

The way forward for social safety nets in Burkina Faso: Overview

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Overview

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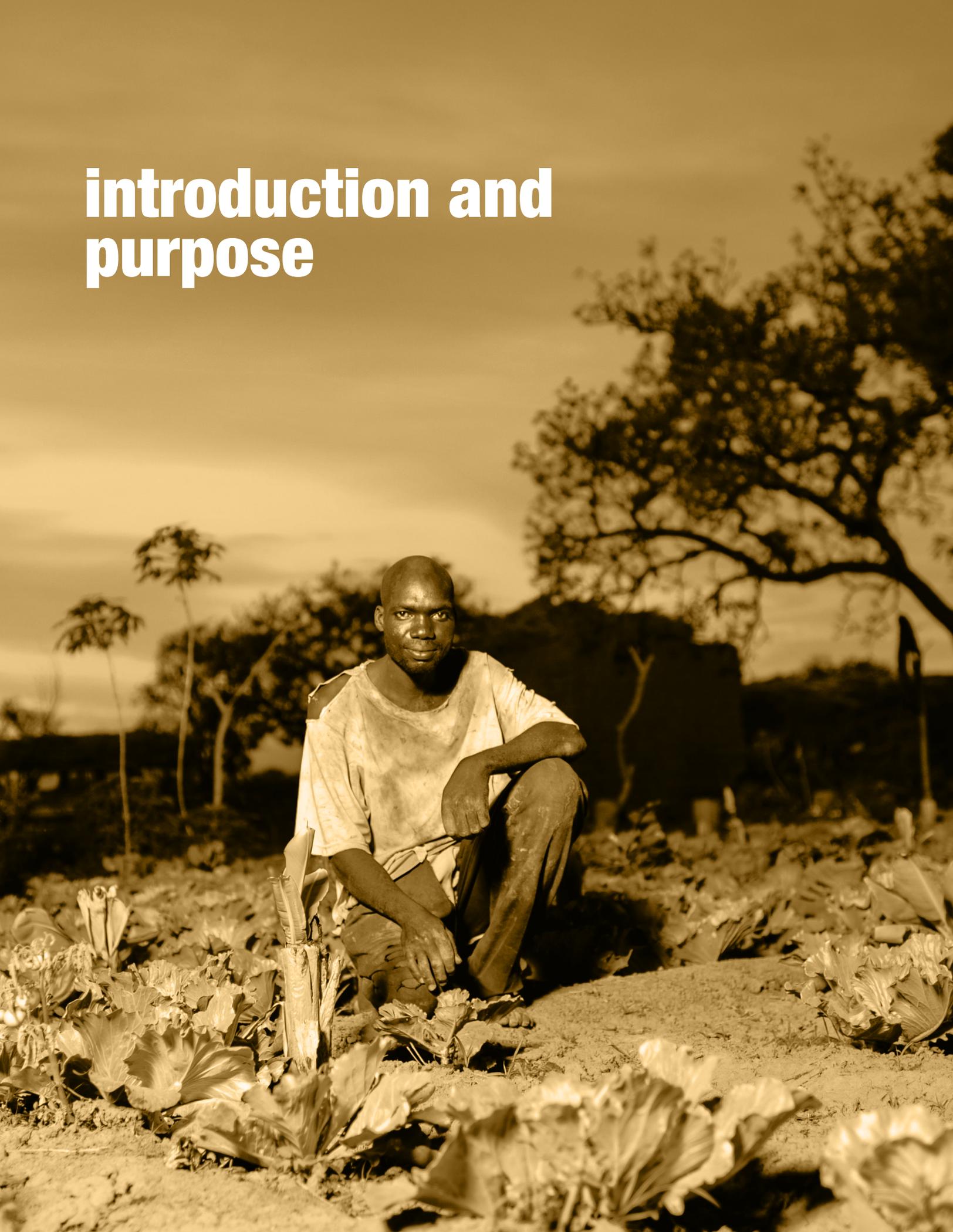
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introduction and purpose



As a nation, Burkina Faso has seen great progress in recent years in terms of structural reform, sound economic policies, steady investment, and the establishment of a stable macroeconomic environment.

The government of Burkina Faso has a strong interest in strengthening its social safety nets provision to better support the country's poorest and most vulnerable households. It has demonstrated this commitment through past investments in social protection. Against a backdrop of limited public finances and budgetary constraints, it is critical to ensure that the resources allocated for social protection—and in particular for social safety nets—are cost-effective. This report responds to a request by the Burkinabe Ministry of Finance to

- Enhance knowledge about the current state of social safety nets and assess their effectiveness in meeting the needs of the poor;
- Inform a debate on feasible reform and policy options to make social safety nets in Burkina Faso more effective and of greater impact and able to contribute to a consolidation of expenditure.

This overview lists the key findings and main recommendations from the full publication *The Way Forward for Social Safety in Burkina Faso*.

Main challenges demanding renewed social safety nets

Poverty, risk, and vulnerabilities

The country's sustained economic growth has not benefited the majority of Burkinabes. An annual gross domestic product (GDP) growth rate exceeding 6 percent, on average, from the early 2000s to 2014 did not translate into comparable per capita gains, which only increased 2.6 percent from 2006 to 2013.

BOX 1 Why does the world need adaptive social protection?

The concept of adaptive social protection has emerged in recent years; it emphasizes better enabling social protection to address the impacts of all kinds of shocks on households—including natural disasters and climate change, economic and financial crises, conflict and displacement, among others. A nascent area, adaptive social protection has begun to crystallize around two inter-related approaches: (1) building the resilience of those households most vulnerable to shocks, and (2) increasing the responsiveness of social protection programs to adapt to and meet changed needs on the ground after shocks have materialized. Preparedness measures for safety nets can be advanced even further through additional investments to make programs more flexible and capable of expanding to reach additional households.

SOURCE: World Bank 2018b.

A high demographic growth rate is an obstacle for future poverty reduction. With 5.4 children per woman, Burkina Faso has one of the highest fertility rates in the world, offsetting GDP growth and hampering rapid reductions in poverty. The population is projected to increase from an estimated 19.2 million in 2017 to 29 million in 2030.

Although the poverty headcount ratio has declined, the absolute number of poor has increased. Further, most of the population lives near the poverty line, making them more vulnerable in case of adverse events. As of 2014, 40.1 percent of Burkinabes were poor and lived on less than \$1.90 a day. Using the international poverty line standard of \$3.10 a day, Burkina Faso's poverty rate increases to 75 percent.

Burkina Faso increasingly faces adverse natural conditions and is highly vulnerable to

exogenous shocks and regional insecurities. This high level of exposure to shock exacerbates the vulnerability of the poor in particular; it also increases the risk of the nonpoor falling into transitional poverty.

Households hit by shock are often forced to adopt negative coping strategies, such as selling assets, which can lead to chronic poverty. Only 2.4 percent of all households affected by shock receive support from either the government or nongovernmental organizations, although several food programs have been implemented to mitigate the impact of shocks.

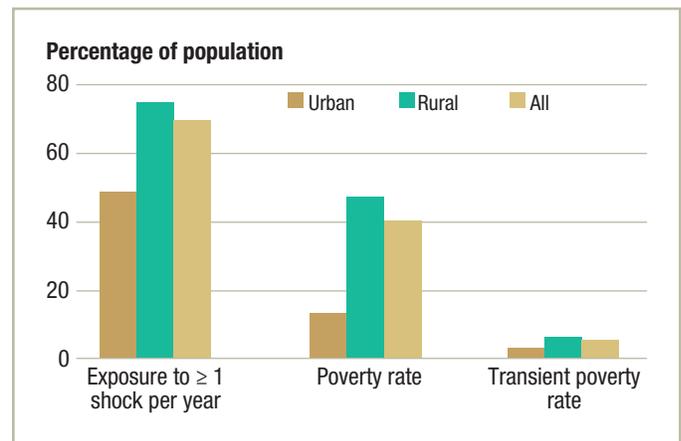
Ninety percent of the poor live in rural areas. Exposure to, and the impact of, shocks is greater in rural areas (figure 1). Reasons for this include the fact that such areas tend not to be reached by services; and the population is dependent on climate-sensitive agriculture. The increased vulnerability of the rural population in turn exacerbates poverty.

Disparities in access to public facilities remain high in rural areas. Examples are provided in figure 2.

Poverty along the life-cycle

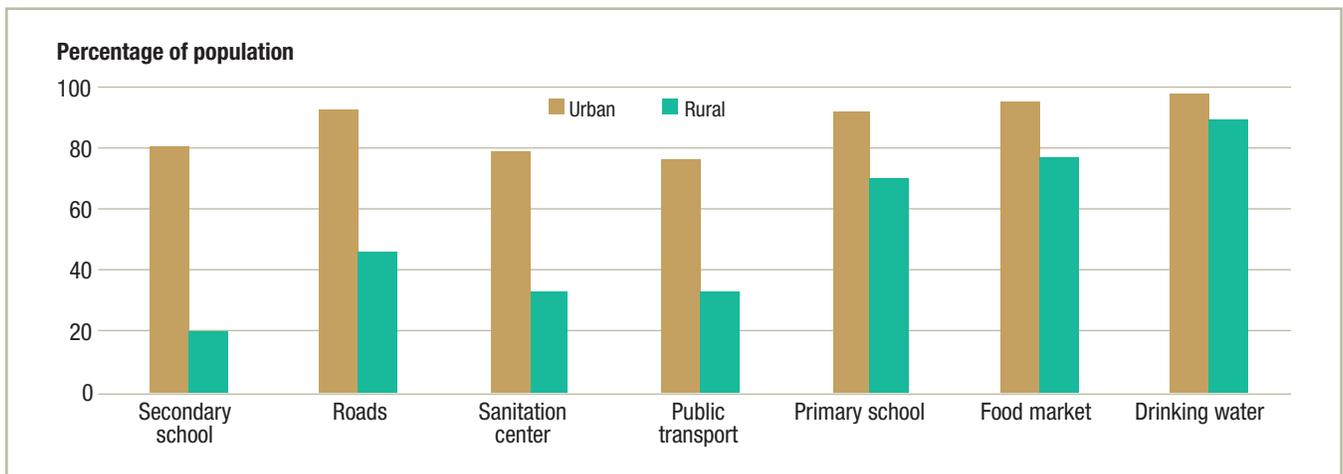
Looking at poverty headcounts by age groups and risks along the life cycle offers important insights on where public interventions should focus. Risks are not homogeneously distributed and

FIGURE 1 Population exposure to shock and poverty rates



SOURCE: Authors' calculations based on EMC 2014.

FIGURE 2 Urban and rural population access to public facilities



SOURCE: Authors' calculations based on EMC 2014.

NOTE: Access means within a 30-minute walk.

are typically higher in earlier stages of life, with important long-term—and sometimes irreversible—consequences in later stages of life (figure 3).

FIGURE 3 Key risks, the life cycle, and social protection in Burkina Faso

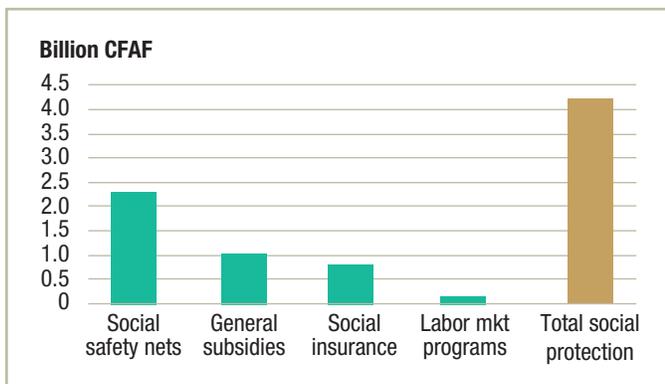
	 RISKS	 NEEDS	
	<ul style="list-style-type: none"> ■ Malnutrition: The percentage of underweight children reached 19.2 in 2016 ■ Mortality: Under age 5 mortality rates remain very high at 88.6 per 1,000 in 2016 ■ Early childhood development: Policies are largely lacking, and only 2% of children participate in early childhood education programs—one of the lowest rates in the world 	<ul style="list-style-type: none"> ■ A comprehensive early childhood development strategy ■ Structural programs to improve nutrition, addressing supply and demand barriers 	
	<ul style="list-style-type: none"> ■ School dropout rates: 50% of primary school-age children and 57% of lower secondary age—which increases to 69% and 77% for the poorest quintile ■ Few teachers: There are 55 students on average per primary school class ■ Literacy: 61% of youth are illiterate 	<ul style="list-style-type: none"> ■ Inclusive programs to promote education and address supply-side constraints ■ The provision of alternative education programs, such as training and internships and “second chance education” 	
	<ul style="list-style-type: none"> ■ High subsistence agriculture: 92% live off of farming and not from selling produce ■ Unstable jobs: Work duration is only 6.5 months a year (5.8 for agriculture) ■ Income precariousness: 35% of agricultural workers have a second job; 78% of agricultural workers face at least one natural hazard 	<ul style="list-style-type: none"> ■ Secure jobs in agricultural areas by promoting mobility from one sector to the other and encourage reconversion through income-generating activities ■ Adaptive social safety nets that address shocks from agricultural products ■ Improve literacy and new qualification through training and subsidized work 	
	<ul style="list-style-type: none"> ■ Lack of stable income and pension: Only 2.8% have pensions, and none in the bottom quintile have pensions ■ Lack of access to health care and illiteracy: 90% are illiterate and only 50% consult a health provider in case of health issues ■ Potentially weak family support 	<ul style="list-style-type: none"> ■ Targeted social pensions ■ Improved access to health facilities 	

current state of social safety nets: key findings



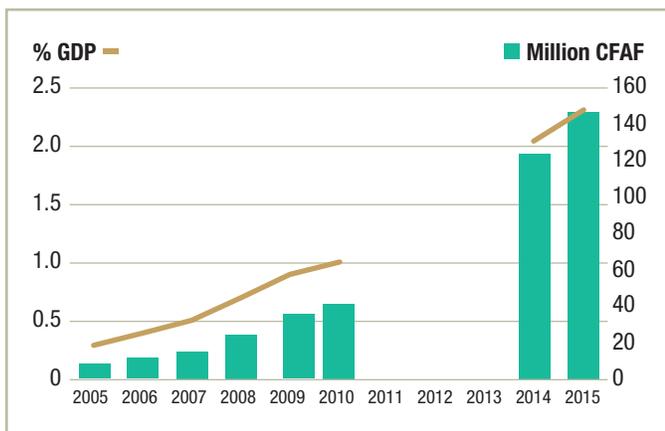
Social protection expenditure trends

FIGURE 4 Social protection expenditures by category: 2015



SOURCES: Estimates based on CNPS 2015, 2016; SE-CNSA 2015, 2016.

FIGURE 5 Social safety net expenditure total and as a percentage of GDP, 2000–15



SOURCES: World Bank 2012 for 2005–10; estimates for 2014–15 are based on CNPS 2015 and 2016, and SE-CNSA 2015 and 2016.

NOTE: No social safety net estimates were produced for 2011–13 given the scarcity of data. The first CNPS annual report was produced in 2013, but the effort to track program expenditures was only at its beginning, and data were incomplete and not comparable with previous estimates.

Overall, social protection expenditure has increased at a steady pace over the past decade. However, spending trends have varied by category of social protection (figure 4).

Expenditures for energy subsidies have experienced a downward trend. Electricity subsidies, for example, weighed down the national budget during the last decade; in 2016, the government took major steps to address this.

Expenditures for social safety nets increased over the 2005–15 decade. These expenditures accounted for 0.3 percent of GDP in 2005 and rose to 2.3 percent in 2015, indicating an increasing appetite for finding new methods of protecting the poor (figure 5). On average, Burkina Faso outspends other Sub-Saharan countries on social safety nets relative to GDP.

Composition of social safety net expenditures

Burkina Faso's social safety net programs are fragmented. The country offers more than 100 small social safety net programs, 80 of which account for less than 1 percent of total social safety net expenditure.

The Ministry of Social Action has the largest share of programs (45), but the smallest share of total expenditure (3.4 percent). The Ministry of Economy and Finance has the largest expenditure share (28 percent) and the smallest program share (five).

Social safety net expenditures mainly go toward in-kind programs. Only 36 percent of expenditures are provided in cash (table 1).

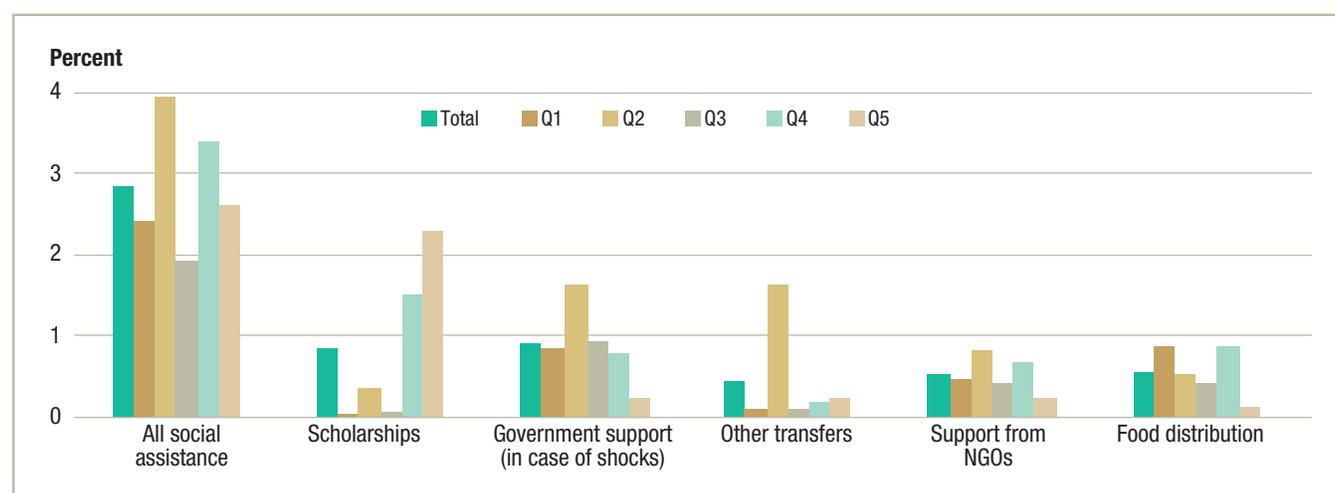
TABLE 1 **Social safety net spending on main programs: 2015**

Program type		Program name	% of total SSN spending
In kind	School feeding/take home	School canteens	13.2
Cash	Public works, workfare, and direct job creation	Cash for work (improve production)	11.1
In kind	Other food/in kind/transfer	Sponsorship program	7.3
In kind	Nutritional (therapeutic, supplementary, and PLHIV)	Malnutrition—prevention	7.0
In kind	Nutritional (therapeutic, supplementary, and PLHIV)	Malnutrition—severe	6.1
In kind	Food distribution	Targeted food subsidies	5.4
Cash	Scholarship benefits	School support (high school)	5.4
In kind	Nutritional (therapeutic, supplementary and PLHIV)	Malnutrition—moderate	4.8
Cash	Scholarship benefits	Scholarships (high school)	4.6
In kind	Other food/in kind/transfer	Subsidies of fertilizers	4.0
In kind	Nutritional (therapeutic, supplementary, and PLHIV)	HIV care program	3.5
In kind	Other food/in kind/transfer	Support to informal workers	2.9
In kind	Other food/in kind/transfer	Distribution of food for cattle	2.6
In kind	Other food/in kind/transfer	Support for rain production	2.5
In kind	Emergency support (including refugees/returning migrants)	Food distribution to household victims of shocks and natural catastrophes	2.5
In kind	School supplies	School supplies	2.3
16 programs			85.3

NOTE: PLHIV = people living with HIV; SSN = social safety net.

Social safety net coverage

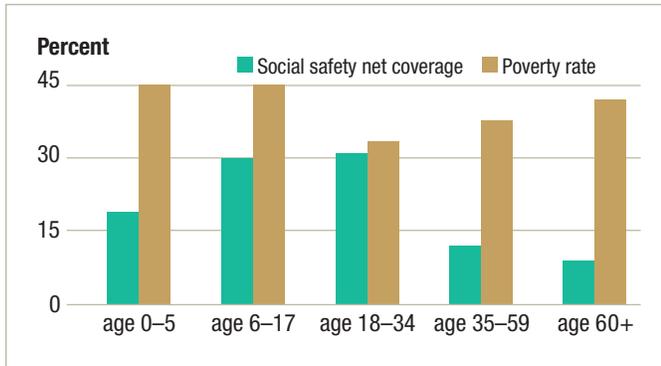
Social safety net coverage is not in line with poverty: only 2.6 percent of the entire population benefits from safety net programs. For example, the fourth richest quintile (Q4) benefits more from all safety nets than does the absolute poorest quintile (Q1); scholarships benefit next to no poor (figure 6).

FIGURE 6 **Social safety net coverage by program and quintile**

SOURCE: Authors' calculations based on EMC 2014.

NOTE: NGO = nongovernmental organization.

FIGURE 7 **Social safety net coverage by age group and poverty headcount ratio**

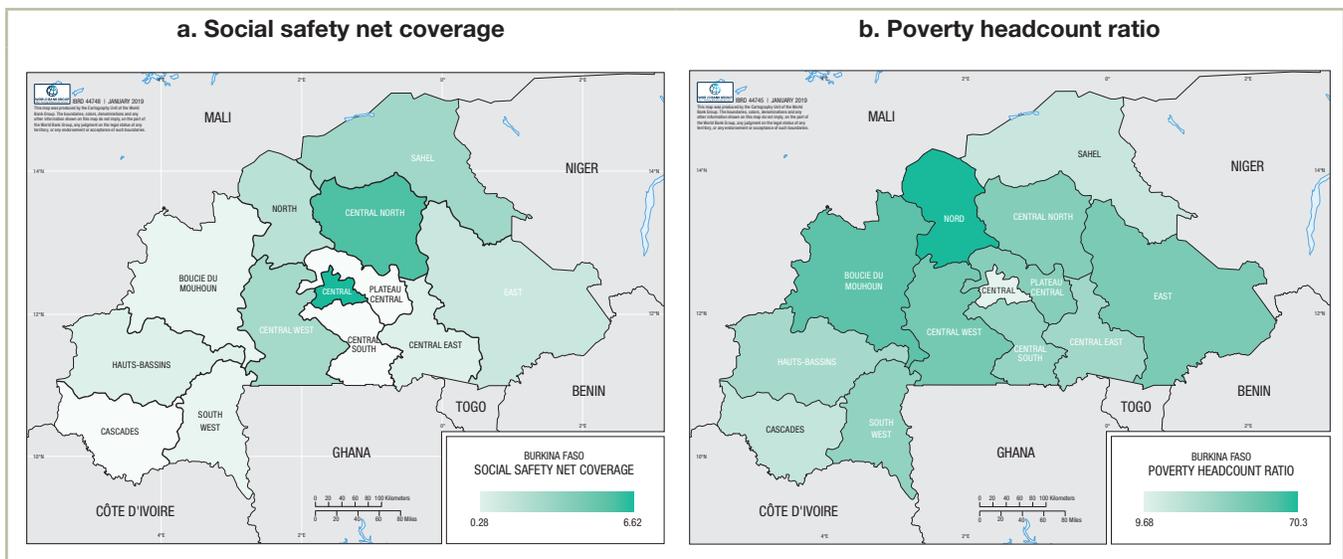


SOURCE: Authors' calculations based on EMC 2014.

Social safety net coverage is not in line with vulnerability across the life cycle. Children are the poorest and most vulnerable members of the population, yet only six of Burkina Faso's main programs focus on the 0–5 age group. Furthermore, only 2 percent of the country's children benefit from crucial early childhood development programs; this rate of coverage is the second lowest in the world after Afghanistan (figure 7).

Social safety net coverage is not aligned with poverty across the country's regions. This is illustrated in figure 8.

FIGURE 8 **Social safety net coverage and poverty headcount ratio, by region**



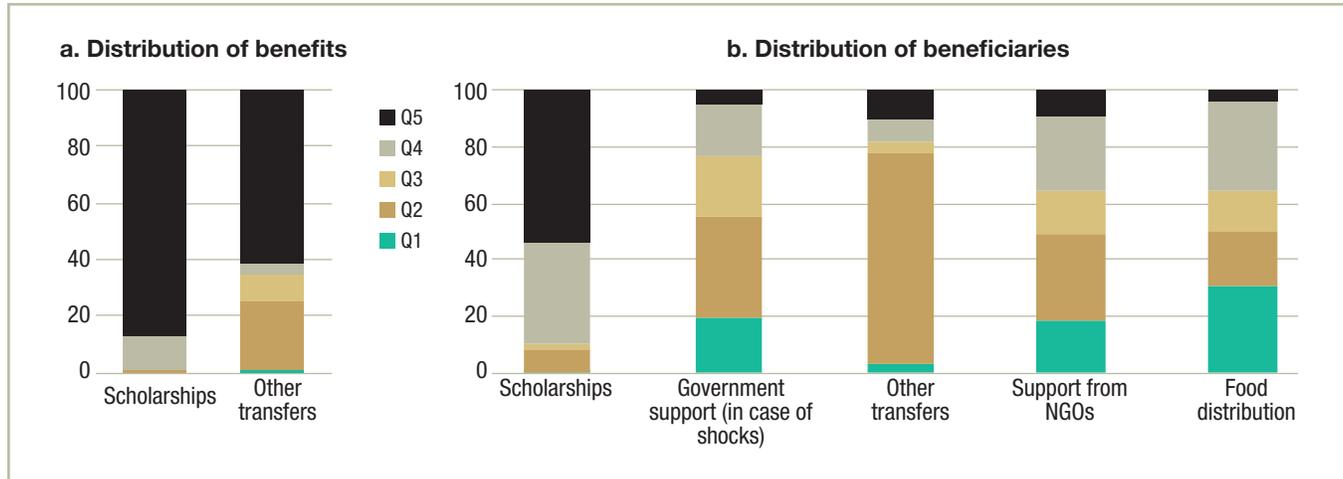
SOURCE: Authors' calculations based on EMC 2014.

Targeting

Targeting is not well aligned with poverty. Programs mainly target beneficiaries on a geographical basis. Data show that the largest concentration of beneficiaries of cash transfers (34.7 percent) is in the Central region, with only 8 percent from the North region, 6 percent from the East, and 3 percent from Boucle du Mouhoun—which are the three poorest regions.

Expenditures on “other transfers” are mainly directed toward the richest quintile (62 percent), with one-quarter accrued by the second poorest quintile. There is a distinct pattern in the distribution of beneficiaries: even though many beneficiaries are in the second poorest quintile, their transfers are small; while the large transfers are mainly collected by a few rich households (figure 9).

FIGURE 9 Social safety net targeting, by share of benefits and beneficiaries



SOURCE: Authors' calculations based on EMC 2014.

NOTE: NGO = nongovernmental organization.

Sustainability

There are financing sustainability concerns with regard to Burkina Faso's social safety nets. Only 50 percent of safety net programs are entirely financed by the government, which may undermine continued program predictability.

Low execution rates are also a cause for concern. Sustainability is further challenged by expenditure delays, resulting in low execution rates (59 percent of the allocated social safety net budget, excluding education and health programs). These expenditure delays raise questions about governance.

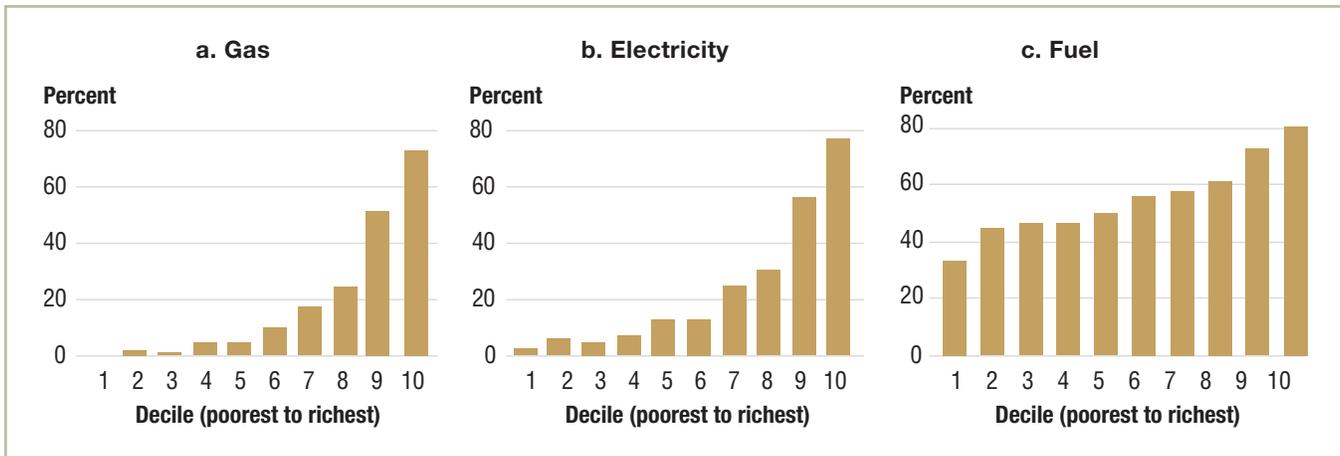
Subsidies

By redirecting energy subsidy expenditures (from the rich) toward social safety nets (to the poor), poverty and inequality would be improved. One of the fundamental problems with energy and fuel subsidies is that they are disproportionately concentrated in the hands of the richer segments of the population. But there is an increasing awareness that there are less expensive yet more effective methods of protecting the poor.

The elimination of energy subsidies would not affect the poor, as the poorest barely consume any energy products (figure 10). Given the notable budget allocated to the sector (1.05 percent of GDP in 2015), savings from phasing out subsidies could enable a substantial increase in the social safety net budget. Simulations conducted for this review show that removing the gas subsidy alone would enable savings equivalent to 2.31 percent of GDP without affecting the poverty rate and the poverty gap.

With better targeting Burkina Faso could technically eradicate poverty. It would be financially feasible to close the poverty gap with improved targeting. The size of the actual poverty gap equals 2.26 percent of GDP, which is close to actual spending on safety nets.

FIGURE 10 Share of household income spent on energy consumption, by decile



SOURCES: Authors' calculations based on EMC 2014; MICA-MEF 2014a, 2014b, and 2014c.

Institutional arrangements

Institutional arrangements and interministerial coordination mechanisms are the prerequisite for an effective social protection system to avoid overlap and duplication and to ensure a more coherent approach.

The government's appetite for improving the effectiveness of social safety nets is large, and it is reflected in the growing investments and sharp increase in social safety net spending in the past decade.

A single beneficiary registry minimizes inclusion and exclusion errors, while facilitating transparency and providing governments and partners with a central mechanism to identify potential program beneficiaries. The initiation of a much-needed such registry in Burkina Faso to identify, accurately target, and keep track of beneficiaries began in 2015 with the launch of the World Bank-supported unconditional cash transfer program Burkin-Naong-Sa Ya.

Notable efforts have been made to create a conducive institutional environment, such as the creation of new coordinating institutions since 2013 for improved cross-sectoral cooperation; and the weaving together of the many sectoral strategies into a single National Social Protection Strategy.

Despite these efforts, Burkina Faso's social protection system and approach remains highly fragmented and weak. Most programs continue to operate in silos, with little communication between sectors and few attempts to explore synergies. Moreover, despite the adoption of the National Social Protection Strategy, numerous additional strategies have been endorsed.

the way forward: recommendations



Recommendation 1: Strengthen the governance of the social safety net system

Despite progress in reducing poverty and vulnerability in the past decade, Burkina Faso's daunting human capital challenges and poverty levels call for a systematic build-up of the social protection system and of social safety nets in particular. The system's institutional governance needs to be strengthened. In this context, the following actions should be prioritized.

Action 1.1: Create a framework for multisectoral coordination

- Identify ministerial comparative advantages and clearly establish key actors' responsibilities.
- Review the institutional set-up under the stewardship of the central government.
- Use one overarching national social protection strategy.
- Improve information and data collection systems and develop ministerial reporting mechanisms.
- The National Council for Social Protection should assign internal groups with time-bound and specific output and outcome goals to ensure prioritization.

Action 1.2: Monitor and evaluate program effectiveness and impact—and address accordingly

- Establish a robust system of monitoring and evaluation to facilitate informed decision making.
- Evaluate the impact of the various small safety net programs.

Action 1.3: Strengthen public expenditure management

- Strengthen budget formulation and improve management, execution, and auditing.

Action 1.4: Include citizens in oversight of execution and delivery

- Increase the transparency of public spending to ensure the benefits of public spending reach the poor.

Recommendation 2: Improve program targeting of the poor and vulnerable and move away from regressive spending

More resources need to be allocated to programs that target the poorest and most vulnerable. To this end, either (1) some funding should be shifted from programs benefiting the richest populations to programs targeting the poor, or (2) the overall program budget should be increased. Because Burkina Faso's revenue sources are unlikely to create further substantial fiscal space, it is more realistic to reallocate expenditures from less efficient programs before considering a budget increase. The following actions should be prioritized.

Action 2.1: Disseminate the use of a proven targeting system

- Use an integrated approach for the assessment of socioeconomic needs and conditions when possible to effectively reach the poorest.
- Align targeting methods with government objectives.
- Ensure interventions are aligned with areas that suffer from high poverty rates and low coverage.

Action 2.2: Shift spending from universal subsidy programs toward programs targeting the poor

- Continue with already initiated energy subsidy reform initiatives—that is, reduce spending allocated to broad-based consumer subsidy programs.
- Protect the poorest consumers by expanding well-targeted social safety nets.
- Design specific measures to mitigate the potentially adverse impact of reform on the poor while gradually phasing out subsidies.
- Communicate and engage with diverse stakeholders to avoid misperceptions and information asymmetry.

Recommendation 3: Improve the coordination of social programs by building a social registry

As the social safety net system in Burkina Faso involves many sectors and comprises a large set of programs, further investments in a social registry containing socioeconomic information on the intended population would provide a common gateway for multiple programs. Further, it would improve coordination across sectors, agencies, and programs while reducing program duplication and overlap. The following actions should be prioritized.

Action 3.1: Adopt a harmonized questionnaire

- Identify opportunities for integration of intake and registration processes. Integration across different programs is an efficient way to reduce costs.
- Develop a common harmonized intake and registration questionnaire that captures all variables used by the different programs. This could help to rapidly expand the national social registry.

Action 3.2: Build a social registry as a common gateway for multiple social programs

- Further develop Burkina Faso's nascent social registry, as it would improve the effectiveness of the overall social safety net system.
- Use the social registry as a tool for coordination on the assessment of needs and conditions to determine potential beneficiary eligibility for multiple programs.

Recommendation 4: Use social protection expenditure to build human capital where it matters most, such as for early childhood development and literacy

Early childhood development is not now addressed by Burkina Faso's social protection system. At the same time, the country's human capital needs in terms of nutrition, early stimulation, and learning are staggering. Literacy—both during the critical school ages as well as in adulthood—ranks far behind regional comparators. Literacy is a basic ingredient for success in the formal labor market and for effective citizen participation in society. The following actions should be prioritized.

Action 4.1: Link social assistance programs to human capital building along the life cycle

- Enable parental investment in children's human capital through cash and in-kind transfers and accompanying measures such as training on appropriate health behavior and early education of children ("soft condition").
- Through conditional cash transfers, parents can be requested to demonstrate specific behaviors in order to receive the transfer, such as school attendance. These so-called "hard conditions" are often more effective, although both soft and hard condition approaches are valuable.
- Scale up flexible service infrastructure. For example, all public works/Labor-Intensive Youth Public Works Program (THIMO) activities should be supplemented with mobile child care as in the Youth Employment and Skills Development Project; this easy-to-scale structure is supported by the Ministry of National Education and Literacy and the Ministry of Youth, Training and Vocational Integration.

Action 4.2: Promote basic skills training for adults and youth. The essential basic literacy program of Burkina Faso's National Fund for Literacy and Nonformal Education (FONAENF) requires at least 400 hours of training. In leading up to such substantial investments, smaller steps could be taken:

- Identify and make use of every occasion to train social protection beneficiaries in basic skills. For example, beneficiaries of public works/THIMO programs could enroll in some literacy training alongside public works.
- Various modalities of delivering basic skills should be tested and subjected to rigorous impact evaluation.

Recommendation 5: Improve the capacity of social safety net programs to respond to shocks (before, during, and after) through adaptive social protection

Given the degree to which Burkina Faso is subject to adverse natural events and the lack of or irregularity of rainfall with corresponding food insecurity issues, it is crucial for the country's safety net system to include flexible elements that can be scaled up quickly. This requires improving the existing early warning system for food insecurity and other issues. The following actions should be given priority.

Action 5.1: Develop and test shock-responsive benefits. Shock-responsive benefits need to be rolled out rapidly in shock-affected areas and meet the needs of vulnerable beneficiaries within a few weeks of crises.

- Develop a solid early warning system to identify the geographical area that is affected.
- Develop an efficient targeting system that can quickly identify the most vulnerable/poorest households within the affected area (a standard proxy means test process would take too long).

Action 5.2: Strengthen the early warning system. Strengthen the existing Burkinabe early warning system to identify likely food-insecure provinces.

- Shorter-term harvest forecasts are needed so as to be able to predict triggers in sufficient time (10 months before the end of the next rainy season).
- Hydro-meteorological data should be defined for a smaller geographic grid and be combined with population data to predict impact.
- Seamless cooperation between regional and national authorities is critical in using and diffusing data for maximum benefit.

Concluding remarks

With a few focused, courageous policy decisions, several issues related to the Burkinabe social protection system can be converted into opportunities.

- Fiscal space is currently lost through governance issues such as missing coordination, resulting in an overlap of programs and insufficient budget execution. That space can be regained.
- Fiscal space is similarly lost through spending on regressive programs such as subsidies and scholarships rather than efficiently targeting social expenditures to the poor. This fiscal space can also be regained.

- By regaining the fiscal space as described in the above recommendations, the government could cover the country's poor with an effective, efficient safety net—and more.

This end is achievable simply by **realigning and better targeting existing safety net expenditures**. Reallocating regressive subsidies and scholarships would open fiscal space beyond that. Existing social expenditures can achieve greater impact by linking payments to the utilization of human capital building services such as education and health.

Besides offering long-term strategies to alleviate poverty and build human capital, social safety nets can channel a short-term response to shocks against food security. Burkina Faso possesses the requisite building blocks to provide shock-response safety nets. With some improvements, these can be used to help the country face acute climate-induced hardships on a regular basis, providing a transition from humanitarian assistance to national systems.

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