Ethiopia: Strategic Scale Up of Safety Net from Rural to Urban to Address Poverty

Social Protection in Cities: A Forward-Looking View – The Ethiopian Perspective

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Background

- Ethiopia is a large country - **94 million** people with area of 1.3 million Sq. Km. Has 85 Ethnic Groups with their own language and culture.
- Ethiopia follows a **federal** arrangement with full power devolution and decentralization to 11 regional states.
- The recent double digit (11.2%) economic growth for 12 consecutive years has helped to reduce poverty in both urban and rural areas.
- Poverty has fallen from 38.7% in 2004/05 to 29.6% in 2010/11 and then the current estimate has declined to 20%.
- Ethiopia is one of the countries that have achieved most of the MDG such as poverty reduction, education coverage, health services, water supply etc.
- Reasons for **fast economic growth** – Agriculture led industrial development, land public ownership, government interventions in the event of market failure.
Urban context

✓ Although at early stage (20%), Ethiopia is one of the fastest urbanizing country in Africa with a rate of 5.4% per annum

✓ Creating employment opportunities is a key determinant to address poverty in urban areas.

✓ An economically productive urban transformation is necessary for Ethiopia to reach middle-income status 2025 and reduce poverty

✓ The overall unemployment rate in urban areas is 17.1%

✓ As more of the urban poor live in large urban centers, expanding development programs in these cities is becoming imperative
Policy framework

- Recently, the GoE has shown a strong commitment to Social Protection to sustain economic growth by ensuring inclusiveness and shared prosperity among the citizens.
- The National Social Protection Policy (NSPP) was approved by the Council of Ministers in November 2014.
- Related to this the GoE has also approved an Urban Food Security and Job Creation Program (Urban Productive Safety Net).
- The Urban Productive Safety Net is fully embedded in the GoE’s five years development plan (2016-2020).
- These policy initiatives will also contribute to the achievement of the WBG twins goal of ending extreme poverty and ensuring shared prosperity.

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National Program

- The GoE has considerable experience in delivering safety net and public works (PW) programs in Rural areas (PSNP) since 2005.
- The PSNP has reached 10 million beneficiaries and close to 3 million citizens have graduated from this program reaching food self-sufficiency level.
- The GoE has made decision to scale up this Safety Net Program to urban areas.
- MUDHo is leading the design of a systematic urban safety net and livelihood support intervention.
- The long-term program framework has an objective of reaching 4.7 million poor in 947 cities.
- Currently, we have finalized a design of 5 year project of targeting 600,000 citizens with the support of the WBG, Mr. Mudris Abdullahi being the coordinator.
- In the long run, the UPSNP and the rural PSNP will enable the GoE to have gradually a comprehensive safety net program at a national level.
- Other complementary programs: General food subsidy for the poor, Job Creation Programs, Urban Housing Program, Urban inclusive Infrastructure Governance and Development (ULGDP), basic service accessibility program ..... Etc are getting implemented to have shared growth among the citizens.
Major elements of UPSNP

✔ UPSNP components

1) Cash transfer - for human development and survival of the poor family.
2) Public or community works - (to meet subsistence need and support productive life) of the family.
3) Livelihood services – to prepare for graduation and self sufficiency (self-employment or wage employment) of the family.
4) Institutional strengthening and implementation capacity building (Program Management, Financial Management, System Dev’t…etc.)
Linking UPSNP with Urban Agenda

1) Urban Planning – Urban upgrading and renewal,
2) Urban governance – Accessible One Stop-shop service for Citizen
3) Job Creation – Expansion of SMEs and entrepreneurship development
4) Urban Infrastructure accessibility for low income residents – LRT - Mobility
5) Urban housing – Pro-poor and gender sensitive low cost housing
6) Urban sanitation and greenery – job creation.

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