

# **SOCIAL PROTECTION IN MADAGASCAR** **THE CASE OF CASH TRANSFERS :**

*Capacity to respond to shocks  
and options for harmonization*



This report has been elaborated by Elena Celada (International Consultant in social protection). The report has been prepared as commissioned by the Government of Madagascar (Ministry of Population, Social protection and Women's Promotion and the National Office of Risk and Disaster Management) in coordination with the members of the emergency cash group and with UNICEF's funding and technical support. The results of this report have been presented and discussed with the Government and the members of the emergency cash group.

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## EMERGENCY CASH GROUP MEMBERS



# Acronyms



<b>BNGRC</b>	National Office for Risk and Disaster Management	<b>IGA</b>	Income Generating Activity	<b>PURSAPS</b>	Emergency Food Security and Social Protection Programme
<b>CERF</b>	Central Emergency Response Fund	<b>ILO</b>	International Labour Organization	<b>RIASCO</b>	Regional Inter-Agency Standing Committee
<b>CFSAM</b>	Crop and Food Security Assessment Mission	<b>INSTAT</b>	National Institute of Statistics	<b>FSC</b>	Food Consumption Score
<b>CFW</b>	Cash-For-Work	<b>IOM</b>	International Organization for Migration	<b>SIF</b>	Islamic Relief France
<b>CLS</b>	Local Security Committee	<b>IPC</b>	Integrated Phase Classification	<b>SISAV</b>	Information System on Food Security and Vulnerability
<b>CRM</b>	Malagasy Red Cross	<b>LUL</b>	Let Us Learn	<b>SMART</b>	Standardized Monitoring and Assessment of Relief and Transitions
<b>CRS</b>	Catholic Relief Service	<b>MGA</b>	Malagasy Ariary	<b>SOP</b>	Standard Operating Procedures
<b>CT</b>	Cash Transfer	<b>MPPSPF</b>	Ministry of Population, Social protection and Women's Promotion	<b>SSN</b>	Social Security Nets
<b>ECHO</b>	European Commission for Humanitarian Aid	<b>NGO</b>	Non-Governmental Organization	<b>TMDH</b>	Cash Transfer for Human Development
<b>ENSOMD</b>	National Survey on Monitoring the Millennium Development Goals Indicators	<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs	<b>UCT</b>	Unconditional Cash Transfer
<b>FAO</b>	Food and Agriculture Organization of the United Nations	<b>ONN</b>	National Office of Nutrition	<b>UNDP</b>	United Nations Development Programme
<b>FCS</b>	Food Consumption Score	<b>PSN</b>	Productive Safety Net	<b>UNICEF</b>	United Nations Children Fund
<b>FID</b>	Fund for Development Intervention	<b>GDP</b>	Gross Domestic Product	<b>WASH</b>	Water Sanitation and Hygiene
<b>HEA</b>	Household Economy Approach	<b>PDM</b>	Post Distribution Monitoring	<b>WFP</b>	World Food Programme
<b>HIMO</b>	High Intensity of Labour Force	<b>PMT</b>	Proxy Means Test	<b>WHH</b>	Welthungerhilfe
		<b>PNPS</b>	National Social Protection Policy		

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# Executive Summary

**As more than 70% of Madagascar's population live below the poverty line, the island is one of the world's poorest countries.** The country is also systematically exposed to extreme weather events, cyclones and drought, further exacerbating the population's vulnerability. The Government of Madagascar is gradually building a national social protection system, which comprises a set of contributory and non-contributory programmes enabling the population to better manage and respond to different risks. The non-contributory component of the said national system includes social safety nets. In Madagascar's context of poverty and vulnerability, social safety nets can have a two-fold role: i) when integrated into development policies, they represent an instrument for long-term poverty reduction and human capital promotion and ii) in the face of shocks; they help build households' resilience prior to a crisis and provide post-crisis emergency support.

**The Government is currently implementing a national social safety net programme.** It is built around two main components: (i) a conditional cash transfer programme known as TMDH/LUL (Cash Transfer for Human Development / Let Us Learn) related to primary and secondary school attendance, and (ii) a cash transfer programme on productive safety net (PSN). The programme currently has a limited geographical coverage but the Government is considering a strategy for progressive extension. The gradual extension of the programme will depend on the Government's choices, which may involve gradual geographic and/or categorical extension of households.

These choices will in turn be largely dictated by budgetary constraints. If, in the long run, the Malagasy Government plans to align its social safety net expenditures with those of other countries with comparable levels of development (i.e. about 1.5% of GDP), it will be able to reach about 20-25% of households through the social safety net programme, with variations following the type of programme chosen - Cash Transfer (CT) or Cash-For-Work (CFW) - and the value of benefits (here set at about 20% of the poorest households' consumption). In the future, a mixed targeting strategy combining socio-economic and geographical criteria will gradually extend the programme's coverage.

**The Government's social safety nets programme has displayed great flexibility during the crises that hit the country between 2016 and 2017** by mobilizing additional funding to implement a strategy of horizontal extension (include new beneficiaries) as well as a vertical one (increase benefits) in response to the needs of the population affected by natural disasters as they deal with the shock. Responses to crises run more and more towards cash transfers rather than in-kind assistance. According to estimates, approximately 30% of the humanitarian response to the crisis that affected the South of the





country in 2016 was through monetary support. The Government's social protection programme was the second largest recipient of humanitarian assistance to respond to this crisis. The operational mechanism put in place by the Government through social safety nets has demonstrated its ability to respond effectively to additional needs during a crisis. Moreover, in the southern regions affected by recurrent, seasonal and foreseeable crises, the Government has chosen an intervention strategy that goes beyond strict emergency response. Indeed, the social safety net programme is maintained as a long-term support programme for the most vulnerable households, and is combined with accompanying measures able to build households' resilience to future shocks. Thus, it is a longer-term structural response that can reduce the future impact of seasonal and repeated household crises.

**The State-run social protection programme is not yet able to respond on its own to the recurring crises hitting the country.** The Government's programme currently has limited geographical coverage and faces constraints related to resource mobilization. The system set up by the Government alone is not yet able to respond to major crises. Humanitarian stakeholders - United Nations agencies and NGOs - have an important role to complement the national programme. In the upcoming years, the national social protection programme and the humanitarian response implemented by NGOs and United Nations agencies will have to

coexist if we want to have an adequate response to the needs of the population when shocks do occur. The role of humanitarian organizations is two-fold, namely:

- To build the Government's capacity to respond to emergencies by strengthening the national system. These organizations need to play a supporting and technical role in enabling the Government to strengthen its social protection programme and enable it to respond to shocks.
- To implement a humanitarian assistance response that complements the Government's, where the State-run programme will not be able to intervene, to meet any unmet needs.

**The challenge in Madagascar is to move towards an integrated emergency cash transfer system, linked to the national social protection system and implemented by different actors.** It particularly aims to establish a coordinated and harmonized cash transfer response able to meet the population's needs. Following are the key steps for this purpose:

- Define a shared methodology for estimating the needs of the population. This will lead to harmonized implementation

parameters among the various stakeholders: targeting, amount of transfer, duration, typology of intervention. The needs vary according to crisis typology and intensity; the different actors thus need to share a common methodology to assess the needs, according to which parameters may vary.

- Design a common administrative and operational framework, which involves developing shared tools between the State-run programme and humanitarian ones. The single register and programme directory (tools that the Government is currently developing) will be an essential step towards improved coordination among partners. Then, by implementing other

common operational tools (tools to analyze needs, markets, simplified implementation procedures, shared monitoring indicators), the harmonization process will be facilitated.

- Design a clear institutional framework for implementing this harmonization process, avoiding programme overlap and maximizing synergies, led by the Ministry of Population, Social Protection and Women' Promotion (MPPSPF).



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# Study Goals and Presentation

The main goal of this analysis is to provide the Government with elements for setting up a shock responsive national social protection system. Madagascar currently has several cash transfer programmes, implemented by the Government as well as humanitarian agencies. These include both development and emergency response programmes. In the past, there have been coordination efforts among the different implementing agencies, however, these efforts are not systematic and significant challenges still remain as to coordination, especially with regard to emergency response. Therefore, the Government wishes to develop a strategy for a better harmonization of the various cash transfer interventions in Madagascar.

The Government is gradually building up its national social protection system, namely by setting up a national social safety net programme. The Government's main social safety net programme includes a conditional cash transfer component and a productive safety net (PSN) one. This programme was also used as an instrument to respond to the crises hitting the country in 2016 and 2017 (drought and cyclone). This programme's capacity for extension (both horizontal and vertical), currently with relatively low

geographical coverage, is still limited; the national programme cannot respond to major crises on its own. As the national programme fails to cover all needs, humanitarian agencies (NGOs and United Nations) must complement and align with it, to offer people a need-based coherent and harmonized response.

This report has two sections. The first analyzes the Government's social safety nets programme as a developmental response to a chronic situation of vulnerability of the population. The Government's priority in the coming years will be to gradually expand and strengthen this system to be an effective tool for poverty reduction, human capital development and strengthened household resilience. Section 1 presents options for programme coverage, targeting, and the amount of the transfer. It also presents recommendations for defining a long-term strategy for expanding the national safety net programme.

Section 2 focuses on the use of cash transfers as emergency response. Firstly, the section presents the status of the monetary response to the crises that affected the country in 2016 and 2017 as part of the overall humanitarian response, and the main challenges of coordination. It then moves on to present the response capacity and limitation for extending the State-run social safety nets system, and the role that humanitarian agencies should play in complementing the State's response. Indeed, the Government's system is an important operational tool for delivering monetary assistance during a crisis. However, this system needs to be strengthened both in its capacity to assess and respond to needs during a crisis. Humanitarian agencies can play an important role for this purpose. A roadmap to move towards a more harmonized system is offered, including options to harmonize implementation parameters, share common tools and establish an effective coordination framework.



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SECTION

1

# THE GOVERNMENT'S SOCIAL SAFETY NETS PROGRAMME

*Current status and long term perspectives*



1



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# Background

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## 1.1 POVERTY AND HUMAN DEVELOPMENT

Over 70% of the Malagasy population lives below the national poverty line<sup>[1]</sup>. This percentage has increased slightly over the last 15 years, from 69.6% in 2001 to 71.5% in 2012 (ENSOMD survey), with fluctuations between 2002 and 2010. Compared with the international poverty rate (at US\$ 1.90 PPA 2011), Madagascar is the country with the highest incidence of poverty in Sub-Saharan Africa<sup>[2]</sup>. The vast majority of the poor (86%) live in rural areas, only 3% live in the capital and the remaining 11% live in secondary urban areas.

In terms of poverty rates, there is strong regional disparities. In some areas of the South and South East, almost the entire population lives below the poverty line (97% in Androy and 93% in Atsimo Antsinanana). This rate goes below 50% in the regions of Diana (42%) and Analamanga (47%). An analysis of the extreme poverty rate further accentuates these disparities, as 91% of the population in the Androy region live below the extreme poverty line, compared with only 21% in the Diana region.

Poverty is strongly correlated with certain socio-economic characteristics and household composition, namely:

- Household size: those with 7 or more members have a poverty rate of almost 90% compared to only 31% for households made up of 1 or 2 persons.
- Employment of the household head: the poverty rate is 86% and 84% for households headed by a small or medium farmer, while only 14% to 18% for a senior or mid-level executive
- Education of the household head: over 80% of households with an uneducated household head are in a situation of poverty, while 20% for those having completed high school.

Madagascar faces significant challenges in terms of education. Per data from the 2012 ENSOMD survey, the net primary school enrollment rate was 69.4% in 2012, about 30 percentage points lower than in 2006 (96.2%). This indicator has indeed undergone a gradual deterioration over the last decade. A considerable number of children are excluded from the school system. The schooling rate varies

considerably depending on the place of residence and the region. This rate is around 89% in the capital and only 66% in rural areas; 85% in Analamanga while only 40% in Androy. School enrollment rates are also strongly linked to households' socio-economic status, as only 54% of children from the poorest households are enrolled in school, compared to 82% from those who are better off.

Significant progress has been made in reducing child mortality over the last 20 years, but challenges still remain. Mortality among children under 5 dropped significantly between 1997 and 2012, from 159% to 62%. Mortality rates for children under 1 have shown a similar trend. However, data from the 2012 ENSOMD survey point to decreased vaccination rates for children compared to the 2009 survey. Efforts made in the past must therefore be continued, if we are not to jeopardize the results achieved so far.

Nearly half of Malagasy children suffer from chronic malnutrition (47% per the 2012 ENSOMD survey), of which 18% is severe malnutrition. Chronic malnutrition represents a major challenge for the country's development. Indeed, this phenomenon seriously affects children's ability to learn and consequently his future development as a human. At the national

1 National poverty line: MGA 535 603; extreme poverty line: MGA 374 941

2 <http://povertydata.worldbank.org/poverty/region/SSA> - Poverty line in Madagascar according to the international line of US\$ 1.90 PPA 2011: 77.8%, followed by Burundi with 77.7% and Malawi with 70.9%



level, acute malnutrition affects about 8% of children under 5 (as measured during the lean season in 2012), with a rate of 1% in its severe form. During the food crisis that affected southern Madagascar in 2016, the percentage of children suffering from acute malnutrition was estimated above the 15% threshold in some communes in Tsihombe district (Integrated Phase Classification - IPC - October 2016 to March 2017).

In such a socio-economic context, the social protection system can play an important role both as a tool for poverty reduction and for promoting human capital. The social protection programme should indeed be an important pillar of the national poverty reduction strategy, but should also be integrated into sectoral plans so that social safety nets can contribute to the Government's health, education and nutrition efforts. In fact, social safety nets can be an important mechanism enabling the Government to invest in key areas of human development, complementing other sectoral initiatives.

## 1.2 VULNERABILITY TO NATURAL DISASTERS

**Madagascar is particularly exposed to extreme weather events** that affect the country almost every year, with fluctuations in intensity and impact from one year to the next. We can categorize the main climatic hazards that affect Madagascar in two main groups:

- Cyclones and floods, which occurrence, frequency and intensity are difficult to predict in advance, and which may affect coastal areas and highlands alike

- The drought that particularly affects the South of the country. The phenomenon has become almost structural in the southern part of the country, with annual seasonal crises that can sometimes be exacerbated by extreme weather events (El Niño in 2016) and spread over several seasons.

**Cyclones and floods are considered as the major risk related to climatic phenomena in Madagascar.** A recent report (World Bank, 2016) States that each year, Madagascar

suffers approximately US\$ 100 million in cyclone and flood losses, namely US\$ 87 million for tropical cyclones and US\$ 13 million for floods. 70% of these losses pertain to dwellings<sup>[3]</sup>. It is estimated that every year, the emergency response to cyclones cost US\$ 20 million, while that for flood amount to approximately US\$ 3 million. Cyclones of exceptional nature could generate up to US\$ 810 million in losses and require an emergency response of US\$ 190 million. The report categorizes the regions in terms of their level of vulnerability to these climatic phenomena and to the possible impact of said phenomena. The regions most likely to suffer significant losses following a cyclone are the regions of Atsinanana (east), Diana and Boeny (north), followed by the other northern and eastern regions in the country.

**The southern part of the country is affected by cyclical and seasonal drought-related episodes of food insecurity.** These are slow-moving, extended crises lasting for several months (lean period) and are repeated annually. With significant variations in intensity, the crisis in the South is now seasonal and recurrent. The absence or low rainfall can also affect several seasons and cause real humanitarian crises, as was the case in 2016 following the El Niño phenomenon that affected most countries in southern Africa. Pursuant to

this phenomenon, the southern regions of Madagascar recorded insufficient and unevenly distributed rainfall for 3 consecutive years. Almost 1 million people were affected by the said phenomenon in 2016 (RIASCO 2017). The most affected districts recorded a 50% to 95% decrease in agricultural production (maize, cassava and rice) compared to the average over the last 5 years (IPC, October 2016 to March 2017) and approximately 1 million people turned out to be food insecure and in need of emergency assistance. The impact of this meteorological phenomenon on households is exacerbated by the structural fragility of the southern regions of Madagascar (lack of water, isolation, poorly diversified livelihoods).

**To address these extreme weather phenomena, Madagascar must implement structural measures to manage and prevent risks and disasters.** Among other things, this includes structural measures that would reduce the impact of shocks on people's lives. For extended crises as in the South of the country, these structural measures involve significant investment to promote the region's development and economic diversification, such as offsetting isolation, ensuring hydraulic infrastructure or agricultural

-----  
**3** Individual or collective dwellings



investments. For those regions most exposed to sudden shocks such as cyclones, structural measures may include tightened building codes that would substantially reduce losses due to these phenomena, but also accompanying measures related to education and training on risks and the instructions for cases of emergency.

**Social protection can play a dual role in addressing these phenomena, by building household resilience prior to and providing emergency support following a crisis.** By stabilizing consumption over the long term, social safety nets enable households

to implement (human or productive) investment strategies, thus helping to reduce their vulnerability and build their resilience to shocks. Therefore, when coupled with accompanying measures, cash transfers can increase households' ability to cope with prolonged or sudden crises. At the same time, the social protection system must play an important role in the response to a crisis. Through a horizontal extension (inclusion of new beneficiaries) or a vertical one (change in the value of transfers), the system must be able to provide the necessary assistance to households affected by the crisis,

helping to maintain their minimum level of consumption to avoid implementing negative survival strategies that could have a long-term impact on households' well-being. The first part of this report presents the national social protection system as a mechanism to support and strengthen the resilience of the most vulnerable households, as it is gradually being built by the Government. On the other hand, the second part analyzes the social protection system as an emergency response mechanism made up of several State and humanitarian actors.

# 2



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## The national non-contributory social protection system

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## 2.1 CURRENT STATUS OF THE SOCIAL PROTECTION SYSTEM

**Madagascar is gradually developing its national social protection system.** Significant efforts are underway to strengthen the political, operational and administrative framework related to social protection. Regarding the political framework, the Government elaborated its National Social Protection Policy in 2015 with a focus on 4 axes :

- Axis 1: Increasing the incomes of the poorest
- Axis 2: Improving access to basic social services
- Axis 3: Protection and promotion of specific groups at risk
- Axis 4: Progressive consolidation of the contributory scheme

Appendix 4 gives a detailed presentation of the specific objectives for each axis. Axes 1 to 3 refer to the non-contributory social protection system; while axis 4 refers to the contributory one.

Social safety nets, monetary or in kind, fall within the first axis of the policy. Following are the mechanisms principles, as defined in the policy document, to implement this axis:

1. Conditional cash transfers for Human Development
2. Productive safety nets (High intensity of labour force - HIMO works)
3. Unconditional cash transfers or HIMO work to respond to emergencies
4. In-kind transfers to respond to emergencies
5. Graduation mechanisms (Income generating activity - IGA, vocational training, access to microfinance)

Social safety nets (axis 1) are an integral part of a broader framework of non-contributory social protection that also includes access to basic social services (axis 2) and social services to protect and promote the rights of the most vulnerable (axis 3).

From an operational point of view, since the development of the policy, Madagascar has made significant progress in implementing the various components, especially those related to axis 1. The Government, which had started a pilot project of cash transfers and HIMO works in 2014, has indeed requested and secured the World Bank's support to scale up this project. Funding was granted in 2015. This is a first step towards establishing a Government-run national social safety nets system (mechanisms 1 and 2). At the same time, following the drought-related crisis in the south of the country, the Government requested additional funding from the World Bank and UNICEF to expand coverage of the social safety net programme to crisis-affected areas. This made it possible to test the adaptability of the current social safety net system to shocks (mechanism 3). In a nascent social protection system like that of Madagascar, the State's response is obviously not able to cover all needs. Several social transfer interventions (monetary and in-kind) have been implemented by development partners, NGOs and the United Nations agencies, especially in response to the emergency (mechanisms 3 and 4). As to graduation mechanisms (IGAs, vocational training, access to microfinance), we are still lacking

Box 1

## Note on the terminology used

**National social protection system:** this term refers to a set of contributory (social insurance) and non-contributory social protection programmes (social safety nets/ social services) implemented by different State and non-State actors in the national territory. Cash transfers, the main theme covered by this report, are part of social safety nets in the same way as other programmes such as in-kind programmes (including school meals) and the exemption of fees for selected social services (health, education, etc.) The difference between an uncoordinated and fragmented set of social programmes and a national integrated «system» is that a national system is a coherent set of co-ordinated, complementary programmes that contribute to enhancing household resilience, managing social risks and promoting the human capital of households. The existence of a common administrative framework between programmes (for identification, targeting, registration, etc. purposes) is a distinctive element of an integrated national system. The national policy framework (Social Protection Policy and related legislation) ensures coherence between the various programmes and the link between the national social protection system and other sectoral priorities of the Government.

**National Shock-Responsive Social Protection System:** This term refers to the ability of the social protection system to expand after a shock, to meet the emergency needs of the population. This involves the ability to define needs following a shock and put in place an emergency operational response. This temporary extension may involve including new beneficiaries (horizontal extension) and/or increasing the benefits (vertical extension). This can be done through State social protection programmes, an option to be preferred where possible, or through programmes implemented by humanitarian actors. Unlike a fragmented set of programmes, an integrated shock-responsive system is characterized by a coordinated response from State and non-State actors sharing the same implementation parameters as well as a common operational and administrative framework.

**Adaptive Social Protection System:** \* : refers to the ability of a national social protection system to build long-term household resilience to repeated, predictable and long-term shocks (e.g. seasonal cyclical crises related to food insecurity). In particular, the social protection system must establish a preventive mechanism capable of enhancing households' ability to cope with shocks, by addressing their chronic vulnerability, rather than setting up only humanitarian responses to the emergency following shocks (see Box 5). In a country particularly vulnerable to shocks, a social protection system must develop both the aspect of responsiveness to shocks to meet the unexpected needs of the population after a crisis and the aspect of

adaptability to increase households' resilience and reduce the impact of predictable shocks.

**Government's Social Safety Net Programmes:** this term refers to programmes implemented by the Government under its own financing or with external funds. The operational implementation of these programmes can be done directly by the Government or delegated to implementing agencies. It is a clear operational framework based on reliable administrative and fiduciary procedures, clearly defined by the Government for implementing these programmes. In the specific context of this report, Government's social safety net programme refers specifically to the cash transfer programme (conditional or productive) as the main subject of this analysis. The Government's non-monetary social safety nets are not addressed here.

\* This terminology comes from the English «adaptive social protection» and refers to a set of social safety net programmes designed in the Sahel, region characterized by this typology of repeated seasonal crises.

a well-established strategy to define the evolution of households between assistance and self-management (mechanism 5). This is a subsequent step that the Government will have to address in the future. Several social transfer interventions (monetary and in-kind) have been implemented by development partners, NGOs and the United Nations, especially in response to the emergency (mechanisms 3 and 4). As to graduation mechanisms (IGAs, vocational training, access to microfinance), we are still lacking a well-established strategy to define the evolution of households between assistance and self-management (mechanism 5). This is a subsequent step that the Government will have to address in the future. **From an administrative point of view, establishing a national system implies the creation of common tools for the various social protection programmes.** Major efforts are being made by the Government in this regard, especially by establishing an information management system, which to be managed by the Ministry of Population, and which will be a common tool for the different programmes. This includes, among others, establishing a single register of social protection programme beneficiaries and a programme directory. These tools will be used by both State-run programmes and those implemented by development partners (NGOs and United Nations agencies). Establishing this common administrative framework is an essential step towards moving from a set of separate and fragmented programmes to a coordinated system of social protection interventions implemented by different actors.

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## 2.2 THE GOVERNMENT'S SOCIAL SAFETY NETS PROGRAMME - CURRENT STATUS

The main objective of the Government's safety nets programme is to support and stabilize the consumption of the poorest households and develop their human capital and resilience in the long term. The programme is structured around two main components: (i) a conditional cash transfer

programme (TMDH/LUL) related to primary and secondary school attendance and (ii) a cash transfer programme in exchange for productive work (Productive Safety Net). The parameters of both programmes are quite similar (targeting, duration and amount of transfer). The process for the transfer (CT or CFW) is chosen according to regional specificities and needs. The TMDH/LUL

approach is prioritized in those areas affected by lower school enrollment rate (priority given to human capital development). This component has two complementary aspects: the World Bank-financed Human Development Cash Transfer (TMDH) that supports primary school enrollment and the UNICEF-funded LUL (Lets Us Learn) that supports school enrollment in secondary

school. The PSN approach is prioritized in areas with untapped agricultural potential (priority given to increasing resilience capacity by enhancing local productivity).

The table below presents the main features of the National Social Safety Net Programme and its implementation parameters.

**Table 1 The Government's social safety nets programme - annual figures**

KEY FIGURES ON ANNUAL BASIS OF THE NATIONAL SOCIAL SAFETY NET PROGRAMME (INITIAL PROGRAMME, EXCLUDING EXTENSION FOR EMERGENCY)	
<b>Annual budget</b>	About US\$ 10 million/year for both components of the program: US\$ 4.4 <sup>4</sup> million for the TMDH/LUL component and about US\$ 5 million for the PSN.
<b># beneficiaries</b>	71,500 beneficiary households, of which (i) 39,000 for the TMDH/LUL component and (ii) 32,500 for the PSN, i.e. about 360,000 beneficiaries (i.e. about 3% of households in extreme poverty in the country)
<b>Targeting</b>	Community and Proxy Means Test - PMT <sup>5</sup> (30% of the poorest households)
<b>Amount and duration of the transfer</b>	On average, MGA 240,000/year per household for a duration of 3 years, i.e. on average 16% of the consumption of the poorest households (those in extreme poverty).  For the TMDH/LUL component, the amount varies according to household composition, from MGA 120,000 for a household without school-age children to MGA 480,000 for a household with 2 children in primary school and two children in secondary school (between 8% and 31% of consumption, see Table 3 for more details).
<b>Geographical coverage</b>	11 districts affected (out of 114 districts in Madagascar, i.e. 10%)

<sup>4</sup> The amounts are calculated on an annual basis. The total budget for the three-year implementation programme for the TMDH/LUL component is US\$ 11.5 million with World Bank funds (US\$ 3.8 million/year) and US\$ 560,000 with UNICEF funds for the PSN (or US\$ 4.9 million/year). The World Bank financing ends in 2019, UNICEF funding is granted on an annual basis. However, the dynamic is that of setting up national programmes (and not a project), for which the financing from the Government of Madagascar will be gradually associated with external financing to ensure the programme's continuity and extension.

<sup>5</sup> The Proxy Means Test methodology establish an approximation of the household living standards and correlation between the variable and household welfare

The programme currently has a fairly limited geographical coverage; either component covers only 11 out of 114 districts, 5 out of the 22 regions and 4 out of 6 provinces. This

represents less than 10% of the districts. In household terms, about 3% of households in extreme poverty in Madagascar are covered by the current programme.

In this initial phase of the programme implementation, the Government, unable to provide national coverage, has chosen a prioritization of the districts based on the following criteria:

**Table 2** Geographical coverage of the Government's social safety nets program

PROVINCE	REGION	DISTRICT	COMPONENT	# HOUSEHOLDS
Toamasina	Atsinanana	Toamasina II	TMDH/LUL	4,350/490 <sup>[5]</sup>
		Mahanoro	TMDH/LUL	3,100/725
		Vatomandry	PSN	5,524
Tuléar	Atsimo Andrefana	Betioky Atsimo	TMDH/LUL	2,000/249
Fianarantsoa	Vatovavy Fitovinany	Vohipeno	TMDH/LUL	7,650/886
		Ankazoabo	PSN	2,500
		Manakara	PSN	7,586
	Haute Matsiatra	Ambohimahaso	TMDH/LUL	6,200/871
		Isandra	PSN	6,140
Antananarivo	Vakinankaratra	Faratsiho	TMDH/LUL	15,700/1,229
		Antanifotsy	PSN	10,750
Total				71,500

Source : Information provided by FID and project manual for TMDH and PSN

#### TMDH component:

- selection of the regions: i) school enrollment rate, ii) malnutrition rates, iii) food insecurity level
- identification of the districts: i) Survival rates (education), ii) districts / communes / Fokontany of intervention of the other programmes (PAUSENS, USAID, WFP, etc.).

#### PSN component:

- selection of the Regions: i) school enrollment rate, ii) malnutrition rates, iii) food insecurity level (aligned with the TMDH component)
- identification of the districts: representative of different agro-ecological zones to test the model in different contexts and draw lessons.

Options for the gradual extension of programme coverage will be discussed in the next section

<sup>6</sup> Both figures indicate the number of beneficiaries of the i) TMDH and ii) LUL components

**This nascent social protection programme is set up by the Government of Madagascar with funding coming entirely from outside sources (World Bank and UNICEF).** The FID and the MPPSPF have responsibility over the implementation of this national programme, with support from other actors (including the Ministry of Education and ONN). The MPPSPF's role is strategic orientation and coordinating the social safety nets programme to ensure its coherence with the objectives of the national social protection policy and its integration with the Government's other sectoral priorities (education, health, nutrition, etc.) The Ministry also plays an operational role in setting up the common administrative tools to the various social protection programmes (especially the single register and the interventions directory) which will make it possible to develop an integrated social protection system in the country. The implementing agencies, such as FID, have a more strictly operational role in implementing the national programme in collaboration with other stakeholders.

**The social safety net programme is only one component of the national non-contributory social protection policy.** In fact, as discussed previously, the national policy does more than just cash transfers. Indeed, a national social safety net system must include several coordinated and complementary programmes among them,

and cash transfer is only one of them. The Government of Madagascar manages other (non-monetary) social safety nets programmes, for example the school meal programme based on local purchases and the health expense waiver programme for the indigent (equity fund). This analysis does not address this typology of programmes. However, it is important to be aware of their existence as part of establishing a national harmonized framework for social protection. Some tools to be developed in the context of cash transfers (e.g. single register) could also be shared with other State-run social assistance/social safety net programmes.



## 2.3 LONG TERM VISION

In the long run, the Government's social safety net programme, currently implemented only in selected districts, could be a support mechanism for vulnerable groups<sup>[7]</sup> that has a national The gradual extension of the State-run social safety net programme will depend on Government choices, which may include gradual geographic extension and/or categorical extension of households. In turn, these choices largely depend on budgetary constraints. In the short and medium term, the programme's extension strategy will depend on the external financing that the Government will be able to mobilize and eventually on the allocation of its own resources. In the long term, the vision of social safety nets in Madagascar will have to be compatible with a mobilization of internal resources aligned with Madagascar's budgetary capacities. For instance, in low-income countries, overall spending on social safety nets averages 1.5% of GDP (World Bank 2015, State of SSN) and 1.6% in middle-income countries. In Madagascar, this would mean an annual financing of about US\$ 150

7 The vulnerability addressed by the social safety net programme will depend on the targeting mechanisms that will be chosen from the programme's objectives (chronic poor and/or vulnerable groups such as young children, disabled people, the elderly, etc.) See the following sections for further discussion.

million<sup>[8]</sup> calculated based on the 2016 GDP. According to a recent public expenditure review conducted by UNICEF (UNICEF/MPPSPF, 2015), the average spending on social protection (contributory and non-contributory) in Madagascar between 1997 and 2012 amounts to 1.2% of GDP, of which more than 90% were allocated to the contributory system. Therefore, it remains quite optimistic to target 1.5% of GDP for (non-contributory) social safety nets over the long term.

8 2016 GDP in US\$ (current exchange rate): US\$ 9.991 billion- <https://data.worldbank.org/country/Madagascar>

The Government has several options for the programme's extension strategy, depending on the choice of beneficiary targeting and the amount of benefits.

**Amount.** Under the current social safety net programme, the average annual amount granted to beneficiary households is approximately MGA 240,000 per year. Yet, this amount varies quite often and, in the context of the TMDH programme, depends on household structure (see below). Now, the PSN amounts to MGA 240,000 regardless of household size, but may vary depending on household participation in community work.

**Table 3** Average amount of transfers in the Government's social safety nets programme - TMDH/LUL

	TMDH/ LUL	BASIC ALLOWANCE (UNCONDITIONAL)	ADDITIONAL MONTHLY ALLOWANCE (CONDITIONAL)	TOTAL ANNUAL ALLOWANCE	% OF CONSUMPTION OF BENEFICIARY HOUSEHOLDS <sup>[8]</sup>
Household with children aged 0-5	THDH	10 000Ar		120 000Ar	8%
Household with 1 child in primary school	TMDH	10 000Ar	5 000Ar	180 000Ar	12%

	TMDH/ LUL	BASIC ALLOWANCE (UNCONDITIONAL)	ADDITIONAL MONTHLY ALLOWANCE (CONDITIONAL)	TOTAL ANNUAL ALLOWANCE	% OF CONSUMPTION OF BENEFICIARY HOUSEHOLDS <sup>[8]</sup>
Household with 2 children in primary school	TMDH	10 000Ar	10 000Ar	240 000Ar	16 %
Household with 1 child in primary school and one child in secondary school	TMDH/ LUL	10 000Ar	5 000Ar + 10 000Ar	300 000Ar	20 %
Households with 2 children in primary school and 1 in secondary school	TMDH/ LUL	10 000Ar	10 000Ar + 10 000Ar	360 000Ar	23,5 %
Households with 1 child in primary school and 2 (or more) in secondary school	TMDH/ LUL	10 000 Ar	5 000Ar + 20 000Ar	420 000Ar	27 %
Households with 2 children aged 6-10 and 2 (or more) in secondary school	TMDH/ LUL	10 000 Ar	5 000Ar + 20 000Ar	480 000Ar	31 %

Source: Data provided by FID and own calculations <sup>[9]</sup>

<sup>9</sup> Consumption of beneficiary households = total average consumption of households belonging to the first 3 deciles (30% of the poorest) according to 2012 ENSOMD survey = MGA 1,070,931, adjusted for inflation at MGA

The average amount of MGA 240,000 is approximately 22.5% of the annual consumption (before transfer) of a household below the extreme poverty line, based on data from the 2012 ENSOMD survey. However, considering inflation, this amount equals 16% of the total consumption in 2016, i.e. slightly lower than international best practices for transfer pricing. Taking into account households with only children under 5 (basic allowance only), their annual transfer is only 8% of consumption. Table 3 shows the percentage of the transfer on consumption also for the other typologies of households depending on whether they are part of the TMDH or LUL programme.

- Data from the new consumption survey (planned for August 2018, implementation schedule to be specified by INSTAT) that will update the structure of household consumption
- Impact assessment data from the social safety net programme, which will assess the impact of the transfer on several well-being indicators of the beneficiary households and understand whether an upward adjustment may be necessary or whether the proposed amount is already enough to trigger positive dynamics within households (poverty reduction and investment

## Best practices in defining the amount of transfer in development programmes

The amount of the transfer must be set in line with the needs of the poor households targeted by this type of programme. An amount of transfer that is too small compared to household consumption and poverty gap will have a very limited impact on poverty reduction at the national level, thus making this type of programme ineffective. A transfer that is too high could lead to distortions in local economy (demotivation at work, lengthy assistance, tension between beneficiary and non-beneficiary households).

There are no universal setting rules applying to all country and circumstances; however, for cash transfers to be an effective tool to fight poverty, international experience suggests that the transfer should be at least 20% of the pre-transfer consumption of poor households targeted by the programme (Innocenti Research Brief 2015-01). Below this threshold, existing evidence shows minimal impact in terms of poverty reduction.

At present, a large proportion of low-income countries define amounts not matching the needs of the target households. In low-income countries, the transfer amounts correspond to an average of 10% of beneficiary households' consumption. But in middle-income ones, this percentage averaged 21%, and reaches 37% in high-income countries (World Bank 2015).

Madagascar's social safety net programme targets the poorest households in the country (the inclusion threshold of the poorest being 30%). According to the latest available statistics, the average consumption of households targeted is around MGA 1.5 million/year (2012 revised ENSOMD data for inflation for the 30% of poorest households). If Madagascar wants to comply with best international practices, it should therefore provide social safety net programme beneficiary households with at least MGA 300,000/year, i.e. about 20% of their total consumption (a more in-depth analysis according to household composition would allow to better define this parameter, see Box 3). It is also necessary to systematically reassess the profits on an annual basis, to take inflation level into account.

It should be noted that the data available to assess household consumption were issued in 2012 and that these estimates can be updated as soon as the next consumption survey is available in 2018.

in human development and productive activities).

Extension capacity of the State-run programme's coverage. The following scenarios refer to the number of beneficiaries that the Government could reach with an investment equivalent to 1.5% of GDP, through average transfers of MGA 240,000/year (16% of consumption) and MGA 300,000/year (20% of consumption). The simulations take into account a scenario in which the Government decides to invest half of its budget in a conditional transfer programme and half in a PSN program <sup>[10]</sup>.

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**10** These simulations are based on current data, regardless of future macroeconomic context (economic growth, population growth, inflation).

**Table 4** Coverage of the social safety nets programme with an investment of 1.5% of GDP and a transfer equivalent to 16% and 20% of target households' consumption

	CASH TRANSFERS (US\$)	PSN (US\$)	TOTAL (US\$)	% OF TOTAL HOUSEHOLDS COVERED	% OF HOUSEHOLDS IN EXTREME POVERTY COVERED
<b>Total investment</b>	75 000 000	75 000 000	150 000 000		
<b>Average management cost<sup>[11]</sup></b>	15 000 000	15 000 000	30 000 000		
<b>Costs related to equipment and supplies<sup>[12]</sup></b>	0	15 000 000	15 000 000		
<b>Amount of transfers</b>	60 000 000	45 000 000	98 875 000		
<b>Number of households with a transfer of MGA 240,000/year (approx. US\$ 80)</b>	750 000	562 500	1 312 500	25%	59%
<b>Number of households with a transfer of MGA 300,000/year (approx. US\$ 100)</b>	600 000	450 000	1 050 000	20%	47%

Source: own calculations

<sup>11</sup> Calculated based on 20% of the total programme cost, including: central and decentralized implementing agencies, payment agencies, targeting, accompanying measures. Current costs are greater than 20%, but significant economies of scale can be expected as part of a nationwide programme. .

<sup>12</sup> Based on 25% of the total cost of the PSN programme allocated to equipment and 75% to labor

If, in the long run, the Government of Madagascar plans to align its social safety net expenditures with those of other countries with comparable levels of development (i.e. about 1.5% of GDP), these mechanisms can help the country reach about 20%-25% of households, with variations depending on the type of programme chosen (CT or CFW) and the value of the benefits (here approx. 20% of poorest households' consumption).

Based on this long-term objective, the Government may consider different options for gradually extending the national programme depending on targeting choices, but also the sectoral objectives that the Government wishes to pursue through cash transfers (education, nutrition, child protection, etc.).

**Targeting.** With a poverty rate of 71.7%, an extreme poverty rate of 52.7% and significant budgetary constraints allowing reaching about 20%-25% of households in the long term, the Government finds it necessary to define accurate targeting criteria to identify the households most in need of this type of intervention.

This first depends on the main objectives that the Government wants to achieve through social safety nets, currently focused on promoting households' human capital. In this context, the gateway to social safety nets is households with children, who will

## Categorical cash transfer based on life cycle

The possibility of setting up a life cycle-based monetary transfer is currently under study in Madagascar. The Government held the first simulations with UNICEF's support in 2016 (UNICEF, 2016). There, the amounts of the proposed transfers were analyzed together with the data from the 2012 ENSOMD survey, to understand the coverage and generosity of this type of programme and determine whether these benefits match household needs. This is a preliminary step that needs in-depth follow-up with i) simulations on the impact on poverty (see recommendations); ii) scenarios with different amount of transfer and different combinations of categories of beneficiaries (if necessary, including new categories such as people with disabilities). For example, the simulation considers all categories of beneficiaries selected in the UNICEF 2016 report, making this the most costly and generous scenario (in terms of coverage and amounts) compared to those presented in the UNICEF 2016 report. Intermediate options and/or a gradual extension of the model could be considered.

CATEGORY	BENEFIT/MONTH/ PERSON	% OF POOREST HOUSEHOLDS' CONSUMPTION (3D)	PROGRAMME COST (% OF 2016 GDP) <sup>1</sup>	PROGRAMME COST (% OF 2030 GDP*)
Pregnant women	MGA 10,000	7,8%	0,12%	0,08%
Children under 2	MGA 10,000	7,8%	0,58%	0,38%
Children aged 3-5 years old	MGA 7,500	5,9%	0,6%	0,4%
Children in primary school	MGA 5,000	3,9%	0,47%	0,47%
Children in secondary school	MGA 5,000	3,9%	0,11%	0,22%
Elderly >65 years old	MGA 20,000	15,7%	0,52%	0,5%
<b>Total</b>			<b>2,4%</b>	<b>2,05%</b>

Source: UNICEF 2016 and own calculations based on 2012 ENSOMD survey

\*including 20% of administrative costs

Through a lifecycle safety net programme with the parameters defined in the table above, 88% of Malagasy households receive a transfer, so only 12% are excluded. The total transfer received by a household will depend on its composition. On average, a household receives MGA 243,000/year, or about 12.2% of beneficiary households' consumption, and the programme would cost about 2.4% of GDP (see Appendix 2.B for descriptive statistics). Following are the strong points of this approach:

- The rate of exclusion of households in need is very low, only 2.7% of households in extreme poverty are not covered by any transfer
- The transfer is highly progressive. Household size is correlated with poverty level and the programme allocates benefits according to household size. The average transfer of households into extreme poverty is MGA 297,500 compared with MGA 195,000 for extreme non-poor households. This corresponds to 19.5% of the consumption of the extreme poor included in the programme, against 6% of the consumption of the extreme non-poor included in the programme

need to be systematically prioritized with future extension.

However, with an adequate level of transfer (20% of poorest households' consumption), the Government will find it hard to reach

all households with children either in the current context or in a relatively optimistic long-term projection (1.5% of GDP mobilized) (see Table 5 and Box 3).

**Table 5** Cost of an only categorical national programme based on a transfer equivalent to 20% of poorest households' consumption

	% OF THE TOTAL HOUSEHOLDS	# TOTAL HOUSEHOLDS	PROGRAMME COST (TRANSFER = 20% OF POOREST CONSUMPTION) - IN MIL US\$	% OF GDP
Households with children under 2	38%	2 006 067	250	2,5%
Households with children under 5	56%	2 935 302	367	3,7%
Households with children under 11	74%	3 902 234	487	4,9%

Source : ENSOMD 2012 et propres calculs

Thus, subsequent targeting choices are needed to prioritize households in need of monetary support. The Government can choose to further refine the selection of households through:

- Geographical targeting : this means that in a long-term vision, the State-run social safety nets programme will not have national coverage, as some regions (or districts) will be excluded. In this case, the programme may adopt a

categorical targeting strategy only. For instance, targeting households with children aged 0-5 in only 50% of districts. Yet, this approach contains significant inclusion errors, and some areas will not be covered at all by the national social safety net programme.

- T• Targeting based on households' socio-economic

**Weak points :**

- The cost remains relatively high (2.4% of 2016 GDP). In the long term (2030) however, this cost will be lower (2% of GDP), based on currently projected economic growth, inflation and population growth (IMF 2016 and United Nations 2016).
- The total cost of the programme is based on the assumption of a membership rate of 80%. As this is an unconditional cash transfer, it is possible that this self-selection does not occur (in which case the total cost would amount to about 3% of GDP

Further analysis is currently needed to ascertain the most appropriate mix of categories and benefits that will help the Government maximize the impact on poverty reduction and optimize the use of budget resources. At present, given Madagascar's budgetary constraints, the most appropriate solution seems to be associating this model with another level of socio-economic targeting, at least in the short-medium term.

status. The second targeting option available to the Government is to associate categorical targeting with targeting based on households' socio-economic status. The Government can gradually extend the geographical coverage to all regions of the country and introduce a subsequent selection of households at the level of each beneficiary community. The Government is currently prioritizing this strategy, which uses a PMT approach to select the poorest households (inclusion threshold set at 30% of poorest households with children).

- Mixed targeting model adapted to geographical realities. The incidence of extreme poverty varies quite a lot from one region to the next. In the Androy region, 90% of the population lives in extreme poverty, compared with 20% in the Sava region. A categorical targeting approach is more appropriate in regions with a high incidence of extreme poverty, and socio-economic targeting may be associated with lower impact regions.

The table below shows the coverage of the programme and the cost for a mixed programme, which adopts a purely category-based approach (life-cycle approach) in regions with the highest extreme poverty rate (over 80%); and a socio-economic targeting strategy (including up to 30% of poorest households) in other regions. The transfer amounts to MGA 240,000<sup>[13]</sup> for both programmes (i.e. US\$ 80). This scenario takes into account a total investment in a cash transfer programme, with no PSN component (which would have additional implementation costs related to community work).

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**13** Under the life-cycle categorical targeting programme, the amount of the transfer is aligned with that presented in Box 2, the average transfer per household is MGA 243,000





**Table 6** Mixed categorical targeting and PMT based on regional peculiarity

REGION	# HOUSEHOLDS IN THE REGION	TYPE OF TARGETING	% OF BENE-FICIARY HOUSEHOLDS	# BENE-FICIARY HOUSEHOLDS	TOTAL COST OF TRANS-FER IN US\$	TOTAL COST OF THE PROGRAMME IN US\$
<b>Androy and Atsimo Antsinanana Regions</b>	328 532	Categorical (life cycle)	0,88	289 108	23 128 645	28 910 807
<b>Other regions</b>	4 953 115	PMT	0,30	1 485 935	118 874 765	148 593 457
<b>Total</b>	<b>5 281 647</b>		<b>0,34</b>	<b>1 775 043</b>	<b>142 003 411</b>	<b>177 504 263</b>

Source: own calculations

This scenario already includes an investment of about 1.8% of GDP, which is higher than the average for other low-income countries.

**The strategy of extension of the programme in the face of crisis, discussed later, will obviously depend on the targeting strategy of the programme under normal circumstances.** A programme that goes for a fairly broad categorical inclusion will already have a significant coverage of the population. In the event of a crisis, it will therefore be necessary to assess the need for a vertical extension (increased profits), while horizontal extension (new beneficiaries included) will be less important. On the other hand, a programme that chooses a coverage limited to a

small portion of the population (e.g. 30% of the poorest) will need a well-defined horizontal extension strategy to meet the needs of households temporarily rendered vulnerable by a crisis. Extension, both horizontal and vertical, should be based on a thorough analysis of the needs of the population made vulnerable by a crisis. Needs analysis is part of the humanitarian response to a crisis. Depending on the nature of the crisis (prolonged crisis linked to food insecurity/nutrition or sudden crisis); humanitarian actors usually use methodologies to assess the needs (and thus the amount of transfers and programme coverage). The government's social protection system should be able to use such needs assessment methodologies

## Other cash transfer development programmes

This chapter focused on the State-run social safety nets programme, which is the main operational tool that the Government of Madagascar put in place to implement cash transfers. However, Madagascar has other cash transfer programmes implemented by State and non-State actors. These programmes should complement and, where possible, align with that of the Government. These are largely CFW or HIMO type programmes, the main ones being:

**WFP:** As part of its country support programme (PRRO - Protracted Relief and Recovery Operation), WFP funds the implementation of the Food For Assets (FFA) resilience programme in some southern communes. As part of its 2017-2018 programming, WFP plans to reach around 100,000 beneficiaries to create approximately 40 community assets, who promote community resilience (opening up, dams, and agricultural assets). Given the similarity as to the approach and objectives for the Government's PSN programme, a possible alignment to the procedures and parameters for implementing the PSN programme could be considered in future programming.

**ILO:** Since the year 2000, the ILO has been financing a HIMO (High Intensity of Labour Force) programme which has covered the entire national territory (but in 2016 and 2017 focused in the South). The programme aims to build roads, rural tracks or buildings by maximizing the use of labor and job creation (labor threshold of 35% of the total cost of the programme). The programme does not have a primarily social purpose, the main objective being the creation of infrastructures of acceptable technical quality. The basic salary is set at the national SMIG (MGA 7,500 for 8 hours of work), which is slightly higher than the one set for CFW works. The implementation is carried out by private companies. Given the objective of this type of project, it is not possible to align the parameters and implementation procedures with social safety nets. However, synergies can be found between the two; for instance, the HIMO programme can complement social safety nets in certain regions and contribute to providing long-term solutions (a project to open up roads through rehabilitation and hydraulic infrastructure in the South is under study). The HIMO programme could also share some operational tools with social safety nets; for example, the single register could be used as a database to select workers from the poorest households.

**MPPSPF:** The Ministry of Population implements small scale HIMO programmes in several regions of Madagascar, with the Government's own funding. These programmes offer 3 to 5 days of work per beneficiary, often to carry out remediation work. These projects continue to have limited socio-economic impact, given the number of days offered. The projects are implemented directly by the Ministry but the operational and fiduciary procedures need to be strengthened. If the Ministry plans to go on with this type of project, it should consider more transparent operational procedures, possibly delegate implementation to other implementing agencies and revise parameters to enhance the social impact.

**FID/PURSAPS:** Since 2014, the PURSAPS project (Emergency Project for Food Security and Social Protection) has been implemented by the FID with World Bank financing, in its social safety nets component and is currently closing. This is a project that combines a CFW component of about 45 working days per year for households able to work on a cash transfer component for households unable to work. The project reached about 45,000 households over the 3 years of implementation. The project is being closed, but FID remains the main implementing agency for the Government's safety nets under the TMDH and PSN programme, with slightly revised parameters compared to the PURSAPS programme.

to plan an extension of the national programme in response to a crisis.

**In a long-term vision, the social protection system will have to tackle the chronic vulnerability of households and increase their capacity for resilience but also be able to expand according to the specific needs dictated by a crisis.** Thus, a «core» component of the cash transfer programme discussed so far, targeted at households with chronic vulnerability (poverty or other type of vulnerability), can be considered. This programme helps

stabilize household consumption over a long period of time and is structured to maximize the impact of cash transfers on households' human and productive investment, mainly through accompanying measures or specific requirements. The programme will also need to define a graduation process that will support the household to a level of self-care. In parallel with this «basic» programme, an extension is to be considered whenever a crisis pulls part of the population down into a situation of additional need for assistance. Extension of the programme to households affected

by the crisis, discussed in section 2 of this report, is a shorter-term programme aimed at supporting consumption and avoiding negative survival strategies during the crisis. The programme ends after the emergency response and may be followed by recovery and reconstruction programmes. To evolve towards a social protection system, both components will have to share a set of common implementation mechanisms and tools, especially as for the information management system.

**Figure 1 Social safety nets programme and extension during the crisis**



## MONEY TRANSFERS Basic programme

**Main target: households with chronic vulnerability**

**Objective:** provide support to stabilize their consumption and promote their human development and/or productive capacity. Long-term programme that increases households' resilience.

**Programme structure:** Periodic cash transfers in support of consumption + additional measures and/or requirements to promote resilience and human development

**Long term vision:** National coverage programme for the most vulnerable. A graduation strategy will help to support the household between assistantship and self-help

## MONEY TRANSFERS Extension in response to crises

**Main target :** households affected by a crisis:

-> Households not yet included in the social safety net programme (horizontal extension) - according to past experience up to 75%-80% of the population may require emergency assistance in places most affected by the crisis

-> Households already included in the programme but who require additional support (vertical extension)

**Objective:** stabilize household consumption in times of crisis, protect their livelihoods and avoid the implementation of negative survival strategies

**Long term vision:** When the crisis period ends, the social safety net programme shrinks back down to its usual target and amount



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## Recommendations for the long term vision

The Ministry of Population is currently updating its national social protection policy and developing a medium-term implementation strategy. Some elements need to be considered in this exercise, namely:

**1. In-depth analysis of the impact on poverty of different scenarios of the social safety nets programme.**

So far, the analyzes conducted by the Government have focused on assessing social safety net programmes' costs and coverage. A deeper analysis of the programme's impact on poverty and inequality reduction in Madagascar has not yet been conducted. It is particularly important to use the data from the latest consumption survey (2012) and simulate scenarios with regard to the amount of transfers and the typology of targeting. Through this exercise, it is possible to evaluate the impact of the different scenarios in terms of support for beneficiary households' consumption and poverty reduction in the country. For instance, the life-cycle model can be assessed:

- ⊙ by including/excluding some categories of beneficiaries,

- ⊙ with respect to different value of benefit,
- ⊙ with or without a socio-economic targeting
- ⊙ in relation to possible regional differentiation, etc....

This measure, together with the cost analyzes made previously, will help the Government choose the most appropriate extension strategy for the national programme according to the budget the Government wishes to invest and the poverty reduction goals.

**2. The social safety net budgeting exercise, which will be updated as part of the national policy review, should take into account a periodic review of benefits compared with inflation.** In the long-term projections to be made by the Government, to model the costs and extension capacity of the national social safety net programme, the Government should take into account an annual review of benefits against projected inflation. This approach would ensure that benefits are constantly aligned with the population's needs.

**3. Develop an exit/graduation system.** So far, the social safety net system has not yet defined a way out for households receiving assistance. This is a further step towards developing the national system, and includes:

- ⊙ Defining and monitoring indicators to measure whether the socio-economic situation of the household has strengthened
- ⊙ Links with other government programmes or partners (e.g. micro credit, employment programme, IGA, etc.) into which households having reached a certain level of socio-economic stability could be included while leaving the social safety net programme.

**4. Implementing administrative tools shared with other social protection programmes.** Beyond the cash transfer programme, the Government has set up other targeted programmes to assist vulnerable households. This is the case, e.g. for the health costs exemption for the indigent. This programme also falls within the definition of social safety nets being a targeted social programme. It is important that in developing the long-term

social protection strategy, the Government develops synergies and shared tools with the main social programmes, particularly in terms of a single targeting and registration strategy.

**5. Align non-governmental development cash transfer programmes with the parameters defined by the State-run programme.** The State social safety net programme is not able to cover social protection needs in the various regions of Madagascar in a short period of time. A strategy of gradual extension over the medium-long term will be defined, as previously discussed. In regions not yet covered by the State programme and where development partners are planning to implement monetary programmes (cash transfers or CFW), an alignment to the parameters used in the State programme and the sharing of common administrative and operational tools are to be considered to evolve towards an integrated system implemented by different actors. The current State social safety net programme offers two models: (i) human development-related monetary transfers, and (ii) productive

transfers that promote local economic development. Depending on the site and the specific goals of the different implementing organizations, either model could be followed. It is indeed important that the harmonization of the parameters also affects development programmes, and is not limited to emergencies.





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SECTION  
**2**

# MONETARY TRANSFERS IN RESPONSE TO EMERGENCY

Situation analysis and steps toward harmonization

# 4



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## Humanitarian response to natural disasters

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**Cash transfers are an increasingly used tool in the context of humanitarian response to shocks and must be integrated into the overall emergency response.** Indeed, cash transfers are only one way (among others) to meet the different needs of the population during a crisis. They are a very effective way of making sure that markets operate

properly and should be prioritized over other intervention processes whenever possible. However, because of market failure, preferences of some donors and operational constraints, in-kind support is still the main means of providing assistance in case of emergency. To better understand the role and challenges of the monetary

response in emergencies and define a harmonized operational framework, it is necessary to have an overview of the humanitarian response, needs, allocated funding, and key stakeholders (donors and implementing agencies).

## 4.1 DROUGHT

### 4.1.1 Overall humanitarian response to drought

The drought episode hitting the South of Madagascar affected close to 1 million people (RIASCO, 2017), close to US\$ 100 million worth of humanitarian aid allowed reaching about 70% of targeted beneficiaries, or 685,000 people.

**Table 7** Number of beneficiaries and funding for the crisis related to drought in the South – overall humanitarian response

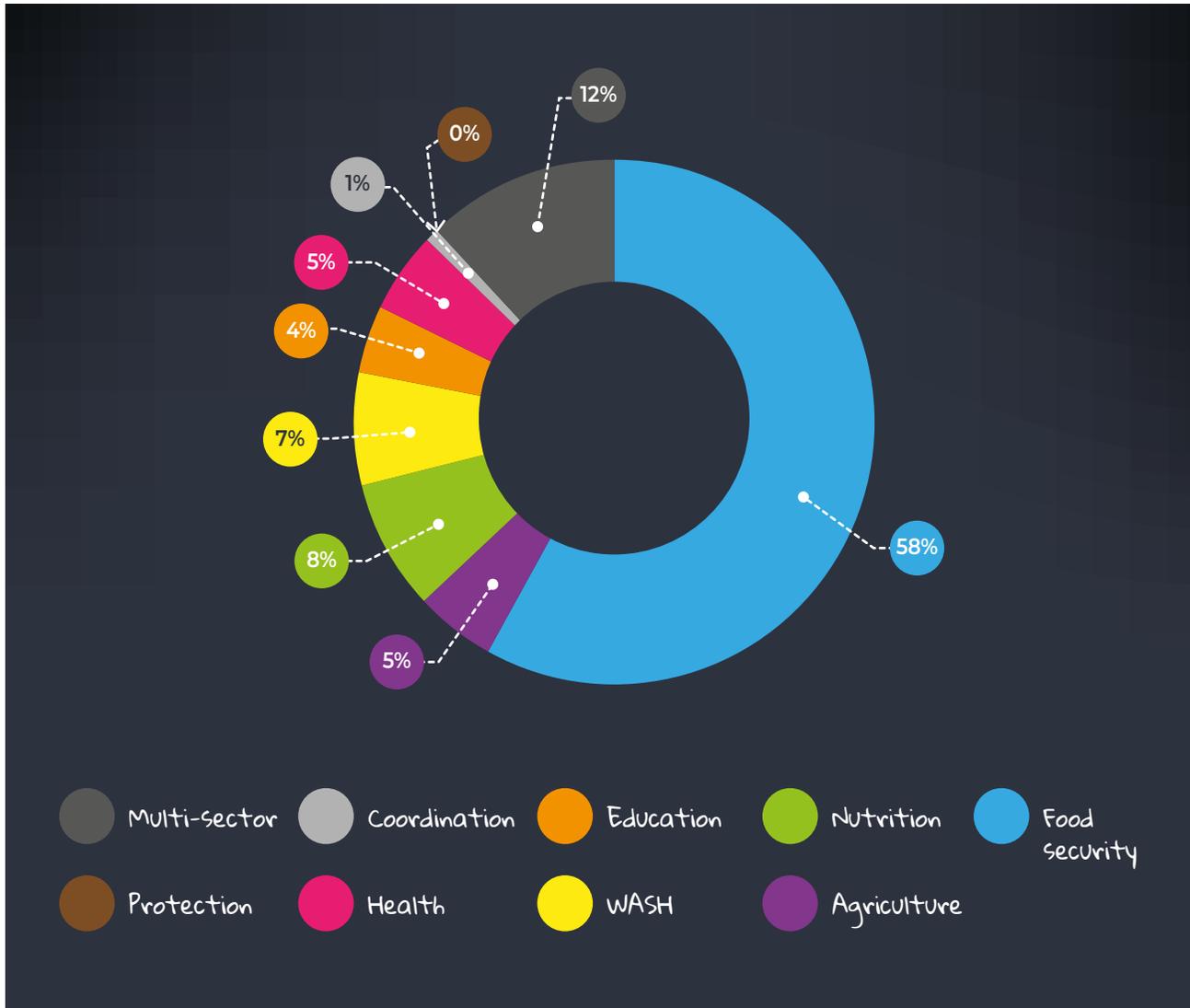
FORECASTS AND ACHIEVEMENTS OF THE HUMANITARIAN RESPONSE - SOUTHERN MADAGASCAR		
<b>Beneficiaries*</b>	Targeted	978,000
	Reached	685,160
<b>Funding**</b>	Requested	154,9 Millions
	Received	101,2 Mil

\*RIASCO report, July 2017 (June 2017 data)

\*\* Office of the Resident Coordinator, Situation Report No. 7, July 2017

Most of this aid (60%) was used to implement food security projects, both in the form of food distribution, vouchers or cash transfers, followed by multisectoral (12%) nutrition projects (8%) and WASH (7%).

Figure 2 Humanitarian response in the South per sector (% of total budget) - overall humanitarian response

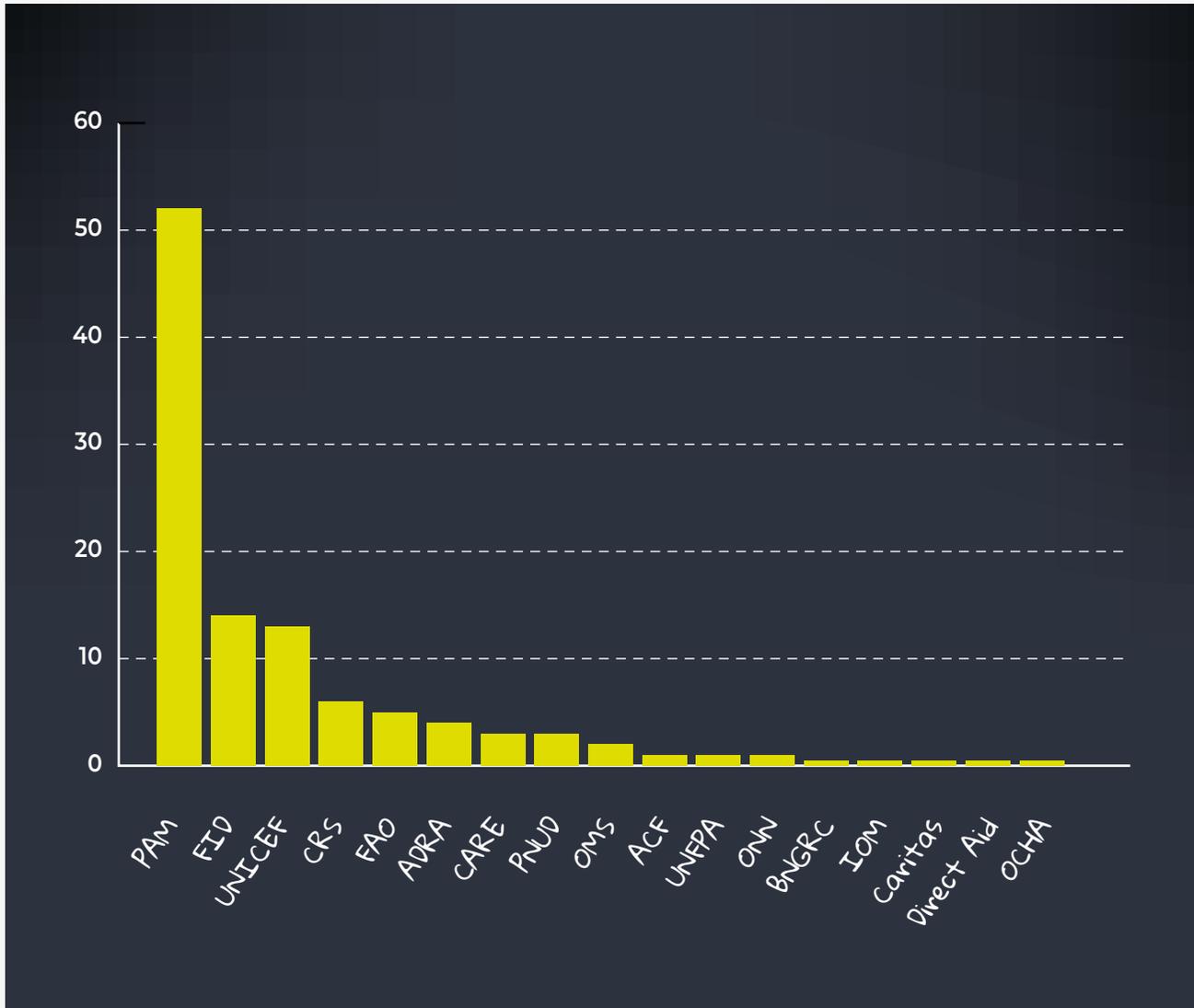


WFP was the first recipient of humanitarian aid, having received more than US\$ 50 million, followed by FID with about US\$ 13 million to extend the national emergency social safety net programme<sup>[14]</sup>. Thus, the Government's safety net programme was the second recipient of humanitarian assistance for the drought response in the South.

Source: Office of the Resident Coordinator, Situation Report No. 7, July 2017

<sup>14</sup> The OCHA data refers only to the emergency response, so any additional funding to FID for the recovery and development phase is not included

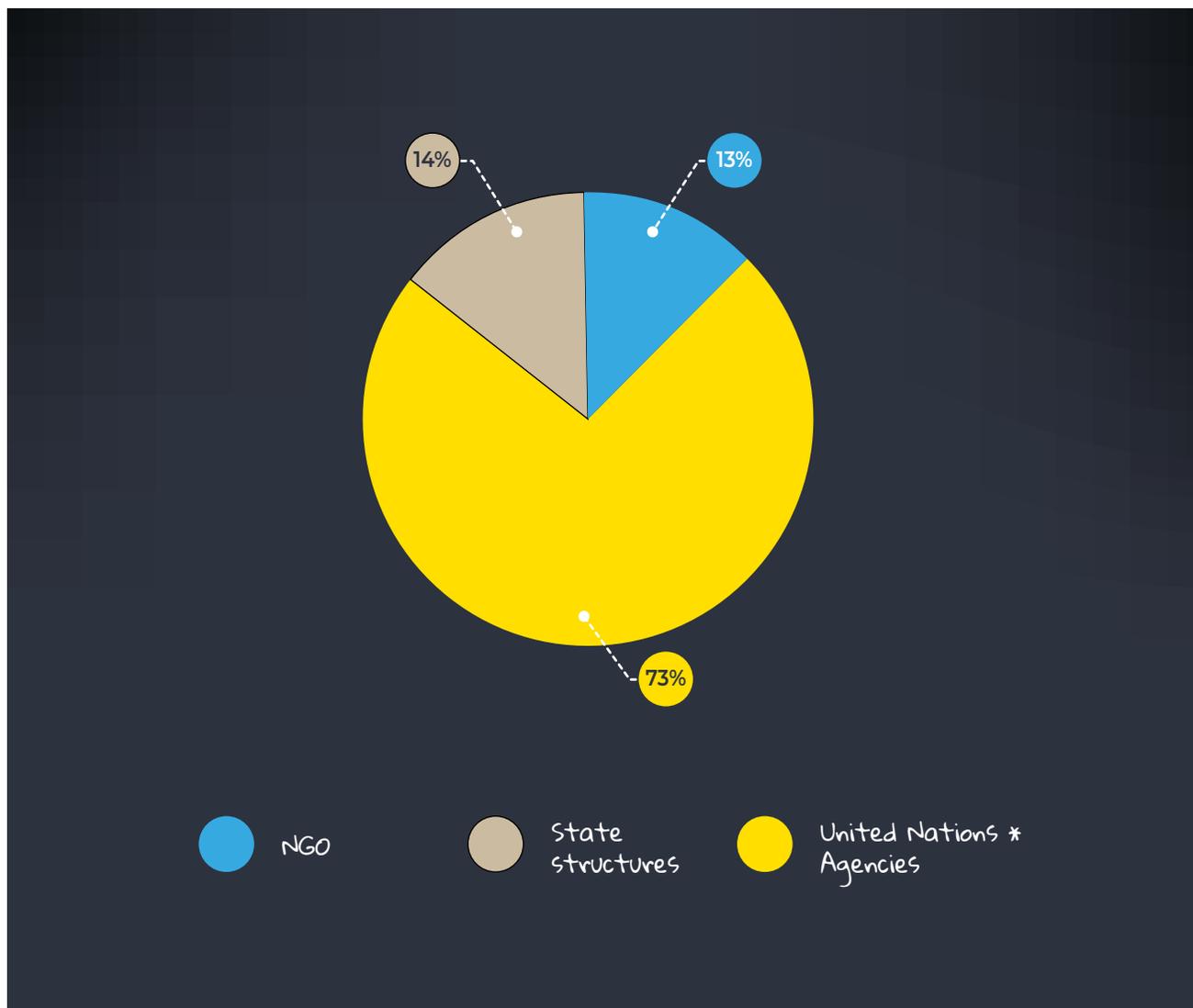
Figure 3 Total amount received by recipient of the humanitarian aid (in Mil US\$) – overall humanitarian response



Overall, however, the funds received by State agencies (FID, BNGRC and ONN) represent only 14% of the overall amount of the humanitarian response in the South, which is still dominated by United Nations agencies (73% of amounts allocated). This is due to a certain traditional mistrust of the main donors of humanitarian aid vis-à-vis State institutions and fears of low efficiency and transparency in the distribution of aid by these institutions compared to United Nations agencies.

Office of the Resident Coordinator, Situation Report No. 7, July 2017

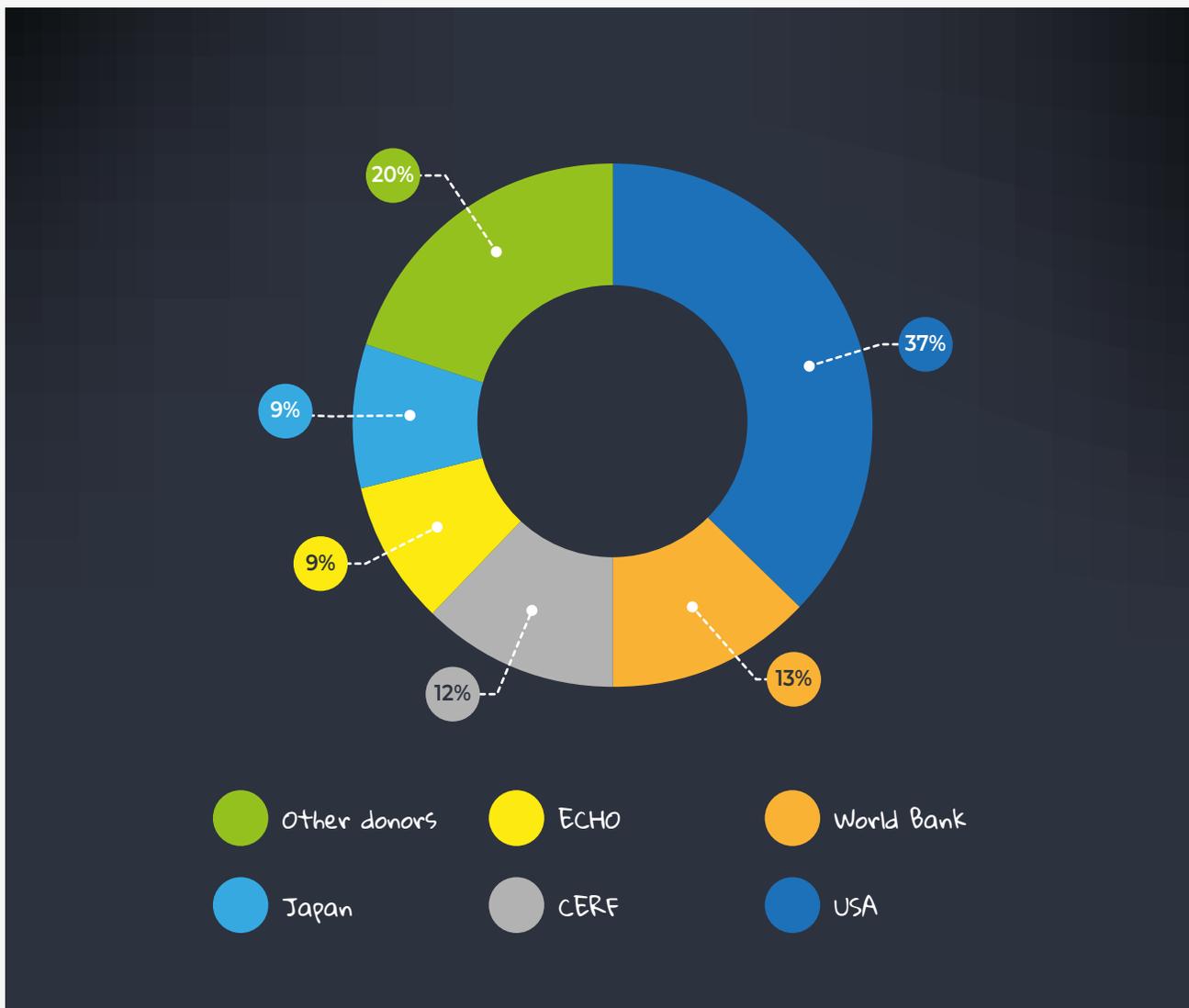
Figure 4 Total amount received per type of implementing agency (in Million US\$) - overall humanitarian response



80% of total funding was provided by 5 major donors, including the United States (37% of the total), the World Bank (13%), CERF (12%), ECHO (9%) and Japan (9%). The remaining 20% was funded by 17 other donors. Among the 5 major donors, the World Bank was the only one to provide funding to the Government to extend the national social protection programme in response to the crisis. Other major donors have chosen to fund programmes implemented by non-governmental humanitarian actors.

Source: Office of the Resident Coordinator, Situation Report No. 7, July 2017

**Figure 5** Amount allocated per donor (in Mil US\$) - overall humanitarian response



## 4.1.2 Monetary response to drought

Madagascar has widely used cash transfers as a means of providing a response to the needs of the population affected by the crisis. It is estimated<sup>[15]</sup> that about US\$ 26.5 million was used in 2016-2017 for the humanitarian cash transfer response, i.e. almost 30% of the overall amount of humanitarian assistance for the crisis in the South (see previous section). In cumulative numbers (not counting overlap), the programmes reached almost 240,000 households (almost 1 million individuals<sup>[16]</sup>). Cash transfers were used for multi-sectoral purposes: food security, nutrition, WASH, child protection and agriculture.

The emergency cash working group identified seven cash transfer programmes implemented in response to the drought

<sup>15</sup> Based on data collected from cash working group managed by the Ministry of Population. The estimate is likely to lack accuracy, as members provide and update the information on a voluntary basis. While using such data, one must be aware of possible inaccuracies. This analysis only reveals general trends.

<sup>16</sup> There is an issue of incompatibility between the data provided by the emergency cash group and the RIASCO report data. Indeed, according to the latter, 685,000 people benefited from humanitarian aid (including cash), according to the emergency cash group almost 1 million benefited from monetary support.

Source: Office of the Resident Coordinator, Situation Report No. 7, July 2017

in the South, plus an 8th programme implemented by UNDP after the crisis as a means of recovery<sup>[17]</sup>.

These 8 cash transfer programmes can be divided into 4 groups :

- Programmes providing support during crisis through *periodic, multi-month, fairly regular and predictable transfers*. These types of programmes may be more or less focused on support for food consumption or overall consumption and/or be associated with other sectoral activities in order to pursue specific sectoral objectives (such as nutrition, health, protection, etc.) Such is, for example, the case for the MPPSPF programme aimed at promoting practices related to child protection in the household. The common feature of these programmes is that the main approach remains stabilizing household consumption during the crisis period. They are mainly programmes implemented by

FID, WFP, Ministry of Population and (to a lesser extent) CARE<sup>[18]</sup>.

- Programmes aiming to *protect the livelihoods of households*, especially those related to agriculture. These types of programmes are often associated with and complement the first types of programmes: that is the case of FAO and CRS' programme. Both programmes aim at distributing cash or vouchers to enable households to access seeds or agricultural tools. These programmes provide one-time distribution per household.
- *Specific sectoral programmes*: this is the case of UNICEF's WASH programme, aimed at providing vouchers to help households buy water. This type of programme can complement the first type if the amount of the support programme for consumption does not seem to take specific needs into account (in this case, water) or if the said specific need only affects very limited group of beneficiaries of the main programme. Post-crisis recovery programmes: This is essentially

UNDP's programme, implemented after the acute crisis period from July 2017. UNDP's intervention model is Cash-For-Work with the specific purpose of complementing humanitarian efforts and helping to stabilize livelihoods and improve the economic and social conditions for long-term development. The programme is implemented after the emergency phase itself.

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<sup>17</sup> For the moment, the cash working group does not yet have details on the number of beneficiaries and the UNDP programme budget.

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<sup>18</sup> In fact, CARE chose a CFW programme, with consumption support limited to around one month, with the double objective of promoting the rehabilitation of community assets

**Table 8** Cash transfer projects in response to emergency in the South

IMPLEMEN- TING AGENCY	BUDGET (US\$)	BENEFICIARY HOUSEHOLDS	SECTOR	TYPE OF PRO- GRAM
<b>Consumption support programmes</b>				
WFP	8 100 000	94 500	Food security	Unconditional cash transfer
FID (emergency phase)	13 100 000 <sup>[18]</sup>	59 559	Nutrition, livelihoods, resilience	Unconditional cash transfer
MPPFPS	237 000	1 364	Child protection	Unconditional cash transfer
CARE	560 000	7 186	Food security, nutrition, resilience	CFW
<b>Livelihood protection programmes</b>				
FAO	2 610 000	47 033	Agriculture	Unconditional cash transfer
CRS	912 705	18 171	Agriculture	Vouchers
<b>Specific sectoral programmes</b>				
UNICEF Wash	250 000	5 000	WASH	Vouchers
<b>Recovery programmes</b>				
UNDP	800 000	5 240	Recovery	CFW

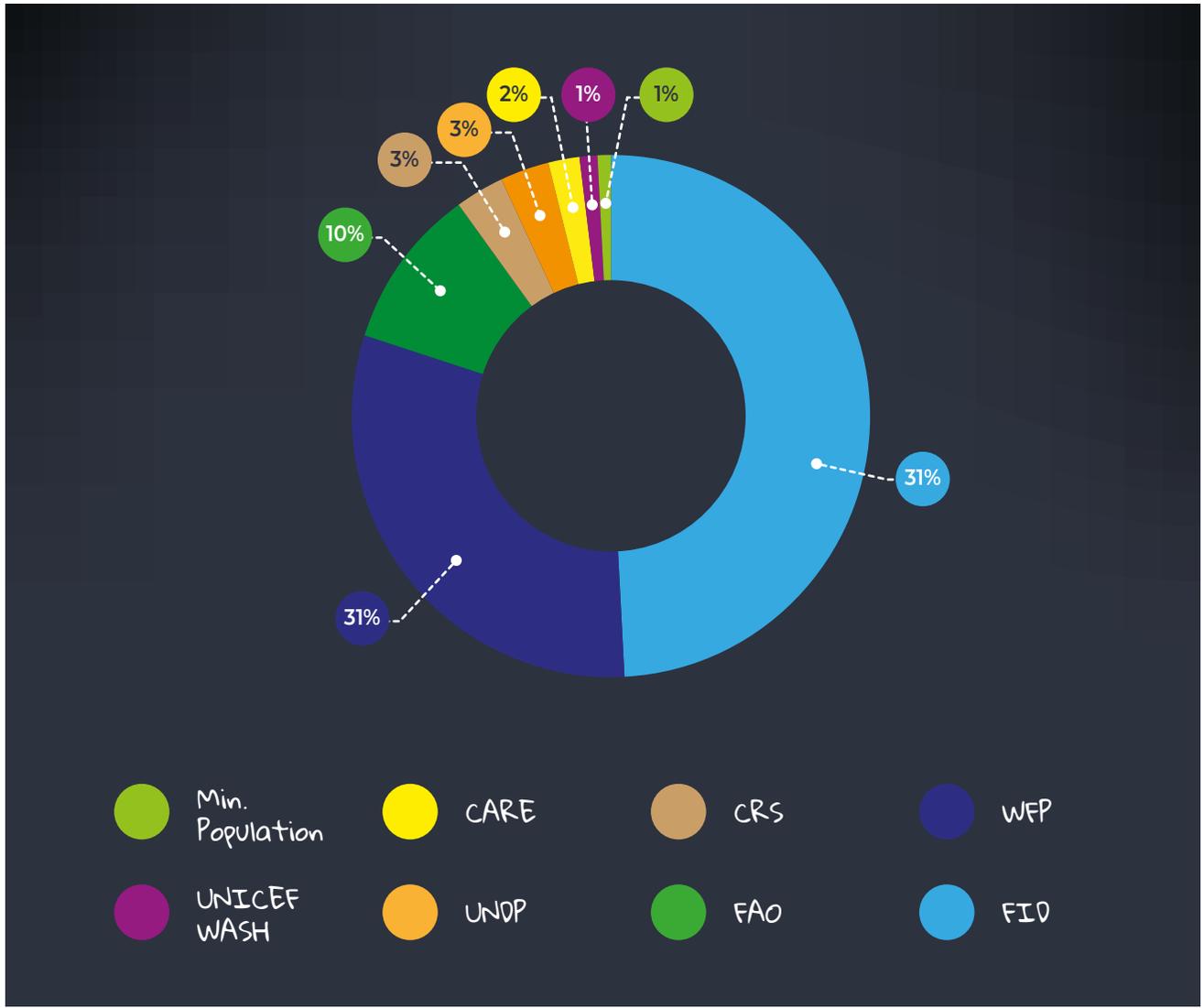
82% du financement alloué aux transferts 82% of funding allocated to cash transfers in the South is divided between both main programmes, the FID programme, which accounts for about half of the total budget invested in cash transfer and the WFP programme which accounts for 31% of the total budget<sup>[20]</sup>. The remaining 18% is spread among the other 5 projects.

Source: Data provided by members of the emergency cash group

<sup>19</sup> This amount includes only the budget recorded as part of the emergency response, as recorded by OCHA in the official statistics reported in the previous section

<sup>20</sup> The WFP budget counted here is only that related to cash transfers. The total budget, which includes both in-kind transfers, exceeds US\$ 50 million.

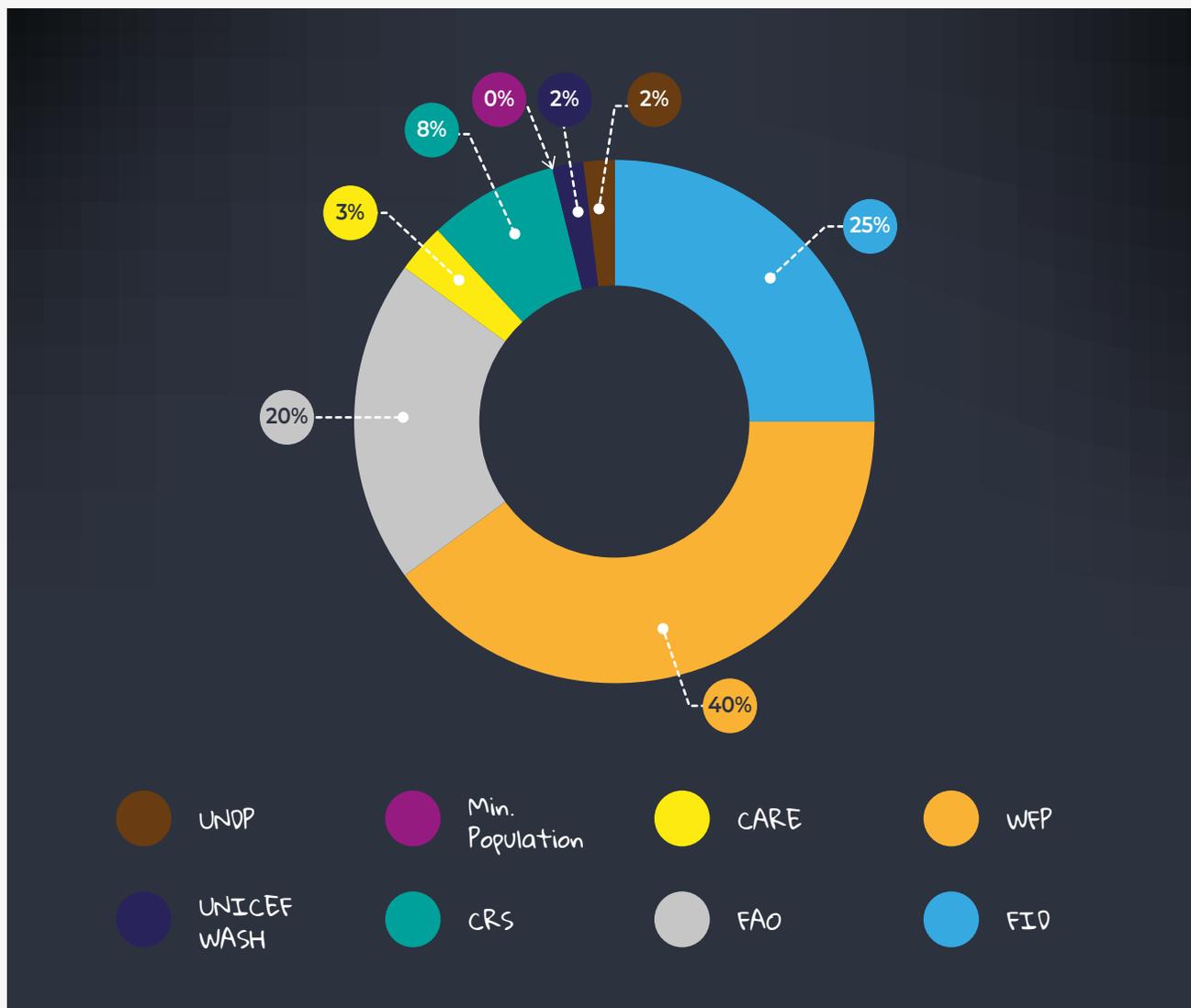
**Figure 6** Budget of the monetary projects per agency (% per agency)



The analysis of the total number of beneficiaries remains complicated because there is no single and harmonized record among partners. An estimate can be made of the total number of households that benefited from each programme, but without a single register to assess programme overlap, it is impossible to estimate the total number of households affected by these interventions. WFP is the agency that has reached the largest number of beneficiaries (around 94,000 households), followed by FID (almost 60,000 households). That said, it should be noted that WFP’s programme was limited only to the emergency period, while the FID programme also covered rehabilitation and development. In addition, the FID budget does not only cover the monetary response but also the additional measures related to nutrition and the recovery fund paid to households (US\$ 60/household), set up as a post-crisis recovery strategy.

Source: Data provided by the emergency cash group

Figure 7 Number of beneficiary households (% per agency)



An overview of the geographical overlap (commune level) between programmes for two sites (e.g. Ambovombe and Tsihombe) is given in the table below. However, without any comparable Fokotany and household data, it is not possible to understand whether there has been a real programme overlap. The information collected by FID and WFP at the start of the operations counted an estimated 9,229 households to benefit from both programmes<sup>[21]</sup>(in all the southern districts affected). However, to avoid time overlap, FID took over after the WFP programme. For the other programmes, no data is available to make estimates. Field visits in some villages benefitting jointly from several programmes estimated that around 30% of FID beneficiaries who participated in the focus groups also benefited from other initiatives<sup>[22]</sup>(CFW by CARE and/or FAO's cash transfer programme).

<sup>21</sup> This corresponds to about 10% of WFP beneficiaries and 15% of FID beneficiaries. Source: FID-WFP reconciliation file provided by UNICEF

<sup>22</sup> Findings during focus groups, no statistical value

Source: Data provided by the emergency cash group

**Table 9** Number of beneficiaries compared to estimated needs – examples for the Districts of Ambovombe and Tsihombe

REGION	DISTRICT	COMMUNE	Total number of population	HOUSEHOLDS IN NEEDS (IPC ESTIMATE IN OCTOBER 2016)		HOUSEHOLDS TARGETED BY EACH PROGRAMME							
				%	#	PERIODIC SUPPORT TO HOUSEHOLD CONSUMPTION				ONE-TIME SUPPORT TO PROTECT LIVELIHOOD		SPECIFIC SECTORAL SUPPORT	
						FID	WFP	CARE	MPPSPF	FAO	CRS	UNICEF WASH	
ANDROY	AMBOVOMBE		378 811	45%	34 093								
		Ambanisarika					3 580	316			1 000		100
		Ambazoa				1 042		684					150
		Ambohimalaza				564							150
		Ambonaivo				583		350			843		150
		Ambondro					603				14 73	1 623	50
		Ambovombe				4884		401	383		1 211		550
		Ampamata										314	
		Analamary				415		619					50
		Andalatanosy				2210	4 346				1 000		
		Anjesty Ankilikira					2 799	192					150
		Antanimora					3 279				900	3 689	
		Atsimo Erada				674		543				1 857	150
		Imanombo											
		Jafaro						3794			1 786		
		Maroalomainty					1 678		340				200
		Maroalopoty					4 429		357		1 473		150
		Marovato Befeno					1 319						150
		Sihanamaro					3 127						100
Tsimananada					1 185		585				150		
					<b>22 110</b>	<b>17 798</b>	<b>4 990</b>	<b>383</b>	<b>10 000</b>	<b>7 169</b>	<b>2 250</b>		

REGION	DISTRICT	COMMUNE	Total number of population	HOUSEHOLDS IN NEEDS (IPC ESTIMATE IN OCTOBER 2016)		HOUSEHOLDS TARGETED BY EACH PROGRAMME						
				%	#	PERIODIC SUPPORT TO HOUSEHOLD CONSUMPTION				ONE-TIME SUPPORT TO PROTECT LIVELIHOOD		SPECIFIC SECTORAL SUPPORT
						FID	WFP	CARE	MPPSPF	FAO	CRS	UNICEF WASH
ANDROY	TSIHOMBE	Anjampaly	128 757	75%	19 314	2 021					1 662	200
		Antaritarika				2 185						100
		Betanty				1 892					2 043	
		Imongy				1 306						250
		Marovato				1 975				2 793		200
		Nikoly				2 101	1 766			2 207		300
		Tsihombe				3 879	6 826		302		2 084	100
		Behazomanga					1 260					100
						<b>15 359</b>	<b>9 852</b>	<b>0</b>	<b>302</b>	<b>5 000</b>	<b>5 789</b>	<b>1 250</b>

Source: data IPC October 2016 and data provided by the emergency cash group

Besides, the total number of households having benefited from a consumption stabilization programme is higher than the needs estimated by the IPC methodology in the two communes taken for example (Ambovombe and Tsihombe). Indeed, as Table 9 shows, the IPC analysis indicates that about 45% of the population of Ambovombe (34,093 households) were in a crisis or emergency situation and needed support for consumption. In this district, more than 45,000 households benefited from extended monetary support for consumption (not counting the livelihood support and specific programmes), thus 30% more than estimated needs. Tsihombe

has a similar situation. This is explained by the overlap between programmes and the lack of a clear targeting strategy to identify households really in need. It should be noted, however, that the number of households in need identified through the IPC method is only an estimate, and that this number may be slightly under- or over-estimated in relation to the needs encountered in the field during programme preparation. The gap could also be explained by the fact that the planning of some programmes was done based on the indicators of acute malnutrition and not only on IPC's food insecurity indicators.

A similar situation is found in other districts (Bekily and Amboasary in Appendix 5). While the situation in Bekily is very similar to Ambovombe and Tsihombe, Amboasary has a concentration of consumer support programmes only in 5 out of 14 communes in the district.

Overall, the humanitarian cash response in the South has not been coordinated enough, as programmes with very similar aims have used implementation parameters (targeting and amount) that are different from each other:

**Tableau 10** Parameters of the cash transfer programmes providing support to consumption and other sector-specific goals

	FID	WFP	CARE	MPPSPF
<b>Targeting type</b>	Categorical: mothers with children under 5 registered at ONN sites	Community + survey based on socio-economic well-being indicators	Households with children under 5, pregnant and breastfeeding women	Categorical: households with children over 18 in situation of exploitation (assessed through a social questionnaire)
<b>Amount of transfer (emergency phase)<sup>[23]</sup></b>	MGA 30,000/month (MGA 60,000/month initially)	MGA 60,000/month	MGA 3,000/day MGA 60,000/month (20 days of work)	MGA 30,000/month
<b>Duration</b>	12 months	6 months	2 months	8 months
<b>Overall amount of transfer</b>	MGA 360,000	MGA 360,000	MGA 120,000	MGA 240,000

Source: Data provided by the emergency cash group

Therefore, these programmes used different approaches in the same geographical areas (or even in the same villages) in terms of targeting, monthly amount, duration and overall amount of the transfer. The same applies to FAO and CRS livelihood support programmes, where both the targeting criteria and the amount were different.



**Table II Parameters of the cash transfer programmes in support to livelihoods**

	FAO	CRS
<b>Type of targeting</b>	Community based on predefined vulnerability criteria: agricultural households composed of more than 5 persons and/or pregnant or breastfeeding mothers, and/or elderly people and/or people with a disability	Community, based on predefined vulnerability criteria; households having "least 100sq.m large land and working tool"; households without sufficient means to buy seeds or other agricultural inputs; households headed by women with at least two children; households with more than five children under 15; households headed by minors (single mother, household with young couple <18); disabled or chronically ill; households with malnourished children under 5
<b>Amount of transfer [24] (emergency phase) [25]</b>	MGA 20,000 (or MGA 10,000+seeds)	MGA 30,000
<b>Duration</b>	1-time distribution	1-time distribution

Source: Data provided by the emergency cash group (to be updated)<sup>[23][24]</sup>

<sup>24</sup> The parameters refer to the initial planning of the projects, in reality they have not always been respected, especially as to duration. For instance, the FID sometimes started the emergency programme in May-June 2017 by providing 4-5 distribution at MGA 30,000 before switching to the TMDH programme. This delay in start-up which affected the planning is also explained by the efforts of coordination between actors who wanted to avoid the overlap in the same locations. As part of the CARE programme, the interviewed households sometimes had only 5 or 10 working days, having preferred to increase the number of beneficiaries and reduce the amount of benefits proportionally

<sup>25</sup> 0.5 Ha production goal per family for FAO and about 0.4 Ha for CRS

Overall, the monetary response, with US\$ 26.5 million and almost 240,000 affected households, does not seem to have been insufficient in relation to needs. On the contrary, cash transfers could

have reached all households in need, estimated at 978,000 during acute crisis without overlap. In addition, the average per capita cost of these interventions was approximately US\$ 130, with operating

costs of 25%-30%<sup>[25]</sup>, an amount of approximately US\$ 100 (or MGA 300,000) could have been distributed to each household in need. This would have been possible in the context of well-established initial planning and coordination between the different partners, avoiding overlaps, targeting households in real need, avoiding duplication of operational costs.

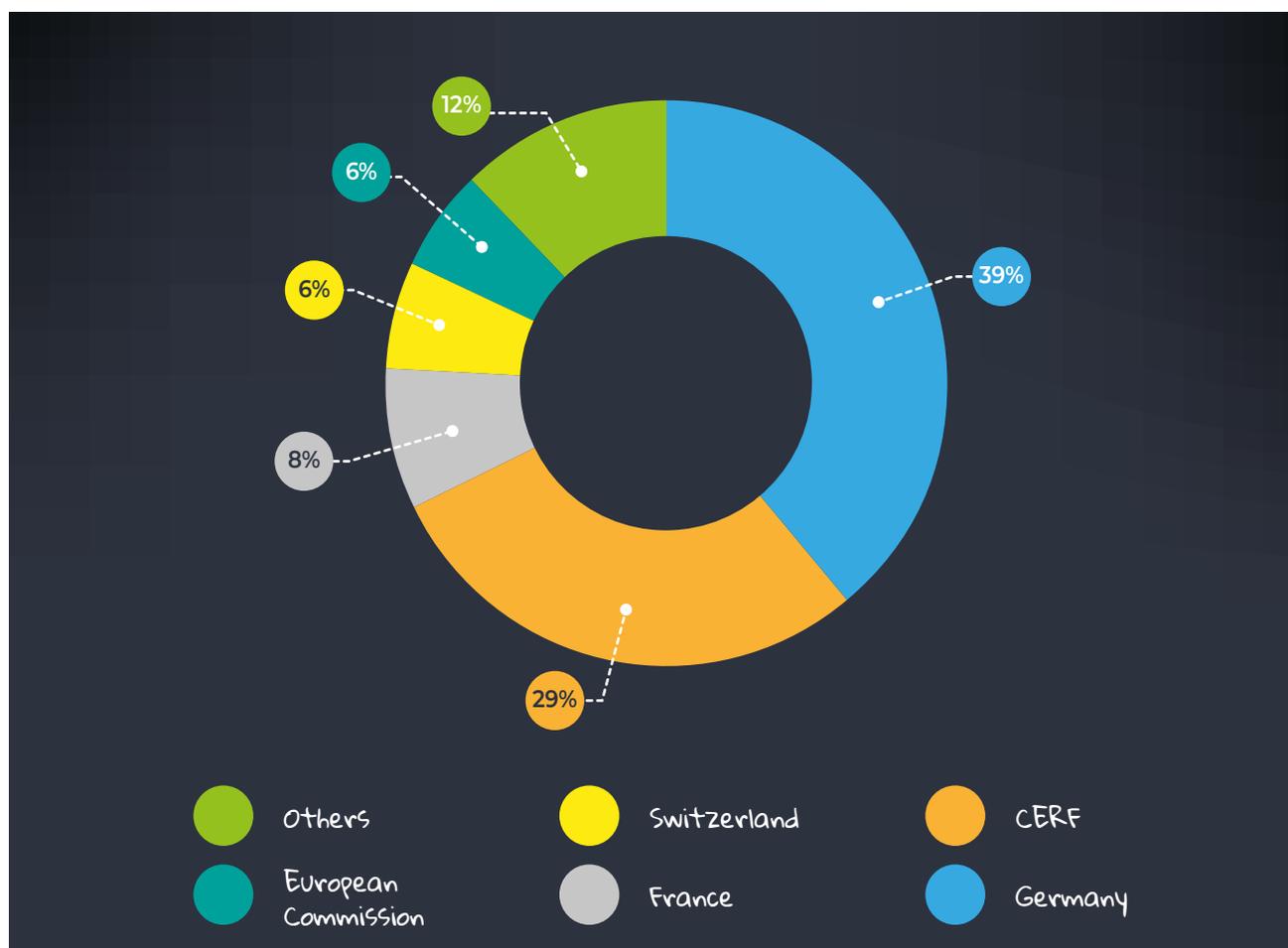
<sup>26</sup> Restrictive estimate based on operational costs for this typology of emergency programme

## 4.2 CYCLONES

### 4.2.1 Overall humanitarian response to cyclone Enawo

According to estimates by humanitarian agencies, US\$ 20 million will be needed to respond to the damage caused by Cyclone Enawo, which affected just over 400,000 people in March 2017 (OCHA, March 2017). The amount of humanitarian aid actually received amounts to US\$ 17.2 million, or almost 86% of the amount requested. Figure 8 shows the top 5 donors who contributed to the humanitarian response for Cyclone Enawo.

Figure 8 Main donors of the humanitarian response to cyclone Enawo - overall humanitarian response

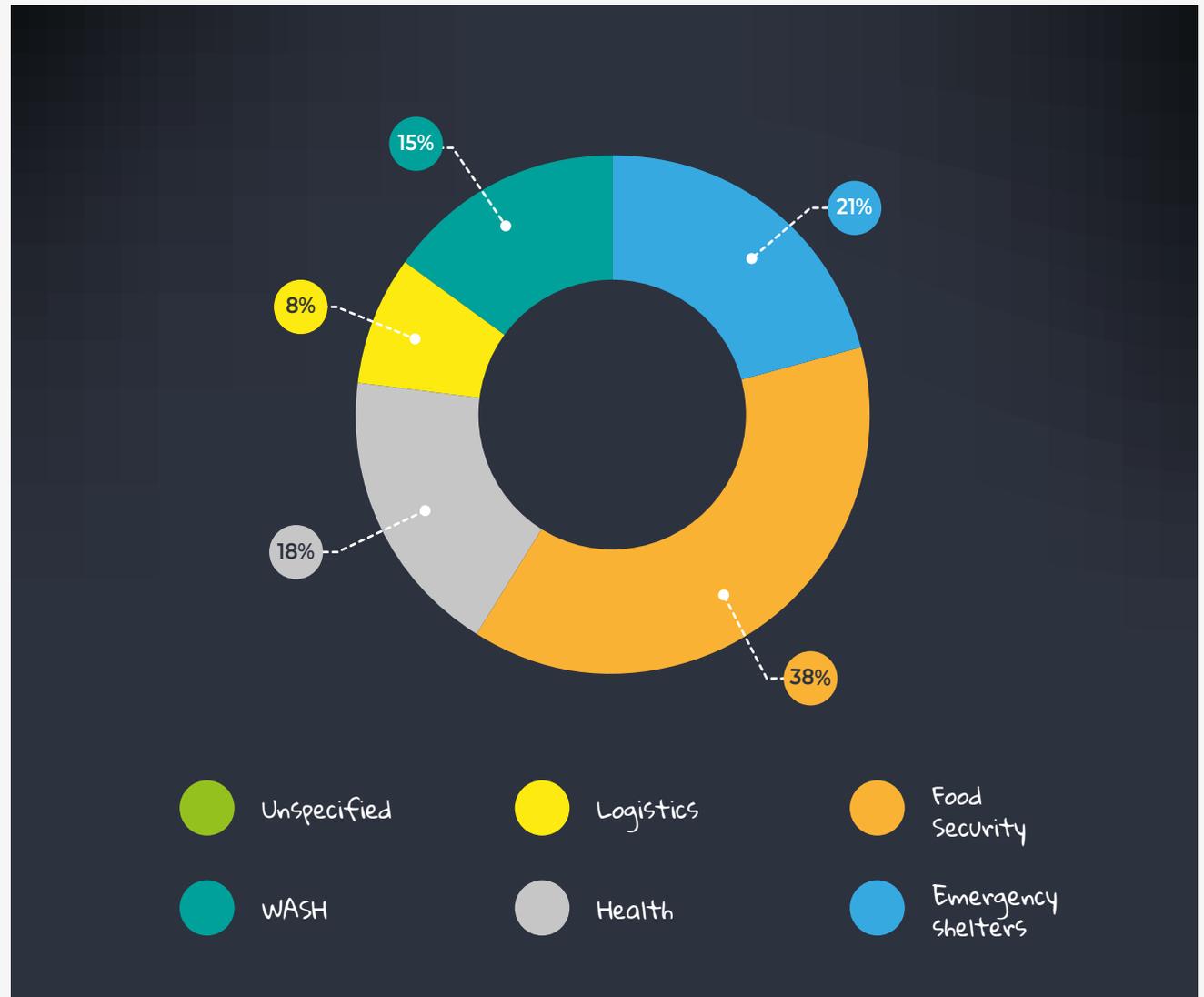


Main donors of the humanitarian response to cyclone Enawo - overall humanitarian response

Food security interventions have channeled most of the funding (38% of the total), followed by emergency shelter, health and WASH interventions.

Figure 9

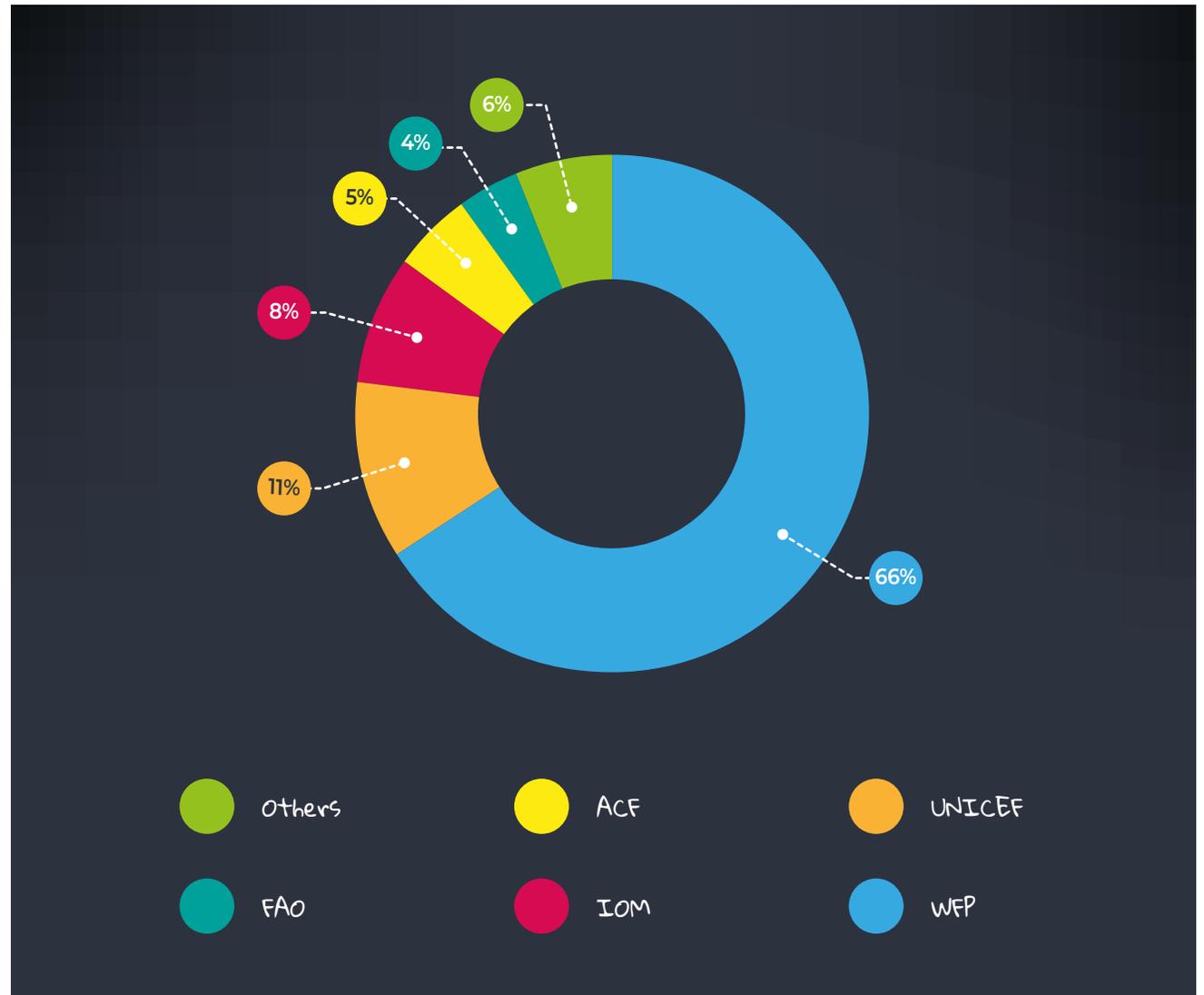
Funding received per sector (% of total) - overall humanitarian response



Source: OCHA Financial Tracking Service, 19 September 2017, <https://fts.unocha.org/appeals/590/summary>

WFP was the first recipient of international assistance for the response to Enawo (66% of funding), followed by other United Nations agencies, particularly UNICEF (11%).

**Figure 10** Funding received by the various organizations (% of total) - overall humanitarian response



-----  
**26** It is possible that these data do not take into account all the funding received by the different organizations, but only those requested as part of the Flash Appeal by the OCHA. Indeed, some organizations (FID, UNDP, SIF) are not among the recipients of international aid while having implemented emergency programmes. As for FID, this is explained by the fact that the funds used come from an emergency window (contingency fund) within the global budget of the World Bank-financed Social Safety Net project.

Source : FTS system OCHA, 19 septembre 2017 <https://fts.unocha.org/appeals/590/summary><sup>[26]</sup>

## 4.2.2 Monetary response to cyclone Enawo

Unlike the response to the drought in the South, in the case of cyclone Enawo, the monetary response has remained relatively low as part of the overall humanitarian response. In fact, out of the US\$17 million, less than US\$ 1 million has financed cash transfer activities, whether through CFW activities or unconditional cash transfer (UCT). In fact, WFP, the first recipient of humanitarian funds, chose a response in kind rather than money. There were no

preliminary market studies justifying this choice, but it is possible that the lack of time to conduct these studies, logistical constraints and the availability of pre-positioned food motivated WFP to choose this approach (food distribution).

Despite the relatively limited budget, the number of global beneficiary households remains relatively high. According to the data collected by the emergency cash group, some 28,000 households benefited from (CFW or unconditional) cash transfers, i.e. 126,000 people. This represents about 30% of the people affected by cyclone Enawo.

Members of the emergency cash group have identified 7 programmes. 6 of them are CFW activities (at the same time coupled with unconditional cash transfers for those unable to work); the UNICEF-funded BNGRC programme was the only one to be unconditional cash transfer type. The largest programme is the one implemented by the BNGRC, which has reached about 14,000 households in the Sava and Analanjirofo regions.

The objective of the different programmes is quite similar, regardless of the type of intervention chosen. They are in fact consumer support programmes to help households affected by the cyclone to meet the basic needs (food and/or non-food) after the shock, and keep any negative survival strategy away. Only the UNDP programme had a different goal, geared towards recovery more than towards emergency, which justifies the presence of a savings/investment component associated with CFW.

The emergency cash working group in Antananarivo made a major effort to harmonize the parameters of the various monetary interventions in response to Enawo. The criteria defined by the working group were as follows:

**Table 12** Budget and number of beneficiaries of the different cash transfer projects in response to Enawo

	BUDGET	BENEFICIARIES	TYPE OF INTERVENTION
BNGRC	235 000	14 000	CT
FID	<b>128 000</b>	4 095	CFW
CARE	238 140	3 709	CFW (+CT)
CRM	<b>32 500</b>	1 299	CT
SIF	ND	240	CFW
WHH	84 000	4 476	CFW (+CT)
UNDP	<b>14 200</b>	227	CFW

Source: data collected by the cash working group (database of August 28, 2017) Data in blue is an estimate based on # beneficiaries \* transfer amount + 25% administrative costs + about 25% equipment costs for CFW

- An amount of the transfer equivalent to MGA 60,000 (initially set at MGA 40,000 before review), either through a single unconditional cash transfer, or based on a salary of MGA 3,000/day for a period of 20 working days for the CFW programmes. The Ministry then raised the daily wage upwards to MGA 5,000/day for all programmes, which implies that the transfer amount of CFW increased to MGA 100,000

- Relatively harmonized criteria for drafting the list of beneficiaries (targeting) and in particular prioritizing the following households: single-parent households, households with pregnant or lactating women, households with children under 5, households with more than 7 members, households with elderly people or people with disabilities.

That said, there is a gap between central harmonization efforts and field achievements. More particularly, in terms of targeting strategy, the criteria retained at the central level remained purely theoretical. In part, this is because the criteria was defined too broadly (as to the available budget) and failed to really target beneficiaries. Drafting beneficiary lists in the field has often been done without accurate criteria and with different approaches from

one organization to another. Field visits revealed that focus group participants and local officials were often unable to explain

the process used to draw up the list of beneficiaries.

**Table 13** Type of Intervention, amount of transfer and location - response to Enawo

	AMOUNT OF TRANSFER	TYPE OF INTERVENTION	LOCATION
<b>BNGRC</b>	MGA 60,000	UCT	Sava, Analanjirofo
<b>FID</b>	MGA 60,000	CFW	Sava, Analanjirofo
<b>CARE</b>	MGA 100,000 CFW and MGA 60,000 UCT	CFW (+UCT)	Sava
<b>CRM</b>	Between MGA 60,000 and MGA 160,000	UCT	Antananarivo
<b>SIF</b>	MGA 60,000	CFW	Antananarivo
<b>WHH</b>	MGA 60,000	CFW (+UCT)	Atsimo Antsinanana
<b>UNDP</b>	MGA 120,000 (includes a final saving component equivalent to 50%)	CFW	Sava

Source: Data provided by the emergency cash group

The absence of a single register used by all stakeholders was a real challenge in the response to Enawo. In one village, several lists have been prepared by the various organizations (whether for in-kind or monetary aids), following different criteria, steps, timings. Communities saw this as a process that lacked clarity and transparency.

Another important challenge of the monetary response relates to the time lag between the cyclone and the implementation of assistance programmes. Some stakeholders, such as the FID, have been successful in implementing the programmes within about 6-7 weeks in all



the locations affected. However, six months after the cyclone, organizations such as the BNGRC and CARE for instance are still in the process of making distributions under the emergency programme. On one hand, the FID was able to rely on well-established pre-implementation procedures, on a pre-existing contingency fund and a proven operational cash and CFW transfer capability that enabled it to launch activities on short notice. Most other stakeholders had to mobilize resources, define their post-shock implementation procedures and strengthen their operational capacity for such interventions, which slowed the response.



5

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# Getting close to building a shock-responsive social safety nets system

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Between 2016 and 2017, Madagascar faced two major crises, i) a major drought that affected the south of the country and ii) the Enawo cyclone that struck the north-east of the country in March 2017. The monetary response to both major episodes was structured around i) a State response by extending the national safety net programme

and ii) a humanitarian response through a set of programmes implemented by United Nations agencies and NGOs. However, this response remains rather uncoordinated. This chapter and the following present the main challenges and milestones towards an integrated social protection system in response to shocks.

## 5.1 CAPACITIES AND LIMITATIONS OF EXPANDING THE STATE-RUN SOCIAL SAFETY NETS PROGRAMME

**Madagascar has a relatively recent social protection system moving towards gradual development,** as discussed previously. The Government of Madagascar's social safety net programme has shown great flexibility in the crises that hit the country between 2016 and 2017, by mobilizing additional funding to adopt a strategy of horizontal as well as temporary vertical extension in response to the needs of the population affected

by natural disasters at the time of the shock.

**Extension of the Government's social safety net programme in the face of shocks.** . The table 14 below presents the horizontal (new beneficiaries included) and vertical (amount of transfer increased) extension strategy in response to the crises that affected the country in 2016 and 2017.

**Table 14 Strategy for extending the Government’s social safety nets programme in view of past shocks (2016-2017)**

EXTENSION OF THE STATE-RUN SOCIAL SAFETY NET PROGRAMME TO RESPOND TO EMERGENCIES	
<b>Horizontal extension</b>	<p>Drought in the South (2016):</p> <ul style="list-style-type: none"> <li>• Inclusion of approximately 60,000 new beneficiaries (+150%) of the cash transfer programme through i) geographical extension of the programme in the regions affected by the crisis, ii) modification of the criteria for inclusion to ensure wider coverage within each beneficiary village<sup>[28]</sup></li> </ul> <p>Cyclone Enawo<sup>[29]</sup> (2017) :</p> <ul style="list-style-type: none"> <li>• Inclusion of 4,095 beneficiary households in the regions affected by the cyclone (CFW)</li> </ul>
<b>Vertical extension</b>	<p>Drought in the South:</p> <ul style="list-style-type: none"> <li>• Increase the amount of transfer from an average of MGA 20,000/month to MGA 30,000/month during the emergency period (12 months)</li> </ul> <p>Cyclone Enawo :</p> <ul style="list-style-type: none"> <li>• No change in CFW programme settings</li> </ul>

In the context of the crisis in the South, the extension of the social safety net programme reached approximately 60,000 households, or 300,000 individuals. This equates to about 1/3 of the estimated needs for the affected Southern regions (RIASCO report estimates).

**However, the State social protection programme is not yet able to respond on its own to the recurring crises affecting the country.** The table below presents the main limitations of the Government’s social safety net programme, in terms of needs analysis, extension capacity, response timing, type of intervention and funding capacity. In the coming years, the national social protection system and the humanitarian response implemented by NGOs and United Nations agencies will have to coexist to ensure an adequate response to the needs of the population in the event of shocks. The response of humanitarian actors should be complementary and harmonized with the State’s response to ensure coherence as needed

<sup>27</sup> As part of the traditional social safety net programme, PMT targeting helps select about 30% of households in each village (the poorest 30%), and for emergency extension, a categorical targeting was prioritized. About 52% of households (data at national level) are eligible for these conditions.

<sup>28</sup> Horizontal extension for Cyclone Enawo did not require additional fundraising. The social safety nets programme has an «emergency response» component of approximately US\$1 million a year that can be mobilized as needed.

	LIMITATIONS OF THE RESPONSE TO SHOCKS THROUGH THE STATE'S SOCIAL PROTECTION PROGRAMME	COMPLEMENTARITY OF NON-STATE HUMANITARIAN STAKEHOLDERS
<b>Needs analysis</b>	The Government's social protection system was initially designed to tackle a situation of chronic poverty. At present, it does not have adequate needs analysis tools to respond to a humanitarian crisis and therefore understands the scale of the possible horizontal and vertical extension that will be needed.	Humanitarian actors have traditionally developed a set of analytical tools to understand the needs of the population to respond to a humanitarian crisis as well as the risks and mitigation measures in the use of emergency cash transfers. The responsibility of these actors will be to build the Government's capacity to conduct this type of assessment as crisis preparedness to ensure State's response meets the needs of the affected population.
<b>Typology of intervention</b>	<p>The national social safety net programme is able to provide a monetary response in case of shocks, but not a response in kind.</p> <p>Although the monetary response is largely to be preferred, there are situations where the response in kind is required (especially when, following a major shock, markets are temporarily defective).</p>	<p>Needs analysis and market analysis will identify where and when the monetary response is not appropriate.</p> <p>Humanitarian actors will intervene in areas where in-kind distribution of food and non-food is needed, areas that cannot be covered by the State's social protection programme.</p>
<b>Timing of intervention</b>	<p>The national social safety net programme demonstrated almost immediate response capacity following Enawo (implemented within 6 weeks). Indeed, the FID has used a «contingency fund» already available in its budget to respond to crisis.</p> <p>But in the context of the crisis in the South, FID took time to mobilize additional resources. There was a gap (August 2016 for WFP and December 2016 for FID) between the start FID and WFP's interventions. Depending on funding sources and donors, it is possible that the Government's programme may not be able to provide an immediate response unless a contingency fund in response to crises is already available.</p>	In case where the national system requires time to implement the emergency response, humanitarian actors can take over through a harmonized approach to the State's approach (same amount, same targeting, etc.) The Government can take over the national programme as soon as resources are available.

	LIMITATIONS OF THE RESPONSE TO SHOCKS THROUGH THE STATE'S SOCIAL PROTECTION PROGRAMME	COMPLEMENTARITY OF NON-STATE HUMANITARIAN STAKEHOLDERS
<b>Type of funding</b>	<p>The national system (through FID) was the second recipient of humanitarian aid as part of the response to the crisis in southern Madagascar. However, it has been funded only by the World Bank and UNICEF, the traditional donor for this type of intervention.</p> <p>A large proportion of humanitarian donors who finance emergency crisis response (ECHO, US, etc.) tend not to provide direct funding to Government systems.</p> <p>In this case, the national system alone will not be able to channel enough resources to respond to crisis.</p>	<p>Humanitarian actors will be able to mobilize the resources needed for the humanitarian response to:</p> <ul style="list-style-type: none"> <li>● Implement harmonized monetary interventions that complement the State-run programme</li> <li>● Where possible, catalyze the funds to retrocede them to the Government's programme</li> </ul>
<b>Horizontal extension</b>	<p>The national system has demonstrated great capacity for horizontal extension: +150% of beneficiaries as part of the response in the South.</p> <p>However the system is still small scale at the national level. It will not yet be able to provide optimal coverage in the event of crisis.</p> <p>In addition, the national system should make efforts to broaden its coverage of the chronically vulnerable population. It will not be able to immediately devote all its resources to extension in the event of a crisis. .</p>	<p>Humanitarian actors will be able to complete the coverage of the needs not covered by the national system, through a clear distribution of the intervention areas.</p>

	LIMITATIONS OF THE RESPONSE TO SHOCKS THROUGH THE STATE'S SOCIAL PROTECTION PROGRAMME	COMPLEMENTARITY OF NON-STATE HUMANITARIAN STAKEHOLDERS
Vertical extension	<p>As part of the extension in the South, the national programme has changed the amount of transfers to better respond to the crisis (mobilization of additional resources).</p> <p>However, it is possible that the programme may not always have this flexibility. There are indeed budgetary constraints and achievements due to donors. An increase in the amount of the transfers may change the budget and the planned outputs, and could be difficult in the context of pre-existing financing.</p> <p>The presence of a contingency fund to be used as needed within the social safety nets programme could minimize this risk</p> <p>[30]</p>	<p>If a vertical extension becomes necessary and the national programme does not have the flexibility to do so, humanitarian agencies could put in place a complementary transfer mechanism to fill the additional deficit for households because of crisis.</p>
Typology of crisis	<p>The national social protection system may not be able to respond to a crisis of a political nature. In the context of an institutional crisis, it would be impossible for the Government to mobilize additional resources to extend the programme. Depending on the nature of the crisis, some resources already made available could also be temporarily frozen.</p>	<p>In case of a major political crisis, which could block some of the funding to State structures, the humanitarian system will have to take over as a catalyst for international financing as well as in programme implementation.</p>

29 The fund already exists under the World Bank-funded project. It equates to about US\$ 1 million/year, to be allocated between cash transfers and infrastructure rehabilitation. It is used mainly to respond to cyclones and is not sufficient for large-scale crises like the one that affected the South of the country in 2016.

## 5.2 ROLES AND RESPONSIBILITIES OF HUMANITARIAN STAKEHOLDERS

It is necessary to set up a harmonized State and humanitarian response to move towards an integrated and shock responsive social protection system. Given the current limitations of the State's social protection programme, humanitarian actors, United Nations agencies and NGOs have an important role to play in the monetary response to complement the national programme. The role of these organizations is twofold, namely to:

- Build the Government's capacity to respond to emergencies by strengthening the national system (e.g. by sharing management tools or methodological approaches). These organizations have a role to play in providing support and technical assistance enabling the Government to strengthen its social protection programme and make it responsive to shocks. In fact, humanitarian agencies have experience in preparing and responding to large-scale crises, which the Government is still lacking. The last chapter presents with more details the main steps to move towards harmonization of cash transfers and also the role humanitarian agencies can play in supporting the Government in this process.

- Implement a humanitarian assistance response complementing that of the Government, which makes it possible to meet needs that the State programme cannot cover. The preceding table summarizes the main role that humanitarian agencies can play in responding to the limits of extending the State programme.

The challenge in Madagascar is to move towards an integrated system of emergency cash transfers, linked to the national social protection system and implemented by different actors. As capacity for response through Government programmes increases, in terms of needs analysis following a crisis, as well as capacity and operational coverage, the role of humanitarian actors can be reduced proportionally. Yet, considering the current low coverage of the national programme, the scale and recurrence of crises and Madagascar's institutional vulnerability, humanitarian actors will still have an important role to play in completing the response to crises in the coming years. The priority is therefore to align the different programmes and evolve towards a single system.





# 6



## Key steps towards harmonizing the national social safenets system in response to crises

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**State actors and humanitarian actors will have to develop an integrated cash transfer system in response to emergencies.** The key stages below are a must in order to align the State-run and the humanitarian systems:

- Harmonization of implementation parameters (targeting, amount of transfer, typology of intervention)
- Development of common tools that Government and humanitarian programmes can share
- Putting in place a clear institutional framework to implement this harmonization process, avoid duplication and maximize synergies.

Sections 6.1 to 6.3 discuss feasible options in Madagascar and provide some recommendations to move towards a harmonized framework. Appendix 1 presents a more detailed roadmap, including timing for implementing standard guidelines/procedures.

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## 6.1 HARMONIZING THE PARAMETERS

**The first step towards moving towards an integrated system is to set forth a harmonized methodology for defining implementation parameters. Defining a strategy for harmonizing cash transfer parameters does not mean setting the same parameters for all emergency cash transfer programmes, but rather having a common methodology for different actors to identify:**

- Who is in need of this type of project, who have been affected by the crisis: targeting strategy
- What are the needs (how much, for how long does the household require assistance): transfer value

- How long should the assistance last and in what form

The analysis focuses on harmonizing parameters in emergencies and does not address the definition of the parameters of the national safety net programme, which requires a different methodological approach and has been discussed previously.

Given Madagascar's vulnerability profile to natural disasters, the analysis of the extension of the social protection system takes into account the two major hazards that are (i) episodes of drought/food insecurity, which particularly affects the South of the country, and (ii) cyclones and associated floods, which arrival,

frequency and geographical location are less predictable.

### 6.1.1 Targeting

#### GEOGRAPHICAL TARGETING

**Repetitive and slow-growing crises/drought. The geographic targeting exercise described here is part of a coordination exercise between several programmes and not as part of a single project planning exercise. In the context of a joint exercise between several programmes (under the coordination of the Ministry of Population), the geographical targeting exercise results more in resource allocation and**

**distribution of stakeholders than in a real choice of areas of interventions. Zones (inclusion/exclusion) can only be selected if the resource mobilization to respond to the crisis is not sufficient and/or if there is a very limited number of implementing partners**<sup>[30]</sup>.

The Geographical targeting in a drought-related crisis can be done at two (or even three) levels:

- Targeting macro intervention zones: the idea is to identify the geographical limits of the regions affected by the crisis. There is consensus among all stakeholders in southern Madagascar to use data from the IPC analysis that measures the level of household food insecurity as a first step for geographic targeting (introduced in October 2016). The IPC analysis estimates the number of households undergoing crisis and food-insecure emergencies who need consumption support to overcome the crisis period. For now however, the IPC method is not yet able to provide reliable indicators related to acute malnutrition, due to certain

methodological weaknesses related to the measurement of indicators of malnutrition. Clear correlation still lacks between the incidence of food insecurity and acute malnutrition. However, humanitarian programmes must be able to provide an adequate response to both food-insecure and malnourished households. Until the IPC method is strengthened in its capacity to assess the level of malnutrition, it is therefore necessary that the prioritization of the localities targeted by the assistance be based on a joint analysis of the indicators of food insecurity (IPC) and nutritional indicators (SMART when available or ONN data).

- Resource allocation and geographic distribution of stakeholders: The IPC data is used to estimate households with food insecurity at the district level. SMART data (or in the absence of other data such as those from ONN) can be used to estimate the incidence of malnutrition at district level. By creating a composite index, we can assess the relative needs of each district in relation to both indicators. This allows distributing the (overall) resources according to the needs. A geographical distribution of the stakeholders can be done according to their presence on the territory, the other

interventions that they already have underway, donors' preferences, etc. This is an exercise to carry out jointly with the other emergency response groups (especially food security cluster). The distribution of resources among districts according to the needs does not only affect cash transfer interventions. Cash transfers are only a modality; it is possible that in some districts, as markets are not functioning, it is possible to intervene only (or partially) through in kind support. The geographical distribution of resources among cash participants must take this into consideration. Thus, this is an exercise to be carried out jointly between the emergency cash group and other working groups in charge of the entire humanitarian response, as soon as the results of the market analyzes are available (see next chapter on sharing operational tools). The table below shows an example of a distribution of resources by district. Now, this example only considers IPC data. In response to an emergency, until the IPC method is strengthened, a similar picture can be developed based on a composite index of food insecurity and malnutrition.

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**30** That was not the case in 2016-2017 in the South. Indeed, the seven organizations that made cash transfers could reach about 1,000,000 people with the possibility to cover all the estimated people in need

**Table 16** Example of resource distribution among districts based only on IPC (in the absence of data to build a composite IPC/malnutrition index)

IPC - OCTOBER 2016				
DISTRICT	TOTAL NUMBER OF POPULATION	POPULATION REQUIRING HUMANITARIAN AID		% OF TOTAL/ RESOURCE ALLOCATION
Betioky and Commune of Beheloka in the District of Tulear II	219 288	76 751	35%	9%
Bekily	178 478	71 391	40%	8%
Beloha	118 474	88 856	75%	10%
Ambovombe	378 811	170 465	45%	20%
Ampanihy	336 000	168 000	50%	20%
Tsihombe	128 757	96 568	75%	11%
Fort Dauphin/ Taolagnaro (Ranopiso, Analapatsa, Andranobory, Ankariera)	45 224	29 396	65%	3%
Amboasary Sud	226 512	147 233	65%	17%
Total number of people	1 631 545	848 659	52%	100%
Total number of households	326 309	169 732	52%	100%

Source: IPC October 2016 and own calculations on resource allocation

● **Prioritization of the communes of intervention:** it is possible that the funds mobilization by various actors does not make it possible to cover all estimated needs (unlike 2016). In this case, a higher level of targeting is needed. At present, the IPC analysis does not allow estimating needs at commune level. Therefore, stakeholders will have to use other indicators to choose the communes, if this is necessary. For example:

- ⊙ Indicators related to malnutrition: data on malnutrition rate available from the ONN
- ⊙ Indicators related to the implementation of negative survival strategies among households: administrative data on school dropout, SISAV data on agricultural production

For all stakeholders, the idea is to choose the indicator (s) to be selected (possibly building a composite index) and classify the communes.

This exercise of selecting intervention zones is necessary only in case of weak resource mobilization and a limited number of stakeholders. Otherwise, a simple resource allocation by district, coupled with individual targeting of households, may suffice and should be the approach to prioritize. As coordinator of the cash

group, the Ministry of Population has the responsibility of assessing, based on information related to resource mobilization of the different actors, whether a targeting of the communes is necessary or if a simple distribution by geographical presence of the stakeholders will be enough.

**Unpredictable, Unexpected Crises/ Cyclones and Floods.** Unlike previous hazards, in the context of unpredictable crises such as cyclones, the data are much more limited and often available only after the crisis. We cannot predict in advance which locations a cyclone will hit, when and at what intensity. However, the vulnerability and exposure of some areas are known in advance, which makes it possible to pre-position certain emergency funds. However, real geographical targeting may take place only as the cyclone occurs. Organizations that pre-position funds in some locations should have the flexibility to redirect their intervention to other areas, if necessary.

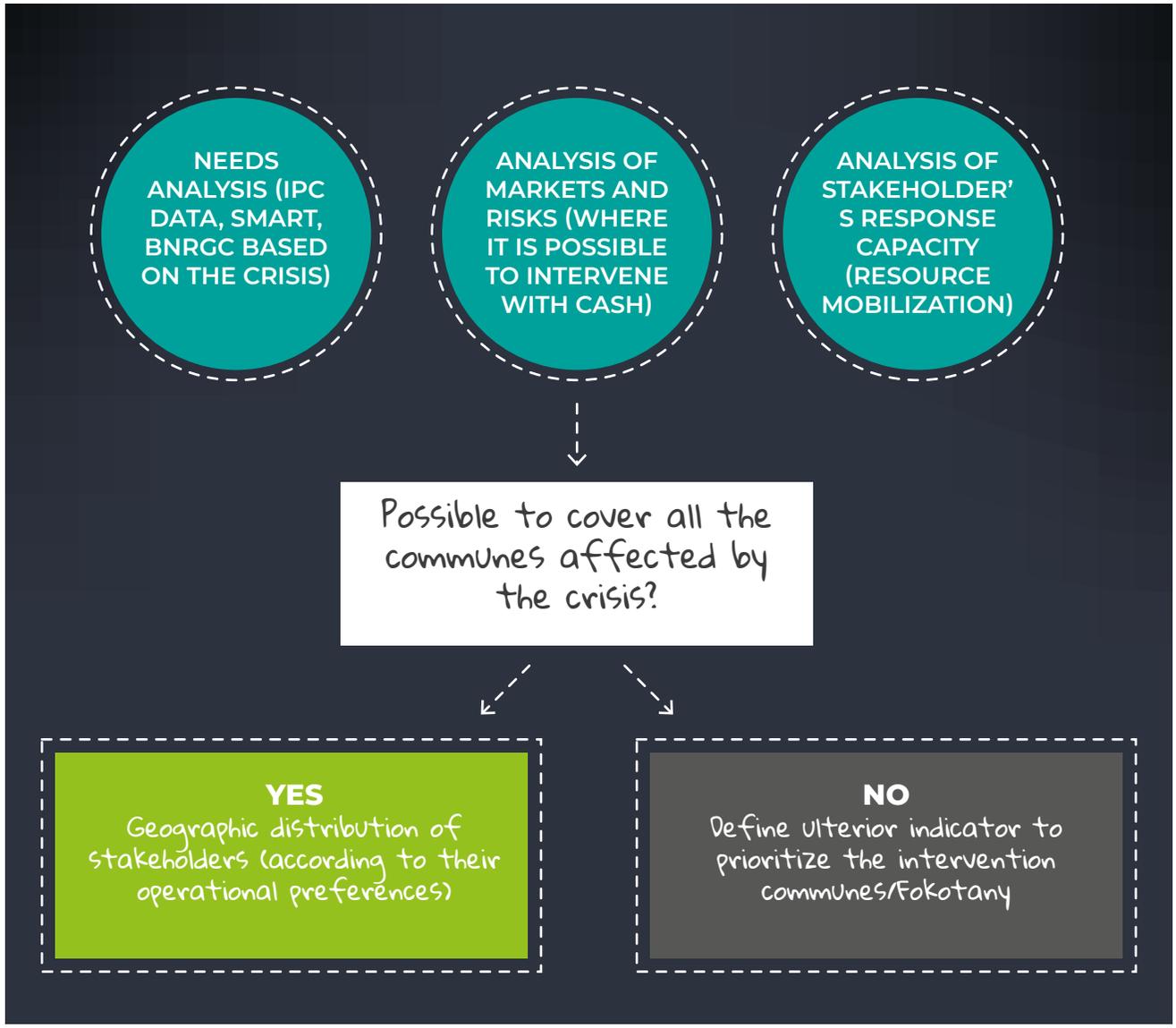
At present, geographical targeting is done based on the data provided by the BNGRC on those Fokotany hit by the cyclone, according to the information that Local Safety Committees (CLS) bring back from each locality about 48 hours after any disaster. The CLS will also draft a list of victims within 48 hours of the cyclone, which can, at least temporarily, estimate the need for funds required according to

the number of victims in the areas (similar to the exercise reported in Table 16 above).

In order to prioritize the intervention sites (if necessary and based on the resources mobilized by the various actors), it is possible to couple the data provided by the BNGRC on material damages with that on the structural vulnerability of each district (poverty rates, malnutrition rates, etc.), as an indicator of the population's capacity to recover. As discussed previously, local targeting (inclusion/exclusion) is justified only in case of low resource mobilization by all stakeholders; otherwise, we will have a geographical distribution of stakeholders.

In both cases (drought or cyclones) it is up to the Ministry of Population to assess the situation and decide on a common geographical targeting approach among partners:

Figure 11 Elements to consider as part of the geographical targeting



The Ministry of Population can complete this exercise with the technical support of a member or a small group of members of the emergency cash group then validate it during the group’s planning meetings. During this geographical distribution exercise, it is also necessary to understand in the first place what is the State system’s ability to respond to the crisis<sup>[31]</sup>, so that the interventions by humanitarian actors can complement (not substitute or duplicate) the efforts of the Government.

**TARGETING HOUSEHOLDS**

**Repetitive and slow-onset crises/Drought in the South II** The challenge is to understand what is the best strategy for expanding the coverage of cash transfer programmes in response to a drought and food insecurity crisis. In the long run, with the gradual extension of the national social safety net programme, part of the population (chronically vulnerable) will be covered by some form of basic social protection. At present, the national programme in the southern regions is estimated to cover 300,000 persons or about 10% of the population living in the most

<sup>31</sup> In which areas does the Government plan to intervene upon extending the national social safety net program? What are the limits of such interventions?

## Social safety nets as prerequisite mechanism for building households' capacity in the face of foreseeable and repeated crises

In the context of predictable and repeated crises, such as those related to drought in the South of Madagascar, establishing a permanent social safety net system targeting households in chronic vulnerability has to become a priority if we are to build households' capacity to do deal with shocks and minimize the negative impacts of a crisis when it happens.

The idea is to stabilize the consumption of vulnerable households over a long period of time and to associate social safety net programmes with complementary measures. In this specific context, these measures aimed at improving the nutritional status of household members in the long term (e.g. through sensitization) and increasing their resilience capacity (e.g. by promoting diversified sources of income).

In the past, the response to repeated and seasonal drought-related crises focused primarily on an emergency response by providing timely assistance at the peak of the crisis. There was less efforts to introduce a longer-term structural measure to enhance households' ability to cope with crises. In the future, we should prioritize investment in a long-term social safety net programme in these southern regions, preventing some of the most negative impacts of a crisis.

By extending the social safety net programme in the South of the country, the approach taken by the Government in 2016 is moving in this direction. The programme goes well beyond the emergency response by providing stable and predictable support to households over the long term, combined with accompanying measures that promote education and improve children's nutritional status. The presence of this programme may act as a mechanism to mitigate the impacts of future crises.

The existence of such programmes, however, should not be a complete substitute for humanitarian assistance during a crisis. Depending on the crisis intensity, a horizontal or vertical extension may still be necessary to support the most affected households, which are not yet covered by this type of mechanism, or those who are already covered but require additional one-off support.

drought-prone regions<sup>[32]</sup>. Extreme weather events (such as El Niño) or seasonal fluctuations considerably change the number of households in crisis or emergency situations. For instance, in October 2016 (at the peak of the crisis), the IPC method estimated that 52% of food insecure people were in need of emergency support<sup>[33]</sup>, this percentage fell by almost half in June/September 2017 (24.5% in the southern regions). It is therefore necessary to have an extension strategy in case of need and shrinkage after a well-defined crisis.

In the context of a food insecurity crisis, the livelihoods of part of the population (some of whom, unlike the others, were chronically poor before) are affected. These households are then unable to meet their basic needs, especially food. This vulnerability is measured directly through several indicators, including the Food Consumption Score, the Food Diversity Score, the Survival Strategies Index or the acute

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**32** IPC data July 2017: 2.99 million people live in supervised districts in 5 South and South East regions (Anosy, Androy, Atsimo Andrefana, Atsimo Antsinanana, Vatovany Fitovinany).

**33** Estimates based only on the Anosy and Androy regions

malnutrition rate. From these indicators (calculated among others from the CFSAM survey), we estimate the number of people in need following a food insecurity-related crisis. The need to cope with household under-consumption leads to the implementation of a set of survival strategies, often negative, which have an impact on other key indicators linked to several sectors: education (dropping out of school), child protection (child labor), nutrition (malnutrition) among others. Thus, it is about being able to identify the households that are most vulnerable to these phenomena, temporarily supporting their consumption and preventing the implementation of survival strategies.

To identify these households, the main targeting options to consider are:

- **Extending the PMT method:** the PMT targeting currently used in the national social safety net programme defines inclusion threshold at 30% of poorest households<sup>[34]</sup>. One option could be to use the same methodology (where the programme is already established) but using an expanded threshold depending on the intensity of the crisis. This approach is based on the assumption that the poverty

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 34 Dans les régions du Sud, l'approche utilisée à l'heure actuelle est basée sur un ciblage catégoriel

indicator, as measured by the PMT, is directly related to households' vulnerability to shocks. However, PMT targeting is often not the best tool for identifying households that have been affected by a crisis, especially one related to food insecurity. Recent studies have shown that the PMT method, which performs relatively well to identify the chronic poor, is less successful in identifying households vulnerable to shocks than in other methods<sup>[35]</sup>.

- **Using an improved PMT method** An alternative approach, piloted in some countries, is to develop an improved PMT model that includes variables measuring household's degree of vulnerability to shocks and identifies in the process the households most likely in need of temporary inclusion in the cash transfer programme. It may also be possible to develop a formula based on an FCS-type indicator, more sensitive to food insecurity. The approach is similar to that adopted under a PMT approach, but only the formula is modified.
- **Use of the HEA/community approach** This is a method that helps

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 35 Schnitzer, 2016

identify, through a community-based approach, objective indicators of belonging to 4 socio-economic groups within each village (very poor, poor, middle, rich). Each household is classified in either one of the 4 groups according to the indicators identified by the community. These indicators are often very similar to those identified in a PMT, but the relative weight assigned by the community may vary, which is why PMT and HEA targeting do not systematically select the same households. The HEA approach appears to be more sensitive to the inclusion of food-insecure households in relation to PMT targeting. The HEA targeting is part of a larger effort to analyze household livelihoods and their ability to respond to shocks (see Box 6). The recent introduction of this approach in some regions will test its effectiveness in the Malagasy context.

- **Categorical targeting:** This typology of targeting selects households based on some demographic indicators that are not related to their socio-economic status. Easy to implement, widely accepted by communities, this targeting is often used in response to crises (this is the case of the extension

of social safety nets in 2016 in the South). However, there is a gap between the methodology used to assess the needs (often based on indicators of under-consumption by households) and the categorical methodology of response to these needs (no consumption indicator used). Therefore, some households in a situation of under-consumption will necessarily be excluded from the programme as they lack the required demographic characteristics, while others who already have an acceptable level of consumption are taken in (see example on the FCS and households with children under 5).

- **Universal targeting:** this typology of targeting cannot be ruled out in the case of a high-intensity crisis, limited in space and in time (e.g. in a district where it is estimated that 85-90% of the population is in need but establishing a targeting strategy would be costly and unnecessary).

Simple “community targeting” is not presented as one of the targeting options. In practice, this label brings together a set of often unclear procedures, referring to vulnerability criteria that are not well defined in advance or defined with too much amplitude and therefore not exploitable in the context of a real selection

of beneficiaries. Implementing agencies or local officials are often left with too broad room for maneuver; the process remains ambiguous and subjective. Community validation of beneficiaries’ lists is often only a formality. Community-based targeting is obviously a feasible option, but it must be well-managed, as in the case of the HEA approach discussed previously, or if combined with other objective methods (such as PMT targeting).

**Which targeting method for crises related to cyclic and repeated drought in Madagascar?** There is no perfect targeting method for each emergency; several countries are currently testing different approaches to understand how to extend the coverage of their social protection system to crises<sup>[36]</sup>. Besides, within the same country, the response may vary depending on the intensity of the crisis and the impact on the livelihoods of the population affected. The approach to be prioritized must take into account both the need to minimize errors of inclusion and exclusion but also operational

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<sup>36</sup> World Bank, 2015b and ongoing studies in several Sahel countries





feasibility and acceptability by the community.

Two approaches could be considered in Madagascar: a short-term approach and a long-term one integrated into the establishment of the single register.

**Short-term approach:** In short term, before establishing a single register, some of these methodologies are not applicable for extending cash transfers in response to a crisis. This is the case for PMT targeting/improved PMT. Indeed, this targeting could be used in response to a crisis only if a preexisting database is already available (register of beneficiaries). From an operational point of view, a targeting of this type requires an implementation time that is not compatible with the response to the emergency. In short term, following are the options available to stakeholders in Madagascar:

● **Test the HEA/community approach in the pilot areas** In areas where the HEA survey will be conducted, the various stakeholders may decide to harmonize their targeting with the HEA approach. This will test this approach and understand if it is appropriate to the Malagasy context.

● **Give priority to a categorical approach elsewhere.** In the short run, pending a potential beneficiary register, an approach to extend the system in situation of crisis based on categorical targeting seems the most feasible. However, stakeholders will have to consider the following elements:

- ⊙ Budget constraints (resources mobilized by the different actors) impose restrictions on the categories of beneficiaries to be included in the programmes. As an example, the table below shows the percentage of beneficiary households according to certain categories. The choice of categories to be covered will depend on the resources mobilized by the stakeholders. If resources are limited, it is best to prioritize the most vulnerable groups and/or those most likely to apply negative survival strategies. A targeting strategy that prioritizes all major vulnerable categories<sup>[37]</sup> will end up selecting almost 70% of the inhabitants of the location. It should be noted that these are national-level statistics, in rural areas and in some regions all households

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<sup>37</sup> Pregnant women, children under 5, large families, elderly people, people with disabilities.

representing vulnerable categories as usually defined could include more than 80% of the population. des ménages représentant les catégories vulnérables telles qu'habituellement définies pourrait inclure plus de 80% de la population.

**Table 17** Percentage of households belonging to different categories

CATEGORY	% OF THE POPULATION
1. Households with children 0-2 years	38 %
2. Households with children 0-5 years	56 %
3. Households with children 0-11 years	74 %
4. Households with elderly >65 years	10 %
5. Households with pregnant women	7 %
6. Households with people with disabilities <sup>[39]</sup>	ND
7. Large households >7 members	10 %
8. Households with at least one of these characteristics (except condition 3)	66 %

Source: calculations from the 2012 ENSOMD survey

**38** In the 2012 ENSOMD survey used here, there was a tendency to underreport disability-related situations. Thus, data from this survey are unreliable. That said, as part of the 2018 MICS survey, a specific module for collecting data related to different disability situations was developed. Therefore, more reliable data are available and can be used for planning future interventions. .

⊙ If stakeholders decide to choose an inclusive approach across a broad range of categories, further selection based on socio-economic indicators may be necessary. However, in an emergency situation (no pre-established PMT or HEA) this may evolve towards a «community targeting» approach as those done in the past. To avoid this, stakeholders should

develop harmonized emergency community-targeting guidelines shared by all stakeholders and, where possible, aligned with HEA/community practices. These guidelines should be set forth before the crisis, under the coordination of the Ministry of Population and with the technical support of a member of the emergency cash group or a small technical committee.

So, in the short term, harmonizing targeting criteria in the face of a drought-related crisis could involve a mixed method including an HEA approach (where this exists) and a categorical approach associated with a community method (if necessary) with guidelines pre-established elsewhere. However, this is a fallback solution and the Government should, as far as possible, consider developing a more robust targeting strategy in the long term, associated with the designing of the register.

**Long-term approach integrated in the establishment of the register** The range of targeting choices gets wider in the long run. Stakeholders will be able to introduce methodologies to objectively target those households most likely to be negatively affected by shocks. Indeed, establishing the social register represents a unique opportunity to move closer to that. The methods previously presented for assessing household vulnerability to shocks (PMT, enhanced PMT, HEA, categorical) are all based on objective indicators, easily measurable through key variables. The same variables are often used to set the different indicators, with differences in association or weighting. That said, these variables cannot be collected at the time of the emergency, which requires an immediate response. This explains the interest of the single register in the context of targeting in crisis situations (especially for repeated

crises that often affect the same areas). As beneficiaries are recorded on the single register, a simplified questionnaire can be developed including the key variables able to measure various indicators of vulnerability (see section on the register). This approach would provide a common information base for all stakeholders on the potentially target population and allow real-time extension of programme coverage as needed. Upon establishing the register, the following areas may be prioritized:

- areas already covered by social safety net projects to prepare for possible extension in case of crisis
- areas not yet covered by the social safety net programme but likely to be affected by crises related to natural disasters.

Depending on the situation, stakeholders will then be able to decide which targeting approach to adopt in response to the specific urgency, knowing that the key indicators contained in the register allow either one of the methods described above to be applied without subsequent information collection. Different approaches may be used from one area to another if the context warrants it. The Government could also decide to test different approaches so as to understand which is the most appropriate in case of crisis in Madagascar (as related to performance, community acceptance

and operational feasibility). In fact, having a database with the key indicators needed for the main types of targeting gives a wide margin of maneuver to pilot different approaches without additional efforts and in a coordinated way among all stakeholders.

**Unpredictable, unexpected crises/ Cyclones and floods.** As in the previous situation, the targeting approach in the short term (absent a register) and in the long term (when the register will be established) is different.

**In the short term,** in the absence of a pre-established data base, given the unpredictable nature of the phenomenon and the need to act in a short period of time, complex targeting methods, which require the collection of socio-economic information on households, are not an option. The process risks: i) taking too long and delaying the start of the program; ii) being done in an inaccurate way and thus without any real capacity to measure the socio-economic status of households.

Following is the process that could be implemented:

- Just after a cyclone, the community draws a list of disaster victims within 48 hours. This is a preliminary list with few details but can be used as a basis for a more comprehensive list.



● Categorical/community targeting as discussed above could be done to narrow down this list. It is therefore necessary to define within the emergency cash group the categories to be favored and the common operational procedures for Community sub-targeting, if possible aligned with the HEA approach. Only one list will be established for each zone, which will be shared among the various stakeholders.

As discussed later, as part of the response to cyclones, several stakeholders decided to choose a typology of CFW projects. In the context of these projects, the targeting criterion used is self-selection, which is practiced by applying a salary level lower than the market wage. If the need for labor is greater than supply, which has often been the case in the past, there is no need for further selection criteria. Targeting will be applied only if the number of potential participants is greater than the number of spots available in the programme.

**Long term.** The targeting process will be aligned with the

establishment of the register. MGAeas that are most exposed to cyclones could be prioritized while drafting the register. As previously discussed, it is about having baseline information on the population of vulnerable areas associated with indicators capable of measuring households' socio-economic status, their vulnerability and their demographic features. This would then make it possible to choose and apply the most appropriate type of targeting according to impact, disaster intensity and each programme's specific objectives. While targeting households following a cyclone, one must take into account both the damage to property and their recovery capacity. For this purpose, the information from the register should be crossed with the list of victims prepared by the community.

The Government could set up the register until after a cyclone in the affected areas, under some conditions:

- The harmonized questionnaire is already drafted
- Decisions are already made on the structure, technology used for the register and its operational implementation (see next chapter)
- Partnership agreements between the Ministry and the implementing agencies for data collection for the register are prepared in advance

Otherwise, until these conditions are met, the short-term targeting approach can be used.

**Table 18** Recommendations for the targeting in response to an emergency

SHORT TERM	LONG TERM
MGAeas covered by HEA: pilot the method in pilot areas and assess relevance in Madagascar	<p>Process aligned with the establishment of the register:</p> <ul style="list-style-type: none"> <li>• Develop a harmonized questionnaire</li> <li>• Pilot the register in areas most vulnerable to disasters</li> <li>• Register beneficiaries through the harmonized questionnaire</li> <li>• Identify beneficiaries from the register according to the choice of the chosen indicator (poverty, vulnerability, FCS, category, etc.)</li> </ul>
Other areas: categorical + community - development of common procedures/ guidelines (fallback solution)	

### 6.1.2 Amount of transfer

The methodological approach to define the amount of transfer in an emergency differs from the approach usually used in a long-term safety net programme. Indeed, in the context of a programme that tackles chronic poverty, the norm is to set the amount of the transfer according to the consumption level of poor beneficiary households

(around 20% of total consumption). It is possible to exploit national consumption surveys for this purpose. Although surveys are not updated annually, the pattern of household consumption does not vary significantly and an adjustment for annual inflation is always possible. In long-term programmes that address chronic poverty, it is also possible to move forward in stages, setting a first amount and then, depending

on the results of the evaluations, revise if necessary. In most countries, including Madagascar, the programme is being built gradually and the parameters are adapted as experience builds up.

This approach does not always apply to emergency responses. The vertical extension of the social safety net programme and/or the interventions of humanitarian agencies face more complex situations:

- The needs of the population depend on the intensity of the crisis and the impact on households' livelihoods. This can vary from one year to the next, from one crisis to another. Most national consumer surveys (which are all done every 3 to 5 years, give a picture of the situation at a given moment) are not designed to measure the consumption deficit following a shock.
- In a crisis situation, the functioning of the markets can be unpredictable with possibly unexpected inflationary peaks. The methodology for setting the amount of the transfer must be able to take this into account.
- The population faces an acute crisis and humanitarian actors must provide an adequate response; the

approach of trying/evaluating/ revising is less relevant and difficult to apply in the event of a crisis. Households might pay a high price in case we set forth a too small amount. This is increasingly true as cash transfers often substitute for in-kind assistance, previously the traditional form of emergency assistance and likely to make fewer mistakes in setting the minimum assistance package.

**It is therefore necessary that the different stakeholders define an appropriate methodology to identify households' needs. Three elements must be taken into account when defining the amount of the transfer:**

- Household minimum need (basic food and non-food basket): the national poverty line is calculated based on the «housewife's basket» and includes the minimum goods to ensure basic household food and non-food consumption. Poverty line is the monetary value on the market for this basket. The said value can be revised annually based on inflation. The minimum basket of needs following a crisis is often defined based on humanitarian standards that define a threshold of needs higher than that defined by the poverty line.

- The price variation linked to temporary inflation phenomena (especially after a natural disaster) and likely to affect the price of the basic basket: INSTAT publishes a consumer price index on a monthly basis. Partners use other mechanisms to monitor price variation, especially in crisis-vulnerable areas (SISAV, M-VAM)
- Household's ability to meet its needs (gap between its resources and needs) after a shock: currently, Madagascar still lacks data or clear methodology to measure this. Without the ability to estimate the impact of the crisis on livelihoods, it is difficult to define households' needs and the amount of the transfer. Poverty Gap measures the gap between household consumption and the poverty line (based on the 2012 ENSOMD survey). However, it is a static indicator and does not take into account the impact of a shock.

Depending on the available data, it is possible to consider some options, more or less effective to determine the amount of the transfer during a crisis. Humanitarian actors agree more and more on the need to find a methodology to quantify the total needs (food and non-food) of those households affected by a crisis, so as to

set up multisectoral programmes and avoid fragmentation of humanitarian aid among several programmes as well as cost duplication:

- **HEA method.** The HEA method is used in many countries affected by large-scale or recurrent humanitarian crises as a planning tool for humanitarian response (monetary and non-monetary). HEA modeling helps to understand the impact of the crisis on household livelihoods and to assess the need for assistance. It can adapt to different typologies of crises (droughts and cyclones). It will be piloted in Madagascar at the end of 2017 in some southern regions. A set of pre-crisis analyzes (livelihood zoning and baseline survey) is required to introduce this method. The HEA method calculates the impact of the crisis on households in terms of «survival deficit» and «livelihood deficit», which thresholds are defined during the community work phase upon preparing the baseline survey. Stakeholders, depending on available budget and size of needs, can plan their response to meet only households' survival needs or also provide a transfer to prevent their livelihoods from deteriorating. A weak point of this method is that it relies on secondary data

(e.g. agricultural production and price) to assess the impact of the crisis («outcome analysis»). If the secondary data are unreliable, the results on households' needs may be biased. The introduction of the pilot methodology pilot in some areas of Madagascar will assess whether it is appropriate to the context and whether there is a need for future scale of this approach in other areas vulnerable to natural disasters.

- **Fix the amount based on the consumption deficit.** The second approach available to stakeholders in the absence of available data on the impact of the crisis on household livelihoods is to set the amount of the transfer based on poverty and consumption data, without being able to measure



the impact of the crisis<sup>[39]</sup>. This is a fallback choice in the absence of reliable data. Then, it will be possible to assess the programme, analyze whether amount matches

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**39** To hone this approach, it would be possible to produce an econometric model of the consumption deficit following a climate crisis. The ENSMOD survey measures the impact of a crisis on household income, property losses and recovery time. These data could be used to model the impact of the crisis on household consumption and its deficit relative to the food and global poverty line. However, the exercise may give inaccurate results and not necessarily adapted to the current situation. Indeed, the simulations are made with respect to a reference year (year of the last survey) and the crises suffered by households during this year (which can vary in intensity and impact from one year to the next). This approach would make it possible to refine the deficit analysis but without adding any real added value from an operational point of view.

the needs and subsequently revise the said amount (for future emergencies) as per the results of the assessment. The amount can be set in relation to the consumption deficit as measured by the 2012 ENSOMD survey. During the acute crisis period (time to be assessed on a case-by-case basis), the amount of transfer may be set in order to fully fill the household food poverty gap, based on consumption by household in extreme poverty. For this purpose, it will obviously be necessary to deduct also the other aid in kind or in services which the household already enjoys. In the case of a sudden crisis (cyclone), it

is most often a one-off support for recovery. In the case of a protracted crisis it is a support that can range from 3 to 6 months according to the needs. This approach has the merit of not requiring any data collection or preliminary analysis. However, there will be a big gap between the transfer and the needs. In addition, it may be difficult for stakeholders to i) assess in-kind support provided by other stakeholders and ii) mobilize sufficient funding to cover the entire consumption deficit. In this case, the various stakeholders might agree on a lump sum payment that fills a part of the consumption deficit (50%, 75 %...)

**Table 19 Consumption deficit and transfer in emergency in MGA**

REGION	MONTHLY DEFICIT CORRECTED BY REGIONAL (RURAL) DEFLATOR <sup>[41]</sup>	SUDDEN CRISIS: ONE-OFF EMERGENCY TRANSFER	EXTENDED CRISIS: 3-MONTH EMERGENCY TRANSFER	EXTENDED CRISIS: 6-MONTH EMERGENCY TRANSFER FOR EXTENDED CRISIS
ANALAMANGA	-65 346	65 346	196 038	392 076
VAKINANKARATRA	-106 377	106 377	319 130	638 260

REGION	MONTHLY DEFICIT CORRECTED BY REGIONAL (RURAL) DEFLATOR <sup>[41]</sup>	SUDDEN CRISIS: ONE-OFF EMERGENCY TRANSFER	EXTENDED CRISIS: 3-MONTH EMERGENCY TRANSFER	EXTENDED CRISIS: 6-MONTH EMERGENCY TRANSFER FOR EXTENDED CRISIS
ITASY	-49 280	49 280	147 839	295 679
BONGOLAVA	-58 058	58 058	174 174	348 348
HAUTE MATSIATRA	-57 115	57 115	171 344	342 688
AMORON I MANIA	-62 971	62 971	188 913	377 826
VATOVAVY FITOVINANY	-73 149	73 149	219 447	438 893
IHOROMBE	-78 325	78 325	234 974	469 949
ATSIMO ATSIANANA	-112 616	112 616	337 849	675 698
ATSINANANA	-59 651	59 651	178 954	357 909
ANALANJIROFO	-64 269	64 269	192 807	385 613
ALAOTRA MANGORO	-46 791	46 791	140 372	280 745
BOENY	-66 504	66 504	199 512	399 025
SOFIA	-75 699	75 699	227 097	454 193
BETSIBOKA	-78 706	78 706	236 118	472 237
MELAKY	-77 262	77 262	231 785	463 570
ATSIMO ANDREFANA	-106 864	106 864	320 592	641 183
ANDROY	-115 807	115 807	347 420	694 841
ANOSY	-92 161	92 161	276 483	552 965

REGION	MONTHLY DEFICIT CORRECTED BY REGIONAL (RURAL) DEFLATOR <sup>[41]</sup>	SUDDEN CRISIS: ONE-OFF EMERGENCY TRANSFER	EXTENDED CRISIS: 3-MONTH EMERGENCY TRANSFER	EXTENDED CRISIS: 6-MONTH EMERGENCY TRANSFER FOR EXTENDED CRISIS
MENABE	-65 404	65 404	196 212	392 423
DIANA	-52 463	52 463	157 388	314 776
SAVA	-63 370	63 370	190 109	380 217
<b>National average</b>	<b>-93 895</b>	<b>93 895</b>	<b>281 684</b>	<b>563 367</b>

Source: Calculation from 2012 ENSOMD survey

<sup>40</sup> The deficit is calculated as the average of the differences between household consumption in extreme poverty and the extreme poverty line. The 2012 data are updated for inflation (average 7.4% per year). The data take into account the regional (rural) deflator to reflect the cost of living in the regions.

The average amount set in response to the Cyclone Enawo crisis was relatively in line with the consumption deficit (around MGA 60,000 in the affected regions). But upon responding to the drought, the amount corresponded to about 50% to 65% of the consumption deficit in the affected regions. In this context, however, it was very difficult to assess the overlap between different assistance programmes (in-kind and monetary). Setting an amount corresponding to the entire deficit would not have been appropriate. Other elements must also be considered when determining

the monetary amount to be allocated to households:

- An excessively high amount involves major risks of inflation in the local market, especially if a large part of the population benefits from it
- There may be risks of demotivation in the labor market. In areas where the monthly salary (guarding, chores) MGA 30,000 averages, a transfer of MGA 115,000/month could create distortions

**Table 10** Generosity of the emergency programmes in the different regions (in MGA)

	CONSUMPTION DEFICIT (MGA)	AMOUNT OF THE MOST GENE-ROUS PROGRAMME (MGA)
<b>Extended crisis</b>		
<b>Androy Region (on a half-yearly basis<sup>[42]</sup>)</b>	694 841	360 000
<b>Anosy Region (on a half-yearly basis<sup>[42]</sup>)</b>	552 965	360 000
<b>One-off crisis</b>		
<b>Sava Region (on a monthly basis)</b>	63 370	60 000 to 100 000
<b>Analanjirofo Region (on a monthly basis)</b>	64 269	60 000 to 100 000

Source: calculation from the 2012 ENSOMD survey

<sup>41</sup> Emergency period considered here: October 2016 - March 2017

Since this approach is not adapted to measure the needs following a crisis, it has major limitations. The consumption deficit could be taken as a baseline when there are no other data available, but the definition of transfer should take into account other elements (inflation, other stakeholders, labor market, available

budget, etc.) An approach based on the analysis of household livelihoods is preferred whenever possible. If the pilot phase of the HEA approach gives convincing results as to its applicability in Madagascar, an extension in the other areas most vulnerable to natural disasters should be considered to harmonize the



## The Household Economy Approach (HEA)

The Household Economy Approach (HEA) is based on household livelihoods analysis. It helps to determine the population's food and non-food needs, to understand the impact of economic or ecological changes on livelihoods, and identify appropriate ways to provide assistance, whether short-term emergency assistance, long-term development programmes or policy changes. This approach is organized around two main stages:

- A baseline updated every 5-6 years that analyzes a household's livelihood in a «medium/normal» year (without a major crisis). This first phase helps i) identify the geographical coverage of a «livelihood zone», i.e. the area in which the population shares the same overall livelihood features, ii) perform a socio-economic classification of households (TP, P, M, A). The features that identify the socio-economic categories are defined through interviews with local key informants. This exercise is conducted in villages sample (10-12) in the livelihood area. The features are then weighted to have an average representative of the whole area; iii) identify household livelihood strategies for each socio-economic category, i.e., to have an overview of the «typical» economy of households.
- A results analysis updated every six months (or depending on need and available funds). This analysis helps understand how exogenous factors (negative shocks or positive factors) affect the household economy and what is the capacity of households to: 1. meet their basic survival needs (the survival threshold) and 2. protect their basic livelihoods (livelihood protection threshold). This phase of results analysis makes it possible to quantify the households which will be in deficit of survival and deficit of livelihoods, quantify the extent of these deficits and plan an appropriate answer. The results analysis is based on secondary data usually collected by field actors as part of the monitoring of the agricultural campaign (production, prices on local markets, etc.).

*Source: Household Economy Approach, Practitioner's Guide, Food Economy Group and Save the Children*

methodology for fixing the value of transfers.

In some situations, it may be difficult to assess the overall household needs that will be covered by monetary assistance through one single methodology. This is the case when, for instance, monetary assistance will be used to cover specific sectoral needs that are not easily measurable through a methodology such as the HEA, as is the case for Water, Sanitation and Hygiene. In this type of situation, if stakeholders want to implement a single, multi-sectoral cash transfer that also addresses these specific needs, it is desirable to align with the terms and conditions commonly used by sector stakeholders to estimate these specific needs (participants to the WASH cluster for humanitarian aid) and include these estimates in the total amount of transfer considered (ensuring that there is no duplication with the methodology already used).

**Table 21 Recommendations for determining the amount of transfer in emergency response**

SHORT TERM	LONG TERM
MGAeas covered by HEA: pilot the HEA methodology to calculate the survival deficit and livelihood deficit and assess relevance in Madagascar	Extend the HEA methodology if the results of the evaluations are convincing
Other areas: Use the consumption deficit as a baseline to determine the amount of the transfer. Set a common deficit threshold (e.g. 50%, 75%, 100%) based on i) other household interventions, ii) the overall budget available for the monetary response	In areas not covered, review the consumption deficit as soon as the data of the next consumption survey is available
If necessary for specific sectoral interventions, perform a joint needs analysis with other sectoral clusters	

### 6.1.3 Duration of the transfer

With regard to the duration of the transfer during a crisis, the approach to follow is different depending on the type of crisis:

- For slow-onset crises (drought in the South) support for household consumption should continue until the acute crisis period ends. The needs assessment helps assess the duration of the crisis (related to agricultural seasonality and rainfall). In the past, there has not been a real coordination with the duration of emergency projects; people planned

an emergency phase of 2, 6 or 12 months. The duration of consumption support should be agreed upon among all partners and based on the results of the needs analysis. In the context of a predictable and repeated crisis, such as that related to drought, it is also important to set up mechanisms to support households before the crisis has a negative impact on their life strategies. This typology of crisis is indeed more easily predictable in advance (both as to location and timing). Therefore, introducing longer-term social safety nets, discussed previously (Box 5), and targeting the most vulnerable categories of this type of crisis (especially young

children) constitute a strategy to systematically consider in sites exposed to these types of crises.

- For sudden crises, such as cyclones, short-term one-off support is more desirable for emergency response. In the context of the response to Cyclone Enawo, that aspect enjoyed some consensus and coordination.

Once the emergency period over, the social safety net programme can continue to support the usual parameters for chronically vulnerable households (where the programme exists<sup>[42]</sup>) and recovery programmes can take over in the community.

### 6.1.4 Typology of the monetary intervention (CFW or unconditional cash transfer)

As part of the national social safety net programme, the Government chose

<sup>42</sup> A crisis can be an opportunity to implement the social safety net programme in areas that were not previously covered, as was the case in the south of the country. In fact, FID has mobilized resources for the emergency but also to extend social safety net coverage for the two years following the crisis.

between a cash transfer or a PSN approach based on regional peculiarities (discussed previously). However, as part of the emergency response, there is currently no clear guidance on the typology of intervention.

- **Slow-evolving crises (drought):** Households especially need that their consumption be stabilized over several months. This is not compatible with a CFW-type programme, which normally lasts only 1 to 2 months. This type of programme also tends to exclude the most vulnerable households. A cash transfer approach (unconditional or linked to flexible requirements) is better suited to respond to this type of emergency. On the other hand, a CFW intervention could be used later, in the phase of recovery, if the need is still present.

- **Sudden crises (cyclones):** while responding to a sudden crisis, partners have often chosen a CFW response. This is due to the need for reconstruction and sanitation in the disaster-stricken areas. This approach allows you to support two essential needs in parallel. However, the CFW approach alone is not always the best way to help households in need after an emergency, because it involves significant exclusion errors. A more appropriate approach would combine the unconditional cash transfer approach with the CFW approach in cyclone-hit areas. A basic unconditional cash transfer must be provided to all eligible households unable to participate in the CFW work. The choices available to stakeholders will also depend on the funding

received to respond to the crisis in relation to the needs identified:

- ⊙ In situations of low resource mobilization, it is better to intervene only with unconditional cash transfers. In fact, CFW programmes cost between 20% and 30% more. When responding to a crisis, if funding remains limited, it is preferable to respond to the urgent needs of the population and possibly schedule the reconstruction efforts during the recovery phase.
- ⊙ In cases where resource mobilization is more important, CFW programmes can be implemented but it is important to run an unconditional cash transfer component for the most vulnerable households in each affected community.

## 6.2 DESIGNING THE COMMON MANAGEMENT TOOLS

To evolve towards a harmonized cash transfers system in response to shocks, it is necessary that the main actors define programme management tools that will be shared among them.

### 6.2.1 Single register

Setting up a single register is the first and most important step to move towards a harmonized social protection system.

Absence of this register leads to duplication of costs, time and systematic overlap between programmes. By creating this register, the Ministry of Population will be able to gradually put in place a system for managing information on the needs and

coverage of social protection programmes. It will also help (in the long run) have a real-time database available for rapid system extension when needed.

The Government has already approved a decree to set up the single register and an inventory of social protection programmes (Decree 2017-844). Details about the structure of the register, the cost and timing of its implementation phase, the technology to be used and the operationalization are currently being defined.

The single register should not be a static list of beneficiaries and programmes, but a national social protection policy management tool that establishes clear procedures in terms of:

- Identification of those entitled to assistance
- Targeting according to programme goals and the type of household vulnerability
- Registration in different programmes
- Possibly tracking the benefits received

The system performance will depend on the structure and technology that will be proposed for its completion. Implementation cost and time will

depend on how complex the proposed system is. This chapter presents different options while highlighting the features of the register that could facilitate the coordination of cash transfers in response to a crisis.

**Structure.** The Government is considering setting up an information management system that has a: (i) beneficiary registration module, (ii) programme registration and monitoring module.

**Eligibility criteria.** The beneficiary registration module («Vulnerable households register») contains detailed information on vulnerable households: name, ID number, location, etc. The register should also report the «eligibility criteria». Here, the Government has various options, some of which are more likely to favor programme extension in times of crisis:

- Each programme only collects information about its own eligibility criteria (e.g. a programme targeting households with children under 5 indicates the number of eligible children in the household). This approach has the merit of being simple and less expensive. However, this approach does not allow the Government to use this database to plan future social protection interventions. Its exploitation remains quite limited. A programme that plans to intervene in the same area

but with different goals will have to conduct a new household survey.

- ○ A unified and simplified questionnaire is developed and used by all programmes. This does not mean that all programmes must adopt the same targeting criteria. The questionnaire will indeed identify the main vulnerabilities and inclusion criteria in the different programmes (while trying to keep a short and simple format). For example, it may contain the following information:
  - ○ Basic PMT questionnaire used in targeting the chronic poor of the social safety nets programme with indicators to assess shocks vulnerability (enhanced PMT, or HEA indicators), which would give way to programme extension after a crisis
  - ○ Key household composition indicators (elderly, children under 5, etc.) that would allow programmes aimed at categorical targeting to have all the information about the different target groups
  - ○ Indicators of specific vulnerability (e.g. presence of people with disabilities) which would allow assistance programmes targeting

these groups to already have the list of beneficiaries in the site.

This exercise requires a greater investment in time, budget and human resources but helps have a list that can be exploited by several programmes. It is a choice that depends on the Government but also on field partners' willingness and ability to get involved.

**Household coverage.** A second choice open to the Government on the structure of the register is related to household coverage:

- The simplest and least expensive option is to interview and include in the register only those beneficiary households of the different programmes for each location. In this context, the register would be difficult to exploit for programme extension in case of need. This option could be adopted in the initial phase of register design and implementation.
- The second option is to identify all households living in villages benefitting from the programme, which would allow the register to be used for several future programmes and in the event of crisis-caused extension. This approach is more expensive and requires more time

but adds significant value to the register. This is an option that could be considered in the long term, as the capacity to collect and manage information grows stronger (from beneficiary register to social register)

### Technology

The choice of technology to be adopted will depend both on the investment that the Government with the support of the partners is ready to mobilize to develop the registry, and the operational capacity of the various stakeholders and their familiarity with some new technologies<sup>[43]</sup>. The proposed technology may vary from simple Excel files shared among stakeholders (unreliable and difficult management procedure, therefore not recommended) until an integrated information management system is set up and linked to a biometric registration system, which requires substantial budget and quite extensive time to implement.

The choice of technology to adopt can be an example of what exists in Madagascar. Some social assistance programmes have

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<sup>43</sup> Some information management platforms (e.g. geonode for natural disasters) are not used by stakeholders who, despite the many training courses organized, have not been able to become familiar with this tool

developed a very successful information management and beneficiary registration system, including FID's social safety net programmes and WFP's programme. The latter in particular, through the SCOPE system, allows a biometric registration of beneficiaries as well as a real-time follow-up of the benefits received.

The Ministry currently favors the option to set up an information management system associated with a biometric registration.

### Operationalization

In the long run, the social register of vulnerable households will have to be a national tool managed and updated by the Ministry of Population, which will enable the Government to define and coordinate its social policy based on the needs.

However, given the complexity of the tasks required to gradually implement this tool, it is possible to proceed in stages:

- An implementation in collaboration with the field agencies. In its initial phase, the single register will be fed by the information collected by the Ministry in collaboration with the implementing organizations. The number of organizations that will participate in the pilot phase will depend on

the proposed registry structure and technological complexity:

- ◎ Some organizations may probably not have the human resources or time needed for data collection if the Ministry decides to choose a unified questionnaire and village-level population census.
- ◎ If the Ministry chooses to implement a synchronized computer system and biometric identification, it is conceivable to start with a limited number of partners who will have to provide the required equipment and training.
- Limited geographical coverage in pilot phase. In the long run, the register will have national coverage, but in the pilot phase it is conceivable for the Ministry to choose select areas of intervention (depending on the stakeholders present) then to gradually enlarge, ideally able to prioritize the areas most exposed to crises of a different nature
- An update based on simple and measurable graduation criteria only for programme beneficiaries. In the long term, the register should have a well-established updating strategy, e.g. through fixed

registration stations managed by the Ministry and periodic updating and registration campaigns in the villages. However, in its initial phase, it will be possible to have a less ambitious vision, e.g. establish a number of indicators that will be collected periodically for the beneficiary households of the programmes (e.g. through the Post Distribution Monitoring – PDM – surveys) and which will make it possible to establish whether the household is still eligible for assistance, or if their socio-economic status has improved.

**Table 11** Options for structure, technology and operationalization of the Register

	SIMPLER STRUCTURE		MORE ELABORATED STRUCTURE
<b>Structure of the register</b>			
<b>Eligibility Criteria</b>	Each programme collects information about only its own targeting criteria		A unified questionnaire to collect multiple vulnerability indicators is developed and used by all stakeholders
<b>Coverage</b>	Only households benefitting from social protection programmes are included in the register	---	In each village an initial census will cover all households
<b>Typology of intervention</b>	Initially, only a limited number of interventions (essentially monetary in nature) are listed in the intervention directory	---	The directory of interventions will be as comprehensive as possible including any type of non-contributory social assistance intervention of a monetary and non-monetary nature.
<b>Technology used</b>			
<b>Biometrics</b>	No use of biometrics. Only ID and photo are used for identification		Establish a biometric identification system
<b>ID card</b>	No ID card issued by the Ministry for «vulnerable households». Only membership cards for each programme (paper or other) will be available.	---	A single card with integrated microchip is issued. The microchip contains information about households' membership to different social protection programmes (similar to the scope system)
<b>Computer structure</b>	Data collected by each contributor on Excel files, shared by email and consolidated at the central level		Establish an offline/online information management computer system for field data collection and automatic synchronization at a central server.
<b>Operationalization</b>			
<b>Responsible for implementation</b>	Data collection by implementing organizations (number of pilot-phase partners to be defined)		Social register managed by the Ministry of population, information subsequently shared with the implementing agencies for their targeting
<b>Geographic coverage</b>	Limited to some areas where most social assistance interventions are concentrated	---	National coverage
<b>Update</b>	No update strategy, the register is a static database		Well-established refresh strategy with fixed registration points and periodic campaigns

## 6.2.2 Other management tools

The sharing of common cash transfer programme management tools (especially in emergency) is a further step towards harmonizing the national social protection system. This involves putting in place a set of tools throughout the programme management process, from preparation to implementation to evaluation. Failure to coordinate these aspects leads to a duplication of efforts and often a lack of efficiency.

**Market analysis.** Conducting a market analysis, especially in response to a crisis, is a necessary step before considering a monetary response. During a crisis, in fact, market functioning can be seriously disrupted compared to a normal period. Only some organizations systematically conduct market analyzes. In particular, WFP has developed well-structured approaches to analyze market functioning and decide whether or not monetary interventions are feasible. To evolve towards a harmonized approach to all partners in terms of market analysis, it is conceivable that:

- All partners agree on a common methodological approach to conduct the analyzes. WFP's approach could be used (if necessary improved to take food and non-food items into account). A brief implementation protocol can be prepared and shared among all stakeholders.

- In times of need, when planning a monetary intervention is a must, partners ensure a geographical division of the areas to be covered by the market analysis, under the coordination of the Ministry of Population, so that all intervention areas are covered and there is no overlap.
- The results of market analysis in all areas are shared among all humanitarian actors. This would make it possible to justify on an objective basis the choice of a monetary or in-kind intervention and avoid an undue overlap between both modalities.

**Assess payment modality and develop standard contract with the distribution agencies.** En fonction de la localité, il peut y avoir différentes options de paiement, dépendant de la localité, soit à travers des agences de téléphonie mobile, des opérateurs de microcrédit ou des associations locales. Jusqu'à présent, il n'y a pas de cartographie qui établit les options de paiement disponibles dans les zones d'intervention principales. Chaque acteur mène sa propre évaluation des options disponibles et choisit l'opérateur en conséquence. L'annexe 6 présente les différentes options de paiement adoptées par certaines agences implémentant des projets de transferts de espèces dans le passé. Nous constatons que les coûts de paiement varient considérablement (entre 3,6% et 14,5%) d'un projet à l'autre et d'une zone à l'autre. Une évaluation conjointe des options disponibles et éventuellement une négociation conjointe des contrats par zone d'intervention est souhaitable

in order to optimize available resources. In particular, this step could be better coordinated by: L'établissement d'un canevas d'évaluation des options de paiement et le partage des zones géographiques à couvrir par l'évaluation parmi les intervenants

- Establishing a framework for assessing payment options and sharing the geographical areas to be covered by the assessment among stakeholders
- Sharing the results of the assessment among all those involved in cash transfers so as to have an exhaustive mapping of the existing payment means and their costs and benefits. This exercise will also help define an acceptable threshold for payment cost based on the options and existing competition in each zone.
- Preparing standard contracts with the different agencies, which, as far as possible, could be negotiated jointly by those organizations intervening in the same geographical area in order to cut on fixed costs.

**PDM (Post Distribution Monitoring).** The PDM exercise is very often conducted by humanitarian agencies after each distribution. Indeed, some humanitarian donors such as ECHO require it. It would be useful to harmonize the MIP process and consider a more systematic sharing of results among CTP stakeholders. This could involve establishing

a common template to use for the PDM. This questionnaire could possibly contain some indicators that could feed into the national register of vulnerable households with regard to the «graduation» part (however, its feasibility needs to be evaluated).

**Complaints Management.** Some programmes, such as FID's safety nets, are developing good enough complaint management systems. However, this tool is not routinely used in cash transfer programmes, especially for short-term programmes. It takes time to develop a transparent and effective complaint management structure, and some stakeholders lack the time or resources for that. Based on FID's experience, cash stakeholders should develop a simplified complaint management tool that can be used by several programmes.

**Simplified SOP (if needed)** It is not necessary to fully standardize the implementation procedures of the various organizations. Each organization has its own peculiarities, human resources and other programmes complementary to cash transfers implemented in the same area. All this could affect the implementation procedures from one organization to another, it is not necessary for each stage of programme implementation to

be standardized among all actors. That said, it is necessary to develop simplified guidelines for the main steps, especially in case of emergency response, namely:

- Market analysis
- Registration of beneficiaries  
(see section on single register)
- Targeting and amount of transfer (see previous sections)
- Contract with the payment agencies
- Frequency of transfers
- Accompanying measures
- PDM
- Complaints



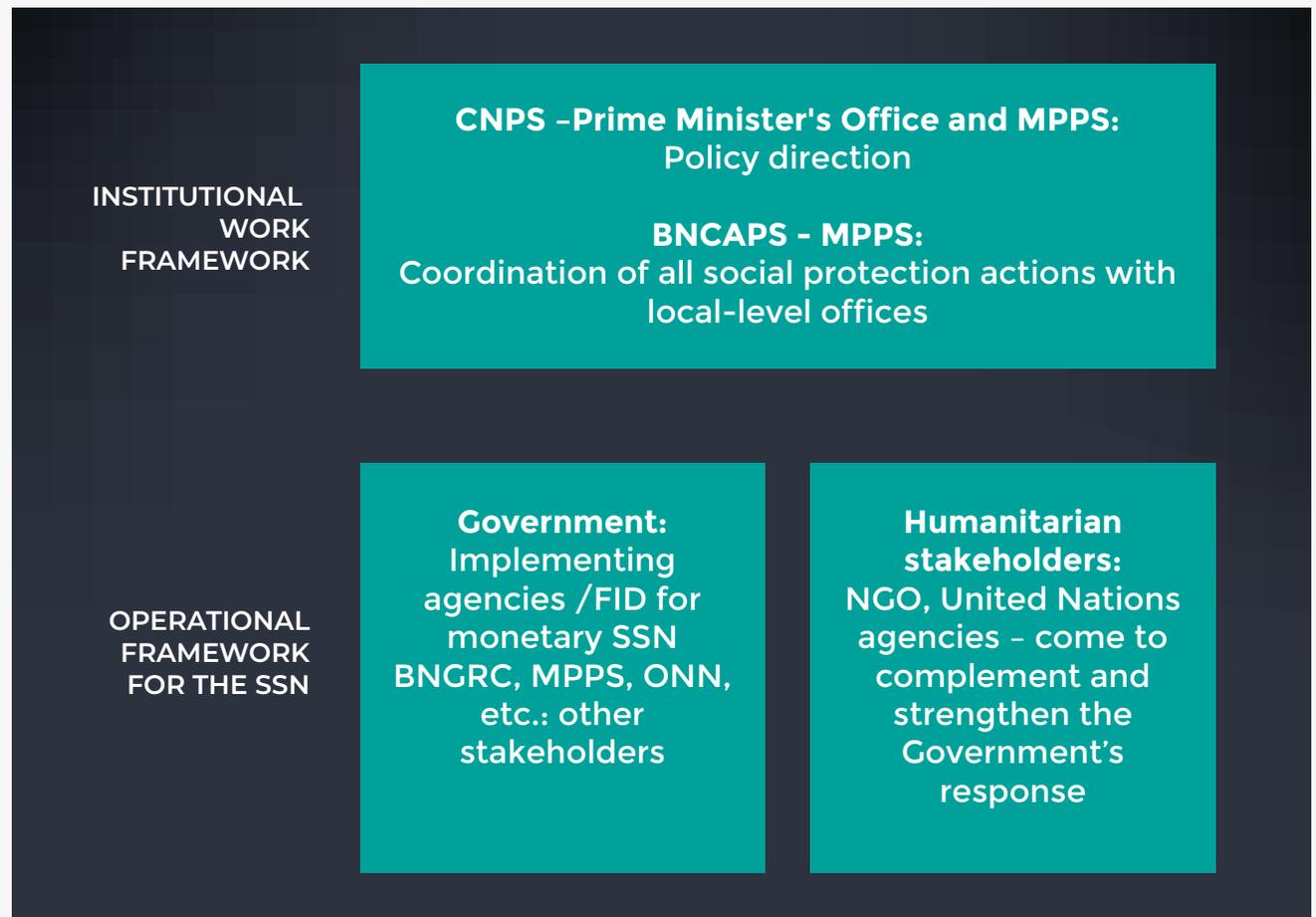


## 6.3 INSTITUTIONAL FRAMEWORK FOR HARMONIZATION

Madagascar has a well-defined institutional framework for social protection. This chapter does not intend to address the merit of Madagascar's institutional framework for social protection. The Government has already defined a legal reference framework for non-contributory social protection. In fact, a social protection policy was elaborated in 2015 and a decree establishing a coordinating structure for social protection actions was adopted in 2017. The current framework is structured as follows:

- **Institutional framework.** The National Social Protection Council chaired by the Prime Minister and vice-chaired by the Minister of Population, is the body in charge of the social policy orientation of the non-contributory scheme. The National Office for Coordination of Social Protection Actions led by the Ministry of Population is responsible for coordinating the implementation of the national policy as well as the coordination with other sectors.
- **Operational framework.** The National Social Protection Policy includes a set of actions to assist vulnerable households in the form of cash, non-cash transfers or services. It is implemented by a set of State and non-State actors. As to cash transfers, main subject of this report, the

operational arm of the Government are the executing agencies such as the FID, a body attached to the Prime Minister, which is in charge of implementing the national social safety nets programme. FID works in collaboration with other Governmental structures such as the ONN, BNGRC and Ministry of Population, which are responsible for implementing activities complementary to cash transfers, e.g. accompanying measures and household identification. Non-State actors (NGOs and United Nations Agencies) complement the Government's efforts to meet any needs not covered by the national system.



This section rather aims to identify the role and responsibility of the different actors in the harmonization process discussed above. It is a long and complex process involving many actors and requiring strong leadership from the Central Government as well as an involvement of local officials. This process also requires the support of major non-State organizations (NGOs and United Nations agencies).

**The emergency cash group is the national coordination platform for cash transfers.** Led by the Ministry of Population, it brings together the main actors in charge of coordination actors and operational implementation.

To date, the emergency cash group has served as a forum for dialogue and experience sharing. This platform can now be the coordinating framework for the operational implementation of the harmonization process. Indeed, the platform has important assets that will allow it to guide the harmonization process:

- The group benefits from strong leadership provided by the Directorate of Social Protection of the Ministry of Population. In fact, the Ministry fully plays its role of coordinating the various stakeholders by holding periodic meetings, collecting and exchanging information on current

or planned activities, sharing experience among partners

- The group receives financial support from partners (notably the World Bank and UNICEF through funding granted to the Ministry of Population). This allows the Ministry to hold public events for exchange of experience and training, field missions but also to finance studies and analysis if necessary
- The group is supported through technical assistants funded by UNICEF and the World Bank who support the Ministry of Population in coordinating activities
- The group benefits from a strong mobilization of its members, both governmental organizations, NGOs and the United Nations, which regularly participate in the monthly meetings organized by the group and share information and experiences.

Thus, this platform has all it takes to manage the various steps necessary for harmonizing cash

Box 7

## The emergency cash working group in Madagascar

To improve coordination at the technical and strategic levels, a Cash Group was set up in 2016 under the Social Protection Thematic Group, jointly led by UNICEF and the Ministry of Population. This group helped to: strengthen coordination between partners; improve programme harmonization; and create synergies with resilience programmes and development-oriented cash transfer interventions.

The group holds periodic meetings on a monthly basis, with a large and diligent participation of a large part of its members. In August 2017, the group also held a national workshop bringing together all key stakeholders in humanitarian emergency transfers. The main goal for the workshop was to improve and strengthen the coordination of social protection interventions, especially cash transfers in response to emergencies. During the workshop, the group identified 11 guiding principles that will guide the process of harmonizing cash transfers. The 11 principles are stated in Appendix 3.

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transfers under the leadership of the Ministry of Population.

That said, the platform is still suffering from some weaknesses, namely the following:

- The Ministry of Population could play a more important role of strategic and operational orientation. In response to a crisis, the Ministry should be able to give clear indications to the group's members on the operational response that the Government expects. It will therefore be necessary to strengthen its role in terms of analyzing the situation and preparing the response. At present, each member prepares the response to a crisis in the context of their individual «project» (where to act, how many beneficiaries, etc.). It is the Ministry's role to propose a joint programme response by channeling the efforts of the various stakeholders (see for example the discussion on geographic targeting)
- The platform lacks appropriate coordination tools. To date, information is shared using Excel files, without the implementation of a more appropriate computer system for managing beneficiary information and social protection programmes. The implementation of the single register and the

directory of interventions will solve a significant part of the weaknesses related to the exchange of information among the group. In addition, the group should also consider setting up common tools such as market analyzes, mapping of payment methods or simplified SOPs.

- There is a weak link between the platform at the central level and the coordination groups at the local level (where it exists). In this context, there is a risk that the harmonization decisions made at central level remain only theoretical in the field. When responding to a crisis, the emergency cash group at the central level could assign one or two focal points at the level of local platforms to ensure that field actors fully understands the principles of harmonization and master the tools to be developed. Besides, local actors (especially members of State structures such as the Ministry of Population, BNGRC) will have to be directly involved in the roadmap towards the harmonization described in Appendix 1.
- There is a need to strengthen coordination between the emergency cash group and other sectoral groups in the humanitarian

response. The monetary response is only a part and a modality of the global humanitarian response. Some planning steps need to be done jointly completed with other sectoral cluster/humanitarian cluster coordination groups (e.g. market analysis, needs analysis, geographic targeting...)

**Recommendations to move towards harmonization.** To make concrete progress towards the process of harmonization of cash transfers, the cash group, led by the Ministry of Population, will have to prioritize the following actions:

- Validate a detailed roadmap (Appendix 1 as an example) that will define the methodological approach for setting parameters and developing common tools. It will be necessary to have a clear timing for each step and an estimate of the resources necessary for its realization. The process will be coordinated by the Ministry of Population and the different members of the group will be involved at each stage. One group member (or a small committee) will be able to provide technical (and possibly financial) support to complete each step according to their specific skills and experiences.

- Identify, among the group members, a focal point or a small committee responsible for supporting the Ministry in each step of the preparation and implementation of the joint monetary crisis response programme
- If necessary, prepare a budget for each stage of the roadmap including any missions, training, additional analyzes
- Develop simplified and harmonized implementation procedures that will be shared among members as well as common tools (market analysis, registration forms, etc.). Use as much as possible those tools already existing in Madagascar, drafted by the different members of the emergency cash group as part of their individual programmes
- Ensure that the social register is designed to be a tool that can be exploited as part of the crisis response (prioritize the most crisis-prone areas for its implementation, include a large part of the population upon registration, use a harmonized questionnaire to make the recording, etc...)



# Conclusions



**The Government of Madagascar is making significant efforts to design a social protection system that is responsive to shocks.** The social safety net programme is one of the main operational tools designed by the Government to implement its national non-contributory social protection policy through cash transfers (conditional transfers and productive safety net). The programme has the two-fold goal of supporting households in chronic poverty by regular and predictable long-term transfers and supporting their human development by accompanying measures and requirements. The programme is also used by the Government to provide assistance to households who became vulnerable following a crisis.

**It is important for the Government to develop a mid-term extension strategy for its social safety net programme, and an associated funding strategy.** As we speak, the social safety net programme still has limited geographical coverage and is solely funded with outside sources. It is important for the Government to develop a realistic

programme extension strategy aligned with well-defined resource mobilization objectives (internal and external). Given the poverty level and vulnerability among the Malagasy population, developing a national safety net programme should indeed be a priority of the Government. The gradual extension of this programme, which stabilizes the poorest households' consumption, promotes their human capital and productive capacity; and would reduce households' vulnerability to future crises and enhance their resilience.

**In locations exposed to predictable and repeated crises, the extension of the social safety net programme should be prioritized,** which will enhance households' resilience to shocks. The southern regions of Madagascar are regularly affected by drought-related crises. Significant financial resources are often mobilized during the acute period of the crisis to provide an emergency humanitarian response. This type of response, with a very high financial cost, provides immediate assistance but has no long-term impact. On the other

hand, investing in a social safety net programme in these regions (conditional transfers or productive safety nets) would strengthen households' ability to cope with crises and mitigate their negative impacts. The Government has already begun to extend the social safety net programme in the South in 2016. An extension to other vulnerable districts would be considered. In addition, the Government should analyze the possible impact of this type of programme on households the resilience capacity, to understand what is the real capacity of the programme to strengthen the capacity of households to cope with drought-related climatic shocks. This would better define the potential humanitarian assistance strategy during episodes of acute crises for households and communities already benefiting from the social safety net programme.

**To evolve towards an integrated social protection system that is responsive to shocks, the Government and humanitarian actors will have to develop a common needs assessment methodology and**

**a shared administrative/operational framework.** The Government's social safety net programme will not be able to cover all needs immediately following a crisis. It is important that development partners (NGOs and United Nations agencies) align their projects with the Government's agenda in order to provide a coherent response to the population in the event of a crisis. For this, it is necessary for the different actors to jointly define a needs assessment methodology that will make it possible to set common parameters to the different programmes (targeting, amount, duration, etc.) Using shared administrative/operational tools (single register, programme directory, monitoring tools, operational procedures, etc.) will also be an important step towards moving towards an integrated national system.

**To the extent possible, humanitarian actors should support the operational response to a crisis through the State-run programme.** The Government's programme has demonstrated the capacity to absorb additional resources, manage it effectively and transparently and implement an emergency response during the crises that have affected the country in the past. As far as possible, we can plan for development partners and humanitarian donors to support the implementation of the crisis response through the government's programme. As this programme is still undergoing progressive extension, it is possible that in certain areas the Government's programme is not yet able to intervene directly. In this case, as previously discussed, it is desirable that interventions implemented directly

by humanitarian actors align with the Government's programme.

**Development partners should continue efforts to strengthen the Government's capacity to design and implement a national social protection system responsive to shocks.** Madagascar does have a strong Government leadership in the process of defining the national social security system, as regards the aspects related to political, administrative and operational. It is important that development partners continue efforts (by experience sharing, technical assistance, training) to build the Government's capacity to design its own national system and coordinate the different programmes.

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# APPENDIX



## APPENDIX 1 - Roadmap of the process to harmonize the cash transfers in response to crisis

	1-3 MON-THS	4 TO 6 MON-THS	6 TO 12 MON-THS	12+
<b>Harmonizing the parameters</b>				
<b>Targeting</b>				
Implement a short-term targeting strategy				
Geographical targeting: develop common guidelines for decision-making regarding the distribution of intervention zones among stakeholders during a crisis and possible geographical targeting, including the development of a composite index to prioritize the communes (if necessary)				
Individual targeting: pilot HEA-based targeting in pre-identified areas				
Individual targeting: Develop simplified guidelines for community targeting (if possible aligned with the HEA procedure) associated with categorical targeting				
Validate the targeting tools designed				
Pilot the targeting tools				
Review the targeting tools if necessary				
<b>Set up a targeting strategy aligned with the social register in the long term</b>				
Define the targeting methods to be included in the social register (PMT, PMT +, HEA, categorical)				
If necessary, review the targeting formulas (PMT, PMT+)				

	1-3 MONTHS	4 TO 6 MONTHS	6 TO 12 MONTHS	12+
Develop a simplified questionnaire for beneficiary registration that will allow the use of different targeting techniques as needed				
Identify priority areas to pilot the targeting approach integrated into the social register				
Pilot the registration of beneficiary integrated into the social register				
<b>Amount of the transfer</b>				
Pilot HEA analysis to define transfer amount in pre-identified areas				
Evaluate this method in Madagascar				
Propose HEA-wide scope in other vulnerable areas if results are conclusive				
Elaborate guidelines to determine amounts in locations not covered by HEA (based on consumption deficit or other method proposed by the group)				
Pilot the method for defining the amount				
Evaluate and revise if necessary				
<b>Duration and typology</b>				
Develop guidelines for defining the duration of emergency transfers and the type of project to be used (CFW or CT)				
Pilot the guidelines				
<b>Set up common tools</b>				
<b>Single register</b>				
Define the structure, the technology to be used and the operational implementation choices of the social register of the vulnerable and the programmes				
Develop a simplified questionnaire to register vulnerable people (see section on targeting)				
Evaluate the costs/benefits/timing of a biometric register and possible links with other sectors (if biometric option considered)				

	1-3 MON- THS	4 TO 6 MON- THS	6 TO 12 MON- THS	12+
Identify the partners to be involved in the pilot phase of the Register of vulnerable people				
Sign the MOU with the partners affected for the Register of vulnerable people				
Hire an IT firm to set up the computer structure for the Register of vulnerable people and the program				
Recruitment of a biometric company to set up the vulnerable registration system (if biometric option retained)				
Pilot the recording of programmes into the programme register				
Pilot the registration of vulnerable people into the social register				
<b>Other common tools</b>				
Develop guidelines (ToRs) to conduct a joint needs, market and risk analysis for use in crises (necessary for coordinated planning)				
Develop common tools to conduct market analysis (emergency cash group and humanitarian coordination group)				
Elaborate a cartography of the means of payment by region (availability, costs, limitations, etc.)				
Develop common guidelines for a simplified complaints mechanism for emergency programmes				
Develop common guidelines and a shared questionnaire for PDM surveys (if compatible with donor requirements)				
<b>Institutional framework</b>				
Identify the main people responsible for implementing each stage of harmonization (Ministry of Population + 1 member or a restricted committee)				
Finalize the road map				
Develop a budget for the harmonization process (analyzes, workshops, missions, etc.) and submit it to the various partners for funding.				

## APPENDIX 2 – Statistical tables

### A. DESCRIPTIVE STATISTICS ON HOUSEHOLD CONSUMPTION AND POVERTY

#### A.1 Households consumption according to their poverty status

HOUSEHOLDS' LEVEL OF POVERTY	TOTAL HOUSEHOLD CONSUMPTION (AVERAGE IN MGA)	
	DATA IN 2012	DATA UPDATED BASED ON INFLATION
Households in extreme poverty (poverty line of MGA 374,941)	1 309 932	1 871 846
Poor households (poverty line of MGA 535,603)	1 512 948	2161 949
Households in 1st quintile	939 617	1 342 679
Households in 1st quintile	1 381 697	1 974 396
Households in 3 first deciles	1 070 931	1 530 322

Source: INSTAT calculation based on the 2012 ENSOMD survey

#### A.2 Categories of households according to their place de residence and poverty status

# NOT REVISED BY DEMOGRAPHIC GROWTH	HOUSEHOLDS WITH CHILDREN 0-2 YEARS	HOUSEHOLDS WITH CHILDREN 0-5 YEARS	HOUSEHOLDS WITH CHILDREN 0-11 YEARS	HOUSEHOLDS WITH ELDERLY >65 YEARS	HOUSEHOLDS WITH PRE-GNANT WOMEN	LARGE HOUSEHOLDS >7 MEMBERS	HOUSEHOLDS PART OF AT LEAST 1 CATEGORY (EXCEPT CHILDREN 6-11)	TOTAL NUMBER OF HOUSEHOLDS
<b>In extreme poverty</b>								
Urban	115 781	157 544	196 443	19 647	14 372	38 784	175 229	216 816
Rural	902 618	1 251 413	1 549 306	181 888	141 853	335 187	1 399 730	1 728 617
National	1 018 399	1 408 957	1 745 749	201 535	156 225	373 971	1 574 959	1 945 433

# NOT REVISED BY DEMOGRAPHIC GROWTH	HOUSEHOLDS WITH CHILDREN 0-2 YEARS	HOUSEHOLDS WITH CHILDREN 0-5 YEARS	HOUSEHOLDS WITH CHILDREN 0-11 YEARS	HOUSEHOLDS WITH ELDERLY >65 YEARS	HOUSEHOLDS WITH PRE-GNANT WOMEN	LARGE HOUSEHOLDS >7 MEMBERS	HOUSEHOLDS PART OF AT LEAST 1 CATEGORY (EXCEPT CHILDREN 6-11)	TOTAL NUMBER OF HOUSEHOLDS
<b>Not in extreme poverty</b>								
Urban	209 687	330 665	484 533	71 331	37 865	24 669	412 425	780 569
Rural	519 264	817 122	1 168 691	184 353	110 089	68 149	1 030 026	1 874 485
National	728 951	1 147 787	1 653 224	255 684	147 954	92 818	1 442 451	2 655 054
<b>All households included</b>								
Urban	325 468	488 209	680 976	90 978	52 237	63 453	587 654	997 385
Rural	1 421 882	2 068 535	2 717 997	366 241	251 942	403 336	2 429 756	3 603 102
National	1 747 350	2 556 744	3 398 973	457 219	304 179	466 789	3 017 410	4 600 487

Source: INSTAT calculation based on the 2012 ENSOMD survey

#	HOUSEHOLDS WITH CHILDREN 0-2 YEARS	HOUSEHOLDS WITH CHILDREN 0-5 YEARS	HOUSEHOLDS WITH CHILDREN 0-11 YEARS	HOUSEHOLDS WITH ELDERLY >65 YEARS	HOUSEHOLDS WITH PRE-GNANT WOMEN	LARGE HOUSEHOLDS >7 MEMBERS	HOUSEHOLDS PART OF AT LEAST 1 CATEGORY (EXCEPT CHILDREN 6-11)	TOTAL NUMBER OF HOUSEHOLDS
<b>In extreme poverty</b>								
Urban	53	73	91	9	7	18	81	100
Rural	52	72	90	11	8	19	81	100
National	52	72	90	10	8	19	81	100
<b>Not in extreme poverty</b>								
Urban	27	42	62	9	5	3	53	100
Rural	28	44	62	10	6	4	55	100

#	HOUSEHOLDS WITH CHILDREN 0-2 YEARS	HOUSEHOLDS WITH CHILDREN 0-5 YEARS	HOUSEHOLDS WITH CHILDREN 0-11 YEARS	HOUSEHOLDS WITH ELDERLY >65 YEARS	HOUSEHOLDS WITH PRE-GNANT WOMEN	LARGE HOUSEHOLDS >7 MEMBERS	HOUSEHOLDS PART OF AT LEAST 1 CATEGORY (EXCEPT CHILDREN 6-11)	TOTAL NUMBER OF HOUSEHOLDS
National	27	43	62	10	6	3	54	100
<b>All households included</b>								
Urban	33	49	68	9	5	6	59	100
Rural	39	57	75	10	7	11	67	100
National	38	56	74	10	7	10	66	100

Source: INSTAT calculation based on the 2012 ENSOMD survey

### A.3 Households in extreme poverty per region

REGION	EXTREME POVERTY RATE	NUMBER OF HOUSEHOLDS (NOT REVISED PER THE POPULATION GROWTH)	% OF HOUSEHOLDS IN EXTREME POVERTY
ANDROY	90,7	109 265	5,6
ATSIMO ANTSINANANA	84,9	121 290	6,2
VAKINAKARATRA	75,4	230 771	11,9
ANOSY	70,4	78 736	4,1
ATSIMO ANDREFANA	68,1	159 848	8,2
SOFIA	67,6	149 545	7,7
VATOVAVY FITOVINANY	64,0	145 408	7,5
IHOROMBE	63,9	32 451	1,7
SAVA	60,3	107 044	5,5
MELAKY	57,2	26 287	1,4

REGION	EXTREME POVERTY RATE	NUMBER OF HOUSEHOLDS (NOT REVISED PER THE PO- PULATION GROWTH)	% OF HOUSEHOLDS IN EX- TREME POVERTY
AMORON I MANIA	52,2	59 756	3,1
BONGOLAVA	51,8	39 430	2,0
HAUTE MATSIATRA	51,0	92 311	4,8
ATSINANANA	46,7	110 974	5,7
MENABE	46,4	48 600	2,5
BETSIBOKA	42,7	20 040	1,0
BOENY	39,8	51 318	2,6
ITASY	37,2	40 976	2,1
ANALANJIROFO	36,4	68 863	3,5
ALAOTRA MANGORO	31,4	50 404	2,6
ANALAMANGA	30,2	174 351	9,0
DIANA	20,9	27 765	1,4
<b>TOTAL</b>	<b>52,7</b>	<b>1 945 433</b>	<b>100</b>

Source: INSTAT calculation based on the 2012 ENSOMD survey

#### A.4 Consumption deficit of households in extreme poverty per region

REGION	EN ARIARY				
	CONSUMPTION DEFICIT (EXTREME POVERTY ON EX- TREME POVERTY LINE) - YEARLY	MONTHLY DEFICIT	REGIONAL PRICE DEFLATOR	MONTHLY DEFICIT REVISED AS PER THE REGIONAL DE- FLATOR (RURAL)	REVISED DEFI- CIT AS PER THE 2016 INFLATION
ANALAMANGA	-590 920	-49 243	0,93	-45 730	-65 346

REGION	EN ARIARY				
	CONSUMPTION DEFICIT (EXTREME POVERTY ON EXTREME POVERTY LINE) - YEARLY	MONTHLY DEFICIT	REGIONAL PRICE DEFLATOR	MONTHLY DEFICIT REVISED AS PER THE REGIONAL DEFLATOR (RURAL)	REVISED DEFICIT AS PER THE 2016 INFLATION
VAKINAKARATRA	-794 923	-66 244	1,12	-74 443	-106 377
ITASY	-621 257	-51 771	0,67	-34 486	-49 280
BONGOLAVA	-658 485	-54 874	0,74	-40 629	-58 058
HAUTE MATSIATRA	-671 861	-55 988	0,71	-39 969	-57 115
AMORON I MANIA	-677 534	-56 461	0,78	-44 068	-62 971
VATOVAVY FITOVINANY	-825 260	-68 772	0,74	-51 190	-73 149
IHOROMBE	-776 757	-64 730	0,85	-54 810	-78 325
ATSIMO ANTSINANANA	-1 123 579	-93 632	0,84	-78 810	-112 616
ATSINANANA	-607 389	-50 616	0,82	-41 745	-59 651
ANALANJIROFO	-625 537	-52 128	0,86	-44 976	-64 269
ALAO TRA MANGORO	-552 344	-46 029	0,71	-32 745	-46 791
BOENY	-813 881	-67 823	0,69	-46 540	-66 504
SOFIA	-776 913	-64 743	0,82	-52 975	-75 699
BETSIBOKA	-846 174	-70 515	0,78	-55 079	-78 706
MELAKY	-820 351	-68 363	0,79	-54 068	-77 262
ATSIMO ANDREFANA	-907 398	-75 617	0,99	-74 784	-106 864
ANDROY	-1 207 163	-100 597	0,81	-81 042	-115 807

REGION	EN ARIARY				
	CONSUMPTION DEFICIT (EXTREME POVERTY ON EXTREME POVERTY LINE) - YEARLY	MONTHLY DEFICIT	REGIONAL PRICE DEFLATOR	MONTHLY DEFICIT REVISED AS PER THE REGIONAL DEFLATOR (RURAL)	REVISED DEFICIT AS PER THE 2016 INFLATION
ANOSY	-987 438	-82 287	0,78	-64 495	-92 161
MENABE	-717 162	-59 764	0,77	-45 770	-65 404
DIANA	-565 065	-47 089	0,78	-36 714	-52 463
SAVA	-673 118	-56 093	0,79	-44 346	-63 370
<b>TOTAL (national average)</b>	<b>-788 497</b>	<b>-65 708</b>	<b>1,00</b>	<b>-65 708</b>	<b>-93 895</b>

Source: INSTAT calculation based on the 2012 ENSOMD survey

## B. COVERAGE AND AMOUNT OF TRANSFER OF THE LIFE CYCLE-BASED CATEGORICAL PROGRAM

B1 - Programme coverage rate based on poverty level

	% HOUSEHOLDS COVERED BY THE PROGRAM	% HOUSEHOLDS EXCLUDED FROM THE PROGRAM
In extreme poverty	97,3	2,7
Not in extreme poverty	80,7	19,3
<b>Total</b>	<b>87,7</b>	<b>12,3</b>

Source: INSTAT calculation based on the 2012 ENSOMD survey

B2 - Average amount of transfer by household based on poverty level

	AVERAGE AMOUNT OF TRANSFER / YEAR IN MGA (2012)	AVERAGE AMOUNT OF TRANSFER / YEAR IN MGA (REVISED AFTER INFLATION 2016)
In extreme poverty	208 198	297 508
Not in extreme poverty	136 801	195 484
<b>Total</b>	<b>170 287</b>	<b>243 334</b>

Source: INSTAT calculation based on the 2012 ENSOMD survey

### B3 - Share of transfer on total consumption of households according to their poverty level (generosity of transfer)

PERCENTILE OF HOUSEHOLDS	SHARE OF TRANSFER ON TOTAL CONSUMPTION OF HOUSEHOLDS		
	ALL BENEFICIARY HOUSEHOLDS	BENEFICIARY HOUSEHOLDS NOT IN EXTREME POVERTY	BENEFICIARY HOUSEHOLDS NOT IN EXTREME POVERTY
1%	0,7%	0,5%	3,7%
5%	1,6%	1,2%	6%
10%	2,3%	1,7%	7,5%
25%	4,4%	2,8%	10,4%
50%	8,4%	4,8%	15,1%
75%	15,4%	7,4%	23,3%
90%	25,8%	10,8%	35,9%
95%	35,6%	14,7%	48,2%
99%	64%	28,7%	84,2%
<b>Average</b>	<b>12,2%</b>	<b>6%</b>	<b>19,5%</b>

Source: INSTAT calculation based on the 2012 ENSOMD survey

## APPENDIX 3 – Principles for coordinating emergency cash interventions

### The principles of the modalities of Cash in emergency

Here are the agreed principles in all future/new cash transfer programmes in emergency responses.

Partners ensure that:

1. Through the formalization of the Cash Transfer working group, a framework agreed and to be respected by the group members is set up to implement the recommendations and principles adopted for implementing cash transfer interventions in response to emergency situations.
  2. The sharing of information at all stages of the planning, implementation and monitoring of transfers is done in the emergency cash group and with the Ministry of Social Protection.
  3. Joint analyzes are conducted on the context and possible integrated interventions during the preparation, planning, response, monitoring, and evaluation phases.
- A communication on transfer interventions is conducted in coordination with the respective national bodies.
4. A manual of harmonized procedures is developed and implemented with regard to transfer amounts, targets and coordination with other interventions.
  5. A standard framework for monitoring national/regional programmes is developed and used regularly to share information to create a common information system and a national register.

6. A common and harmonized communication strategy at institutional and community levels is systematically implemented as part of the programmes.
7. Joint advocacy is being developed for new transfer programmes to mobilize resources for transfer interventions and reduce these programmes' operational costs.
8. Linkages and coordination between the national, regional and local levels and at the inter-ministerial level are strengthened within the cash transfer responses.
9. Cash transfer programmes are evaluated and joint evaluations of several partners are taken into consideration.
10. Links between general emergency interventions and development and resilience programmes are strengthened. In particular, emergency funds should seek to contribute to medium- and long-term resilience efforts.
11. All the principles must be adopted among all relevant stakeholders through a memorandum of understanding; this agreement embodies a common commitment.

## APPENDIX 4 – STRATEGIC AXES OF THE SOCIAL PROTECTION POLICY

AXIS	STRATEGIC AXIS	STRATEGIC GOALS
Axis 1	Increased incomes for the poorest	<p>OS 01. Scale up social transfers</p> <p>OS 02. Promote HIMO works</p> <p>OS 03. Build the capacity of vulnerable people</p>
Axis 2	Improved access to basic social services	<p>OS 01. Make the support to basic education effective</p> <p>OS 02. Improve nutrition for vulnerable groups</p> <p>OS 03. Improve access to and provision of health services to the most vulnerable groups,</p> <p>OS 04. Facilitate access to water and sanitation facilities</p> <p>OS 05. Promote access to housing</p>
Axis 3	Protection and promotion of the rights of specific groups at risk	<p>OS 01. Lower the cost of living for people with reduced mobility</p> <p>OS 02. Take charge of specific groups victims of violations of their rights</p> <p>OS 03. Facilitate the social and family reintegration of marginalized people,</p>
Axis 4	Progressive consolidation of the contributory scheme	<p>OS 01. Extend health coverage</p> <p>OS 02. Promote social insurance</p> <p>OS 03. Promote social security in the informal economy</p>

Source: National Social Protection Policy, 2015

## APPENDIX 5 – CASH TRANSFER PROGRAMMES PER COMMUNE – DISTRICTS OF AMBOASARY AND BEKILY

REGION	DISTRICT	COMMUNE	Total number of population	HOUSEHOLDS IN NEEDS (IPC ESTIMATE IN OCTOBER 2016)		HOUSEHOLDS TARGETED BY EACH PROGRAMME							
				%	#	PERIODIC SUPPORT TO HOUSEHOLD CONSUMPTION				ONE-TIME SUPPORT TO PROTECT LIVELIHOOD		SPECIFIC SECTORAL SUPPORT	
						FID	WFP	CARE	MPPSPF	FAO	CRS	UNICEF WASH	
Anosy	Amboasary Sud		226 512	65%	29 447								
		Amboasary Atsimo				3 856	3 846	809	330	987			
		Behara				2 065	3 107			1 608			
		Ebelo								666			
		Elonty											
		Esira											
		Ifotaka				1 635				988			
		Mahaly											
		Maromby											
		Marotsiraka								896			
		Ranobe											
		Sampona					1 014		795		975		135
		Tsndava Sud					1 433		900		974		35
		Tranomaro											
Tsivory													

REGION	DISTRICT	COMMUNE	Total number of population	HOUSEHOLDS IN NEEDS (IPC ESTIMATE IN OCTOBER 2016)		HOUSEHOLDS TARGETED BY EACH PROGRAMME							
				%	#	PERIODIC SUPPORT TO HOUSEHOLD CONSUMPTION				ONE-TIME SUPPORT TO PROTECT LIVELIHOOD		SPECIFIC SECTORAL SUPPORT	
						FID	WFP	CARE	MPPSPF	FAO	CRS	UNICEF WASH	
Androy	Bekily		178 478	40%	14 278								
		Ambahita									729		
		Ambatosola											
		Amtsakoamaro									333		
		Anivorano Mitsinjo				218							
		Anja Nord						622			288		
		Ankaranabo Nord				902					371	418	
		Antsakoamaro				105	620						
		Bekitro											
		Belindo Mahasoa				1017					1371		
		Beraketa				1708					1115		
		Bevitiky				482	3085				283		
		Manakompy				618	1503						
		Maroviro				237							
Morafeno Bekily				801					769	420			
Beteza							1079		651				

REGION	DISTRICT	COMMUNE	Total number of population	HOUSEHOLDS IN NEEDS (IPC ESTIMATE IN OCTOBER 2016)		HOUSEHOLDS TARGETED BY EACH PROGRAMME						
						PERIODIC SUPPORT TO HOUSEHOLD CONSUMPTION				ONE-TIME SUPPORT TO PROTECT LIVELIHOOD		SPECIFIC SECTORAL SUPPORT
						%	#	FID	WFP	CARE	MPPSPF	FAO
		Tanandava								755		
		Tsikolaky				292	1832					
		Tsirandrany				281				549		
		Vohimanga										

Source: Data provided by the emergency cash group

## APPENDIX 6 - Cost charged by payment agencies for cash transfers

PAYMENT AGENCY	DISTRIBUTION MODES	SERVICE DELIVERY RATES	LOCATION	PROGRAM
OTIV TANA	Direct cash transfer with ID and project card	7.09%	BETAFO	FID- TMC
AIRTEL	With SIM card through mobile money	3.19%	BETAFO	FID- TMC
AIRTEL	With SIM card through mobile money	9.51%	ANTSIRABE II-AMBATOFINANDRAHANA-FARAFANGANA-AMBOVOMBE-BETIOKY	FID- CFW
TELMA	OTHER (voucher....)	7.30%	AMBOSITRA-FANDRIANA-MANANDRIANA	FID- CFW
AIRTEL	With SIM card through mobile money	7.51%	AMBATOLAMPY-ANTSIRABE II- BETAFO-AMBALAVAO-AMBOHIMAHAOA-ISANDRA	FID- CFW
TELMA	OTHER (voucher....)	8.33%	AMBOSITRA-FANDRIANA-MANANDRIANA	FID- CFW
OTIV TANA	Direct cash transfer with ID and project card	8.83%	FARATSIHO-AMBOHIMAHASOA	FID- TMDH
OTIV ZONE LITTORAL	Direct cash transfer with ID and project card	13.87%	TOAMASINA II-MAHANORO	FID- TMDH
AIRTEL	With SIM card through mobile money	11.63%	FARATSIHO-AMBOHIMAHASOA-VOHIPENO-BETIOKY-MAHANORO	FID- TMDH
AGEX	Direct cash transfer with ID and project card	3.29%	DRF, DRT, DRK	FID- TMDH
ORANGE	OTHER (voucher....)	12.00%	AMBOVOMBE-AMBOASARY SUD-BEKILY-TSIHOMBE-BELOHA	FID- FIAVOTA
OTIV TANA	Direct cash transfer with ID and project card	8.00%	AMBOVOMBE-AMBOASARY SUD	FID- FIAVOTA
AGEE	Direct cash transfer with ID and project card	3.65%	AMBOVOMBE-AMBOASARY SUD-BEKILY-TSIHOMBE-BELOHA	FID- FIAVOTA
ORANGE	OTHER (voucher....)	2.86%	ANTANIFOTSY	FID- PSN

PAYMENT AGENCY	DISTRIBUTION MODES	SERVICE DELIVERY RATES	LOCATION	PROGRAM
ORANGE	OTHER (voucher....)	8.37%	VATOMANDRY-ISANDRA	FID- PSN
ORANGE	OTHER (voucher....)	8.21%	MANAKARA	FID- PSN
AIRTEL	With SIM card through mobile money	10.80%	MANAKARA	FID- PSN
AGEC	Direct cash transfer with ID and project card	6.32%	DRA, DRF, DRK, DRT, DRU	FID- PSN
AIRTEL	01 carte SIM Airtel by beneficiary with function Airtel money	8.9% (district level)	AMBOVOMBE, AMBOASARY	CARE- ACT
TELMA	Direct payment	0 (Corporate Social Responsibility financed by Telma foundation)	ANTAHALA, MAROANSTRETRA	BNGRC/UNICEF-CT/Enawo
TELMA	Direct payment	0 (Corporate Social Responsibility financed by Telma foundation)	AMBOVOMBE, BELHOA, TSIHOMBE	MPPSPF/UNICEF-TM/Protection
TELMA	Direct cash transfer with CIN	12%	ATSIMO-ATSINANANA	WHH- CFW
Microfinance Institute	Payment through microfinance institution	3% (membership fee) + 8% management fee	AMBOVOMBE/TSIHOMBE/BELOHA	UNDP- Recovery Sud
Microfinance Institute	Payment through microfinance institution	5% (membership fee) + 8% management fee	BEKILY	UNDP Recovery Sud





## Ministry of Population, Social protection and Women's Promotion

**Irenée Arimanana RAVELOJAONA**  
Social Protection Director

-  MPPSPF, Ambohitovo
-  iravelojaona@yahoo.fr
-  + 261 34 76 934 98

## National Office for Risk and Disaster Management

**Commandant Aritiana Faly**  
Project Coordinator

-  aritiana23@gmail.com
-  + 261 34 05 480 67

**VENTY Thierry**  
Executive secretary

-  sp.bngrc@gmail.com
-  + 261 34 49 555 03

## UNICEF MADAGASCAR United Nations Children's Fund

-  Maison commune des Nations Unies,  
Zone Galaxy Andraharo  
BP 732 Antananarivo
-  + 261 20 23 300 92
-  antananarivo@unicef.org
-  [www.unicef.org/madagascar](http://www.unicef.org/madagascar)
-  [www.facebook.com/UNICEF.Madagascar](https://www.facebook.com/UNICEF.Madagascar)
-  UNICEF Madagascar
-  [www.twitter.com/unicefmada](https://www.twitter.com/unicefmada)

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