied members

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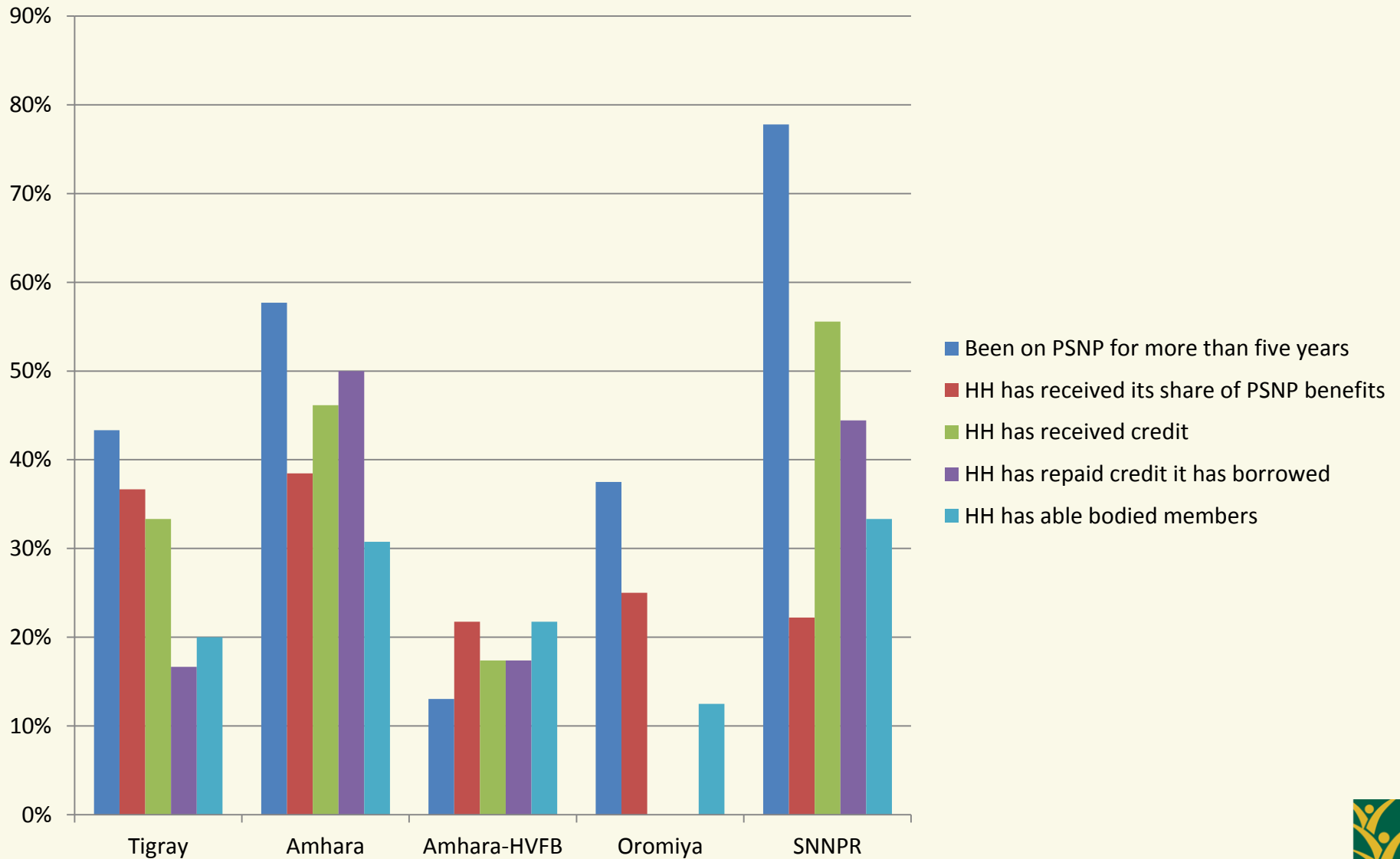
Consequences of decentralized graduation

- Generally, graduate households are wealthier, as measured by asset holdings (livestock, land) but not necessarily more food secure. But there is regional variation in this.

- In some places, graduation has occurred more slowly than anticipated as information from local authorities has convinced *woreda* officials that graduation would be premature

- In other places, local officials perceive pressure to graduate beneficiaries and it is perceived that some households have graduated prematurely

- Development Agents are placed in a difficult position

- Local officials perceive a tension between making criteria very clear (and therefore transparent) and the risk that beneficiaries will hide assets

- Beneficiary understanding of graduation processes is poor

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Household understanding of graduation

"We have heard about graduation but the process was not clear in our kebele."
[ORO_G/FGD-M]

"They did not tell us what the criteria are for graduation." *[SN_T/FGD-M]*

"We don't have detailed knowledge about it. They simply tell us you are ready for graduation and self-sufficient therefore you get out of the programme. The government have told you that save and build assets but you have consumed what you have received. Anyways, your time in the safety net is over and you have to graduate." *[SN_D/FGD-M]*

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Summary

- The logic behind the graduation process is sound

- There are advantages in basing graduation around assets (easier to observe, less subject to random fluctuation) and in allowing local authorities to modify criteria to suit local circumstances

- However, graduation benchmarks have not been updated; this is problematic given relatively high rates of inflation

- While the use of local criteria in deciding who should graduate has many attractions, some of these are vague. This adversely affects transparency and horizontal equity

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