PART II

Chapter 8

Case studies from developing countries: What works and why

These five case studies show initiatives already in place to deliver on the Sustainable Development Goals for all people in specific countries and regions. In Indonesia, an electronic food voucher programme supports the most vulnerable of households. In Benin, the government is applying a new approach that focuses on the needs of the poorest 20% of the country’s people. Around Latin America, financial inclusion is integrated within social protection programmes to help the region’s poorest accumulate savings. In Muthithi, Kenya, a multidimensional study on welfare has informed local government interventions to help those furthest behind. And in West Africa, neighbouring countries are working together to improve economies and lives in remote border regions.
Introduction

Leave no one behind is, perhaps, easiest to understand in action. These select cases share findings and lessons from the regional, national and subnational levels based on research and applied experience from Benin’s Minister of Planning, Indonesia’s National Team for the Acceleration of Poverty Reduction, the International Development Research Centre, the Partnership for Economic Policy in Kenya, the Instituto de Estudios Peruanos and Proyecto Capital and the OECD’s Sahel and West Africa club. The strategies, programmes and lessons from these case studies show the high potential for achieving development that serves the poorest, most vulnerable and furthest behind in all countries, irrespective of income category.

Refocusing on the poorest 20% of Benin

By Abdoulaye Bio Tchané, Minister of Planning and Development, Government of Benin

Key messages

- Benin’s economy has been growing 2–6% annually since the 1990s, but growth in gross domestic product (GDP) has not benefited the poorest 20% of Benin’s population.
- Between 2011 and 2015, Benin’s poverty rate, measured at the national poverty line, increased from around 36% to 40%.
- Leaving no one behind is a cardinal principle for all of Benin’s public policy and actions, including focusing on the poorest 20%, and collecting and using data to identify and monitor progress among populations at risk of being left behind.
- The objective of Benin’s Action Programme 2016–2021 is to reduce poverty for 4 million people by 2021, with four priorities: social protection for all; social safety nets for the most vulnerable; legislation for the most vulnerable; and a balanced distribution of development initiatives.

Benin is a small, heavily indebted country with one of the highest poverty rates in the world: 50% of the population live on less than USD 1.90 per day (measured in 2011 purchasing power parity). The population of Benin is generally young and rural: 57% of people live in rural areas and half are under the age of 18. Much of the population works in the informal sector and in agriculture. Poverty rates are higher in rural areas, particularly in the northern agrarian zones, which are also environmentally fragile and vulnerable to drought and climate change.

As a small nation with limited financial resources, geographical diversity and fragmented populations with different needs, Benin faces challenges that are not unique in Africa. However, the country has a political system more stable than many others in the region.1 Benin’s democratic period has been largely peaceful, with political processes that are inclusive, participative and transparent (Bierschenk, 2006[1]). This provides Benin with a firm basis for innovative policy making that can rise to the challenge of leaving no one behind.

The poorest 20% are being left behind

Since the 1990s, Benin has seen positive economic growth with annual gross domestic product (GDP) increases of between 2% and 6%. Yet Benin’s economy and policies have not favoured the poorest or most excluded: between 2011 and 2015, the poverty rate,2 measured at the national poverty line,
increased from about 36% to 40%. This was despite the implementation of a strategy for poverty reduction characterised by numerous social programmes including microfinance support.

**Using the ‘P20 approach’ to tackle poverty and vulnerability**

Growth in GDP has not benefited the poorest 20% of Benin’s population. That is why Benin decided to focus on reducing poverty and vulnerability for the poorest 20% of people with support from the Government of Switzerland and informed by the P20 approach designed by the non-governmental organisation Development Initiatives. Through this strategy and approach, the Government of Benin aims to fulfil its commitment to leave no one behind, which was recently declared a cardinal principle of all its public policy and actions. Moreover, an interesting feature of this P20 partnership is that Switzerland is also focusing on the P20 domestically. The two countries are addressing a shared agenda and can share lessons and knowledge.

Collecting better evidence about the poorest 20% of a country’s population is fundamental to leaving no one behind. In Benin, our priority so far has been identify and understand characteristics of the P20 and the investment has yielded some major findings. For example, in 2002, average daily consumption for the poorest quintile in Benin was USD 0.90 (measured in 2011 purchasing power parity); by 2013, it had dropped to USD 0.64. In Benin 20% of the population accounted for only 3.2% of the country’s daily consumption in 2013.

Of course, leaving no one behind means going beyond income and consumption policy: health, education and standard of living must also be monitored. In this respect, Benin fares poorly. Its Human Development Index for 2015 was one of the lowest 25 globally. Data on Benin’s P20 revealed that in 2006, 49% of Benin’s children under five years old in the poorest quintile experienced stunted growth due to malnutrition and other factors. Encouragingly, by 2014, this had dropped three points to 46%. But while the trend is going in the right direction, it is not as strong as the national trend, where the percentage dropped from 43% to 34%. The long-term effects of stunting – a child whose growth is stunted today will be affected for life – mean that the development gap for the poorest 20% of the population poses a significant challenge to the ambition of leaving no one behind (Dewey and Begum, 2011).

**Evidence that informs policy**

Data collection and research on the P20 looks at non-monetary variables – such as possession of a birth certificate – in order to determine the needs of extremely poor people and key vulnerabilities which provides more comprehensive evidence for poverty reduction policies. This research methodology has a comparative advantage over “proxy means testing”, which approximates a household’s standard of living using only variables correlated to a household’s spending level. It is also more easily implemented using survey data and existing administrative data, while proxy means testing involves additional meetings at local and community level. Applying the P20 approach means confronting the reality of whether progress is really working for the poorest people in Benin. It will ensure that future policies are more in tune with this reality, and that they evolve in line with the best available evidence.

**Policy interventions to reduce inequality in Benin**

Our strategy and partnership for the poorest 20% is one pillar of the government of Benin’s broad efforts to ensure that no one is left behind, both economically and in terms of health and well-being. Several of Benin’s policies to reduce inequalities have been in place for many years. However, the government is renewing efforts in these policy areas with a stronger focus on the P20, while new programmes are being designed to reduce development gaps and focus on those most at risk of being left behind.

The Government of Benin’s social protection strategy illustrates our efforts to leave no one behind. The World Bank estimated that, in 2014, the social protection was reaching only 1.2% of those in poverty. In response to this poor performance the Government Action Programme 2016-2021 set a target of providing social support to 4 million people in by 2021 and set four priorities (Box 8.1). This goal would increase the proportion of people covered by social protection services to more than one third.

The Government Action Programme 2016-2021 operates along four principal axes:

1. Social protection for all
   The government of Benin has promoted universal healthcare for many years. Recently, there have been improvements in maternal healthcare and healthcare for children under 5. As a result, neonatal mortality rates dropped from 38 per 100 000 live births in 2001 to 23 per 100 000 live births in 2011-12.

   The government is now seeking to ensure that healthcare for those without health insurance is also improved. To achieve this, the programme Assurance pour le renforcement du capital humain (ARCH), or Insurance for Strengthening Human Capital, launched in late 2018, will provide pensions and health insurance for those without insurance, with a focus on those in poverty. The ARCH programme also aims to increase the availability of microcredit.

2. Social safety nets for the most vulnerable
   The Government of Benin is administering a decentralised project led by local government communes and focusing on social safety nets. As part of this project, the central government has piloted in some villages a conditional cash transfer programme targeting the most vulnerable. Conditional cash transfers are awarded to those who are working in the public interest. Unconditional cash transfers are provided to those with disabilities. The project aims to provide better access to social services and boost resilience. The pilot phase is under way and the project will later be scaled up to the national level.

3. Legislation for the most vulnerable
   In 2017, the Government of Benin passed a new law providing protection for people with disabilities. The law commits to providing vaccinations, nutrition, consultation, rehabilitation and treatment for those with disabilities to provide equality of opportunity. To achieve these goals, the government is required to improve access to healthcare, rehabilitation using assistive devices (such as canes and wheelchairs) and financial support. The government is also removing taxes on assistive devices.

   Climate change increases the vulnerability of populations – particularly already vulnerable groups – by making their living conditions more precarious. In June 2018, Benin adopted a climate change regulatory law. This law aims to prevent, protect from and manage the consequences of climate changes that could affect Benin in the short, medium and long terms.

4. A balanced distribution of development initiatives
   In Benin, the most extreme levels of poverty are concentrated in specific geographic areas, particularly inland regions to the north (Development Initiatives, 2018[3]). To reduce these geographical inequalities, the Government of Benin has focused on increasing the finances available to subnational units. The central government is working with local government communes to ensure that infrastructure is developed to provide potable water throughout the country. This involves developing plans, legal changes and financing to expand potable water sources to all areas.

Improving data collection for the future

Using government partnerships

The Government of Benin favours an approach that involves subnational administrative units in much of its planning, including for social protection. In this context, the central and subnational governments have now signed a number of conventions, whereby the central government commits to take the lead on fundraising to develop water, sanitation and waste management in municipalities.

The advantage of these agreements is that they remove financial constraints for municipalities regardless of their condition and status; the consequence is that people from any municipality, whatever the actual capacities of their territory, can have access to basic public services.
Addressing data gaps

The collection of useful data is an important measure in ensuring that no one is left behind in Benin. For this reason, the country has made significant progress in improving systems for registering births and collecting health administration data, and in its national identification programme.

Improvements to Benin’s system for registering births include a new system to manage health information and a network that links with local officials to collect information. As a result, since 2014, 85% of children under 5 have had their births registered.

Another improvement is the pilot phase of the government’s national identification programme, the Recensement administrative à vocation d’identification des personnes. In this pilot phase, 10.2 million out of approximately 11 million people were registered. This registration system holds significant potential for identifying and providing support for those most at risk of being left behind.

Despite these improvements, there still are significant groups not included in data systems. These people are generally in geographical regions where the government faces the most significant challenges in providing services. The groups not included in surveys and censuses also include people in institutions, homeless people and migrants.

Conclusion

Although Benin has made some progress on increasing the number of people captured in official data, more remains to be done. Challenges also continue around the quality of the data being collected. Identifying and monitoring the status of those most likely to be excluded from development progress requires data that are disaggregated. However, it is difficult to find data disaggregated by age and disability – two factors along which exclusion frequently occurs. In addition, many indicators are rarely disaggregated by geography, gender or wealth quintile (which would show data for the poorest 20%).

The P20 approach is helping Benin, in partnership with Switzerland, to understand how data can help governments identify and monitor development progress among populations at risk of being left behind. Of course, developing the statistical systems and data administration required to process this data will require investment. This is all relates to the cost of implementing the SDG priority targets, which Benin is also currently assessing. When this process is finalised, Benin will invite development partners like Switzerland to work with the country in mobilising the resources needed to achieve the SDGs.

Beyond the necessary investments in social and productive infrastructure, development partners can help Benin to strengthen its co-ordination, and its monitoring and evaluation framework for policies relating to the SDGs. With this help, Benin will be able to assess the inclusiveness and impact of its new policies, including on the most vulnerable in society.
The road to a successful food assistance programme in Indonesia

By Sri Kusumastuti Rahayu and Elan Satriawan, National Team for the Acceleration of Poverty Reduction, Indonesia

Key messages

● In Indonesia, poor households spend around 65% of their income on food, with rice accounting for 29% of that spending.

● Since 1998, Indonesia has been adapting and fine-tuning its ‘rice for the poor’ programme as part of its social safety net programme to benefit the poorest and most vulnerable households.

● In 2013, the poverty rate in Indonesia was around 11.5%, with approximately 7 million poor households. The rice programme reached 15.5 million households, meaning that it helped poor and vulnerable populations.

● Electronic food vouchers give people more control over the type, quality and amount of food they purchase while supporting local small businesses. They need to be accompanied by other voucher systems in areas without reliable internet access.

Ensuring access to staple foods is always important in helping to protect the welfare of poor and vulnerable households. In Indonesia, a National Socio-Economic Survey (BPS, 2016) indicated that poor households spent around 77% of their income on food, with rice accounting for 29% of that spending. The Raskin (Rice for the Poor) programme provides poor and vulnerable households with access to subsidised rice. It was introduced in 1998 as part of social safety net programmes designed to cushion the adverse effects of the Asian financial crisis. Since then, the programme has evolved in the ways in which it targets its beneficiaries and distributes rice to them.

In its early years, Raskin provided 10 kg of subsidised rice each month per beneficiary household. Each targeted household paid a subsidised price of about IDR 1 000 (USD 0.2) per kilogram. Since 2002, the programme has provided 15 kg of rice each month per beneficiary household at the subsidised price of IDR 1 600 (USD 0.3) per kilogram. The subsidy amounts to about 80% of the regular price of medium quality rice.

By 2012, 17.5 million households in Indonesia were benefiting from the programme, although coverage reduced to 15.5 million households in 2013. In 2013, the poverty rate in the country was around 11.5%, with approximately 7 million poor households. Therefore, the Raskin programme was supporting more than double the number of poor households, meaning that it helped not only the poor, but also vulnerable populations.

Room for improvement

Despite the programme’s importance, monitoring and evaluation by the National Team for the Acceleration of Poverty Reduction (TNP2K) found that its performance and effectiveness were not optimal. Errors were being made in determining which households were eligible for inclusion in the programme. Beneficiary households were also receiving only around one-third of the intended amount of rice and were paying more than IDR 1 600 per kilogram at the distribution point. Although receiving a budget of IDR 18.8 trillion in 2014 – the largest of any of the social assistance programmes – the Raskin programme was not sufficiently effective in supporting poor and vulnerable households.

To improve the programme’s performance and help it contribute more effectively to accelerating poverty reduction, the TNP2K has provided evidence-based policy inputs since 2011. These policies have helped improve the programme design and its targeting mechanisms.

Early efforts to improve the Raskin programme included promoting transparency at the village level on which households were entitled to benefit. In 2013, based on details from the Indonesia Unified Data Base (TNP2K, 2017) a list of Raskin beneficiaries for each village was printed on a
poster and sent to the village office through the district-level Raskin co-ordinating team. Posters displaying programme guidelines and a beneficiary list were posted at the village offices where Raskin rice was usually distributed to the beneficiary households, so that beneficiaries and villagers could check who was eligible and provide inputs if the targeting was incorrect.\(^7\) Still, despite these interventions, TNP2K evaluations based on Susenas data indicated that the programme remained ineffective (TNP2K, 2015\(^1\)).

**Transforming the programme**

In 2016, the Government of Indonesia decided to transform the Raskin programme, changing it to full assistance through the provision of an electronic food voucher. A number of factors, including recommendations from the Executive Office of the President, Bappenas (Indonesia Planning Office) and the TNP2K Secretariat, informed the decision. The reforms aimed to improve the performance of the food assistance programme, including its targeting, so that it contributed more effectively to the alleviation of poverty.

The electronic food voucher programme aims to:

- reduce part of the spending burden on the KPM - *Keluarga Penerima Manfaat*/beneficiary household - in meeting food adequacy
- provide the beneficiary household with more balanced nutrition
- improve the timely delivery of food assistance to the targeted beneficiary household provide the beneficiary household with options and control in meeting their food needs
- encourage the achievement of the Sustainable Development Goals.

The electronic food voucher gives flexibility to the beneficiary household when selecting the type, quality and amount of food they require, as well as in choosing where to buy their food. In addition, it is expected to help small retail businesses increase customer numbers and income by serving beneficiaries. Ultimately, it serves to improve financial inclusion.

To ensure a smooth transition to the new arrangement, the President of Indonesia requested that two pilot trials be carried out before the electronic food vouchers were introduced in 2017. The first pilot trial tested a variety of e-voucher instruments and the programme design, as well as the implementation mechanism. The second pilot trial assessed the preparedness of the banking infrastructure and distribution network for the new programme, evaluated food prices and behaviours of the beneficiary households, tested the implementing mechanism, and recommended improvements with regard to programme expansion.

**First pilot: Testing programme design**

The first pilot trial was conducted by the TNP2K Secretariat in 2016 in collaboration with three state-owned banks, a regional government-owned bank and a private bank and with a telecommunications company. Implemented in six cities and two districts, the pilot explored the best e-voucher instrument (debit card or SIM card, Near-Field Communication (NFC) sticker\(^8\) or Quick Response (QR) code) and tested the main stages in the programme design, namely:

- preparation of beneficiary (KPM) data and recruitment of merchants (kiosks)
- programme introduction for the KPM and programme implementers, and education for the merchants (kiosks)
- registration and distribution of payment devices (debit card or SIM card and NFC sticker or QR code), as well as activation of the cards
- payment transfers of IDR 110 000 for food assistance and IDR 110 000 for cash transfer to the bank accounts of the KPM
- food purchasing or cash withdrawal at kiosks affiliated with the pilot partners.
The trial also tested other aspects of the implementation process, including: co-ordination with the local government; the commitment of the local government to the programme; the availability and quality of food in the market and at the merchants (kiosks); the recruitment process for merchants (kiosks); food preferences of the beneficiary household; field challenges; and the reporting mechanisms.

**Second pilot: Assessing readiness**

The second pilot trial was conducted by the TNP2K Secretariat and the Ministry of Social Affairs in 2017 in collaboration with two state-owned banks. It was implemented in seven districts and three cities and, like the first trial, it tested the main stages of the programme design and other aspects of implementation. However, unlike the first pilot, the second pilot used only the debit card for the e-voucher and the non-cash transfer.

This second pilot aimed to test the readiness of remote areas for the expansion of the electronic food voucher programme in 2018. Therefore, the pilot areas were districts and more remote regions. While the first pilot introduced rice, milk and eggs as food commodities that could be purchased by the beneficiary household, the second pilot introduced only two food commodities: rice and eggs. It involved around 5 970 beneficiary households. The payment transfer was also made twice, in June and July 2017.

**Lessons and recommendations**

Implementation of the pilots was monitored and evaluated so that the lessons learnt could be transformed into sound recommendations for the design of the main programme. Detailed recommendations emerged from both pilots, covering diverse issues encountered at every main implementation stage.

Recommendations from the first pilot covered the use of the three different e-voucher instruments and aspects of the implementation process:

- the programme should not be limited to the use of only one e-voucher instrument, as both the SIM card and debit card had their own advantages and disadvantages
- beneficiary household data can be verified during the registration process to avoid any delay to the subsequent stages
- an introduction to the programme and education on technical matters are essential
- the number of merchants (kiosks) must be adequate (at least two units per village) and each merchant (kiosk) should provide for 250 beneficiary households at most in order to maintain good services, avoid queues, be close enough to where the beneficiary households live, and ensure the availability and variety of foods at competitive prices.

The second pilot generated the following recommendations:

- the programme should be implemented gradually, taking the readiness of the Internet network into account
- areas without a reliable Internet connection should be allowed to use alternative e-voucher instruments (such as mobile phones or tablets with online or offline systems)
- benefits should be transferred to the bank account of the beneficiary household on the same date every month.

The lessons from both pilots were used to draw up programme guidelines and develop policy. During preparations for the initial implementation of the programme, the TNP2K Secretariat, together with related ministries under a steering committee, provided policy inputs and technical assistance through several activities, including: designing the new mechanism for programme implementation; drawing up programme guidelines based on pilot results; supporting programme introduction and education; conducting the monitoring and evaluation; developing a complaint handling mechanism; and providing analyses and policy inputs for expanding the programme implementation area.
**Early coverage**

The electronic food voucher programme was officially launched in 2017 and was implemented in 44 cities covering about 1.2 million beneficiary households. This early coverage constituted fewer than 10 of the total 514 districts/cities and 15.5 million beneficiary households in Indonesia. However, these 44 cities were selected based on several criteria:

- the readiness of the banks’ payment infrastructure
- the reliability of phone connections
- the availability of merchants that were also bank agents.

In districts/cities using the electronic food voucher, the beneficiary households receive a debit card and a transfer of IDR 110,000 every month (on the 25th) for buying rice and eggs at any nearby kiosk affiliated with a partner bank and equipped with an electronic data capture device. In districts/cities not covered by the electronic food voucher scheme, targeted beneficiary households received monthly in-kind transfers in the form of rice, with a value equivalent to the monthly electronic voucher benefit; this is called the Rastra programme.

From 2018 onwards, expansion of the electronic voucher programme is planned to eventually cover districts and cities nationwide by 2020. By the end of 2018, the programme will cover 10 million households in 219 districts/cities.

**Moving forward**

Early results from field monitoring by the TNP2K show the potential of this new programme: more benefits are being received by beneficiary households, there is greater satisfaction due to flexibility in spending the benefit, and higher profits are being generated by local merchants.

But the monitoring has also found some challenges in the early stages of implementation, such as a lack of understanding among different stakeholders about the programme's mechanism, including among beneficiary households; shortcomings in implementation quality at each stage of the programme; and a shortage of merchants in several areas. The steering committee and implementing agency have discussed and agreed ways to overcome the challenges to help alleviate poverty in Indonesia.
Getting beyond national averages in Kenya: How disaggregated data inform policies and budgets

By Diana Kimani, Jane Mariara, Michael Murigi, Phyllis Machio and Patrick Kariuki, Partnership for Economic Policy, Global Headquarters, Kenya

Key messages

● A community-based monitoring system in Muthithi, Murang’a County in Kenya, gathered sub-national poverty and welfare data for every household, making it easier to identify the households and sub-locations in danger of being left behind.

● The disaggregated data revealed notable differences between sub-locations and genders. Some sub-locations reported higher rates of poverty and hunger, and lower rates of access to safe drinking water and sanitation.

● The research informed the county’s strategy and targeting of the national cash-transfer programme to benefit the poorest and most vulnerable households, a new skills-development programme to boost employment, more funding to rehabilitate water infrastructure, and a fund for bursaries and scholarships.

● Partnerships between local communities, local governments and trained local researchers are instrumental to ensuring that poverty reduction programmes target people to leave no one behind.

This section is based on a study that used a Community Based Monitoring System (CBMS) to monitor poverty and other welfare indicators in the location of Muthithi, Murang’a County, Kenya (Kimani et al., 2017). CBMS is a useful tool for local planning, programme implementation and impact monitoring by local and national government agencies as well as civil society organisations. Since it involves carrying out a census of all households in a local area, the system makes it easy to identify the exact households in need of interventions instead of relying on local leaders to identify the poor. Furthermore, with the recent devolvement of government to the county level in Kenya, there is a particular need here for decentralised data to guide planning processes and to implement strategies towards achieving the SDGs. CBMS holds great potential in Kenya to fulfil data needs at the county level, to guide planning processes at the local level and to ensure that no Kenyan is left behind.

The government of Murang’a County has set a mission to transform the county through participative, equitable and sustainable development initiatives for the benefit of all. Their key priorities include gender mainstreaming, security, information and communications technology, youth employment, disaster risk reduction, environmental conservation, and management and poverty reduction. Poverty in the county stands at 25.3% (Murang’a County, 2018) (KNBS, 2018).

Who is left behind in Muthithi? Looking at poverty indicators by gender and sub-location

Disparities in poverty and hunger existed between sub-locations of Muthithi

This CBMS census was carried out in 2016 in all five sub-locations of Muthithi – Kagurumo, Gikarangu, Kiahiti, Munguini and Muthithi – covering 4 163 households.

In the location as a whole, 37.9% of the population lived below the national poverty line in 2016. This was slightly above the national average and well above Murang’a County’s average. Yet poverty was not evenly distributed: more than half the residents of Munguini fell below the poverty line (51.7%), while in Muthithi sub-location, which hosts the major local market, only 25.1% were poor. By identifying poor households and their distribution in the location, this study provides data on which the county government can target interventions to end this poverty (SDG 1).

The study revealed that only 0.4% of the households in Muthithi experienced food shortage in the three months prior to the survey. Gikarangu was the most affected at 0.9%, while in Kagurumo no households experienced any food shortage. The hunger situation, though negligible, could be explained...
by some households not harvesting enough in the previous season to sustain themselves until the next harvest. Appropriate government interventions would ensure achievement of zero hunger (SDG 2) in the location.

Box 8.2. What is a Community-Based Monitoring System?

A Community-Based Monitoring System is an organised way of collecting ongoing or recurring information at the local level to be used by local governments, national government agencies, and non-governmental and civil society organisations for planning, budgeting and implementing local development programmes, as well as for monitoring and evaluating their performance. It has the following distinctive features:

- It is a census of households and not a sample survey
- It is rooted in local governance and promotes community participation
- It uses local personnel and community volunteers as monitors
- It has a core set of simple, well-established indicators
- It establishes a databank at all geopolitical levels

From its base in the Philippines, the CBMS network has spread and supported the implementation of CBMS projects in different countries and regions including Bangladesh, Benin, Botswana, Burkina Faso, Cambodia, Ethiopia, Indonesia, Kenya, Lao PDR, Nicaragua, Senegal, Uganda and Viet Nam. Research teams have been supported to develop indicators relevant to local cultures and conditions, to adapt monitoring and analysis methodologies, and to develop case studies of vulnerable groups. Under the current work programme since 2016, CBMS is being used as a platform to generate data for monitoring the status of achieving the SDGs.


Similar numbers of men and women were poor, even though women were more often employed and girls were more often in school

While there were slightly more poor men than women, the difference was not significant. This was despite women’s lower rate of unemployment. Men were unemployed at a rate of 7.4%, and women at only 4.1%. As discussed during a validation workshop, there were generally more opportunities for women in the form of menial jobs, such as washing clothes, caring for children, weeding and hairdressing. Women were willing to do jobs that men regarded as inferior, especially household chores. These jobs, however, were low paying, which explained why their lower unemployment rate did not lead to a lower poverty rate. If SDG 8’s vision of full and productive employment and decent work for all is to be achieved here, the government will need to focus on the generation of gainful employment over menial jobs which can barely sustain livelihoods.

Girls also did better than boys in terms of school attendance. Between ages 6 and 13, 4.1% of girls were not attending primary school, versus 5.3% of boys. From ages 14 to 17, more girls were also in secondary school (Table 8.1). In Kenya, there has been a lot of emphasis on the need to empower girl children, and a recent national survey has also found that net attendance was higher for girls than boys in pre-primary, primary and secondary school (KNBS, 2018[16]). Policies to keep boys in school will contribute to achieving quality education without gender disparities (SDG 4).

More women than men reported suffering from preventable illnesses

Preventable illnesses identified in the CBMS census included malaria, fever, diarrhoea, tuberculosis, sexually transmitted infections and HIV/AIDS. Women were more affected than men overall, with the exceptions being fever and HIV/AIDS. Between all of the preventable illnesses, 58.3% of instances were reported by women. One of the reasons given for this by respondents was that women report illnesses...
more than men; they suggested that sometimes men are sick, but they just endure without telling anybody or consulting a health facility. This notwithstanding, the high rates of reported illnesses need to be reduced in order to achieve SDG 3 – to ensure healthy lives and promote well-being for all at all ages.

Table 8.1. Proportion of boys and girls aged 14-17 who were not in secondary school

<table>
<thead>
<tr>
<th>Sub-location</th>
<th>Children not in secondary</th>
<th>Children 14-17 years-old</th>
<th>Proportion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Muthithi</td>
<td>42</td>
<td>41</td>
<td>83</td>
</tr>
<tr>
<td>Gikarangu</td>
<td>53</td>
<td>44</td>
<td>97</td>
</tr>
<tr>
<td>Kiahiti</td>
<td>33</td>
<td>14</td>
<td>47</td>
</tr>
<tr>
<td>Kagurumo</td>
<td>40</td>
<td>44</td>
<td>84</td>
</tr>
<tr>
<td>Munguini</td>
<td>25</td>
<td>24</td>
<td>49</td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>167</td>
<td>360</td>
</tr>
</tbody>
</table>


There were disparities between sub-locations in access to safe drinking water and sanitation

A minority of the location’s households had access to safe drinking water in 2016, while 61.2% lacked this basic resource. This is a particularly high rate of households without safe drinking water compared with the national average for rural areas of 45.9% (KNBS, 2018[16]). Only in Munguini was access to safe drinking water comparable to the national figure, while Kiahiti sub-location recorded the worst situation at 78% without access. Across the location most residents get their water from rivers, which are not safe.

Conversely, the location did better than the national rural average in terms of access to improved sanitation; while more than half of rural Kenyan households lack such access (KNBS, 2018[9]), just 47% of households in this location were doing without, instead using uncovered pit latrines, bucket latrines or the bush. Yet this also varied widely by sub-location and some did substantially worse than the rural average (Table 8.2). Achieving access to adequate and equitable sanitation and hygiene for all, and achieving universal and equitable access to safe and affordable drinking water, are the first targets of SDG 6.

County government efforts and priorities for those most in need

Among the interventions recommended by the study were a skills development programme to boost employment and entrepreneurship, a reliable safe water supply, and a scholarship scheme for needy students. The county government has begun implementing these recommendations (See also Box 8.3). In November 2016, a programme dubbed “Ufundi kwa Vijana” was launched to impart technical skills for free to willing residents, mainly youth, to improve their employability and entrepreneurship. The programme has since incorporated linking of the beneficiaries to affirmative action funds such as the Uwezo Fund, Youth Enterprise Fund and Women Enterprise Fund to ease the problem of raising capital for those who decide to set up own businesses. Through this programme, the county government intends to reduce unemployment in the county in line with SDG 8 on decent work and economic growth in an environment characterised by limited white-collar jobs.

The county government has also increased the budget funding to Murang’a South Water and Sewerage Company (MUSWASCO) to rehabilitate water infrastructure and increase piped water connections in Muthithi and other locations served by the company. The budget allocation to MUSWASCO, which is fully owned by the county government, increased by 73% between 2015 and 2018 (Murang’a County, 2018[16]). The improved piped and treated water supply will reduce reliance on unsafe water sources such as rivers, free up the time used by locals in fetching water for other productive activities, and reduce the prevalence of waterborne diseases. This will contribute to the achievement of SDG 6 on clean water and sanitation as well as SDG 3 on good health and well-being.
Table 8.2. Proportion of households not using improved sanitary facilities

<table>
<thead>
<tr>
<th>Sub-location</th>
<th>Households without access to sanitary toilet facilities</th>
<th>Total number of households</th>
<th>Proportion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muthithi</td>
<td>312</td>
<td>998</td>
<td>31.3</td>
</tr>
<tr>
<td>Gikarangu</td>
<td>432</td>
<td>967</td>
<td>44.7</td>
</tr>
<tr>
<td>Kiahiti</td>
<td>233</td>
<td>597</td>
<td>39</td>
</tr>
<tr>
<td>Kagurumo</td>
<td>542</td>
<td>787</td>
<td>68.9</td>
</tr>
<tr>
<td>Munguni</td>
<td>418</td>
<td>814</td>
<td>51.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 937</strong></td>
<td><strong>4 163</strong></td>
<td></td>
</tr>
</tbody>
</table>


Finally, a Murang’a County Scholarship Fund has been established to offer bursaries and scholarships to bright and needy secondary school and university students. Though secondary and university education in Kenya is subsidised by the national government, parents have to pay for boarding and related expenses, which are beyond the means of many poor parents. Through the fund, the county government promotes the enrolment and retention of needy children in schools, as SDG 4 on access to quality education envisages. The county government plans to increase the fund’s annual budgetary allocation from KES 100 million (Kenyan shillings) in 2017 to KES 200 million by 2022 (Murang’a County, 2018[15]).

Box 8.3. Inua Jamii, a best-practice example of government intervention and impact

Through the Community-Based Monitoring System census conducted in Muthithi, the local administrators were able to identify potential beneficiaries of the “Inua Jamii” initiative, a cash-transfer programme implemented by the national government since 2014. This initiative targets persons aged 70 years and above, orphans, vulnerable children, and persons with severe disabilities.

Mr Kamande (not his real name) is a resident of Kagurumo sub-location, Muthithi, and his is one such household visited during the CBMS census. He is a widower and living alone. His four sons, who do menial jobs in the city for a living, are not able take care of him. His deplorable living conditions were evidenced by the makeshift house he was living in. In 2016, he was aged over 70 years but was not benefiting from the government cash-transfer programme for elderly persons. Through the CBMS project, his plight was brought to the attention of the county government. The local chief intervened to have his name included on the list of Muthithi’s beneficiaries for the Inua Jamii cash-transfer programme. A three-room house was also built for Mr Kamande in 2017 by the county government.

The Inua Jamii initiative is a good example of how to localise the Sustainable Development Goals (SDGs), being consistent with SDG 1’s aim to target social protection benefits to the poor and the most vulnerable. This example also shows how CBMS can serve as a tool to identify the targeted beneficiaries for such programmes.

Figure 8.1. Mr Kamande’s house in Kagurumo before and after the Inua Jamii intervention
The role of partnerships and international co-operation

The key lesson from this case study is that, to ensure no one is left behind, formulating development strategies and successfully implementing poverty-reduction programmes requires partnership between local communities, local governments and local researchers in an institutionalised system of regular data collection, validation and analysis.

The Murang’a case study was carried out with a grant from the Partnership for Economic Policy CBMS Network, supported by the UK Department for International Development and Canada’s International Development Research Centre. Through the grant, the project trained the Murang’a county government planning department officials on the use of CBMS as a tool to monitor poverty and progress towards the SDGs. As of 2018, the Kenyan CBMS research team is implementing a second phase of the CBMS project in the location of Gikindu.

So far, CBMS has only been implemented in two counties13 out of the 47 counties in Kenya: it has potential to be rolled out throughout the country, as has happened in the Philippines where CBMS started.
How access to financial services enhances social protection in Latin America

By Carolina Trivelli, Instituto de Estudios Peruanos, Ivonne Villada, Proyecto Capital, Carolina Robino, International Development Research Centre (IDRC)

Key messages

- In 2017, about 1.7 billion adults globally did not have a bank account – most are women and are living in developing countries.
- Formal financial services can help people reduce their vulnerability and accumulate savings for emergencies, education and other expenses.
- Women face specific gender-based constraints in accessing financial services, including insufficient collateral, lack of financial literacy and restricted mobility.
- In Latin America, social protection programmes reach approximately 110 million out of the 158 million people living in poverty. In Chile and Peru, financial inclusion has been institutionalised as part of social protection programmes.
- Lessons from the regional research initiative Proyecto Capital show key success factors to be trust in the financial system, financial education, capacity to adapt to politics, being research-based, and integrating financial inclusion into social protection programmes at scale.

Social protection programmes, especially cash transfer schemes, provide a safety net for many of the poor and extreme poor around the world. In Latin America, these programmes reach approximately 110 million out of 158 million people living in poverty. In many countries, including Brazil, Chile, Colombia, Mexico, Paraguay and Peru, cash transfers to poor and vulnerable citizens are linked to broader inclusion initiatives, and entrepreneurship and labour training. These initiatives enhance the welfare impact of social grants, and various examples show that these efforts can transform the lives of the very poor in the long run (UNDP, 2015[10]).

One example is the Haku Wiñay programme in Peru (Mi chacra emprendedora), which provides technical assistance and transfers assets to rural households that are also covered by Juntos, Peru’s conditional cash transfer programme. Haku Wiñay focuses on the development of productive and entrepreneurial skills to help households generate income, diversify their livelihoods and enhance food security. The financial inclusion component is an addition to the conditional cash transfer programme and does not affect the conditionality. Findings from an impact evaluation (J. Escobal and Ponce, 2016[6]) have showed encouraging results, including a significant increase in family income.

Proyecto Capital is a regional initiative in Latin America that promotes the integration of financial inclusion into existing infrastructure of conditional cash transfer scheme and social protection programmes to make it easier for poor households to open and access bank accounts and accumulate savings.14 In so doing, it links the development processes of financial inclusion with those of social protection by combining conditional cash transfer programmes with promotion strategies of savings in bank accounts.

Money in the bank increases the welfare impact of cash transfer schemes

Financial inclusion initiatives linked to social grants in Chile and Peru (Villeda, Ramos and Pizarro, 2018[12]) (Clausen et al., 2018[13]) have allowed hundreds of thousands of low-income people, mostly women, to access formal financial services. For example, in Peru, more than 790 000 users of the Juntos programme opened savings accounts in the Banco de la Nación between 2009 and 2015. Between 2013 and 2014, 68% of these people used bank branches and 3% used other service points, such as automatic teller machines, mobile banking and non-bank correspondent agents. In the case of Peru, women receiving a subsidy together with financial training increased their savings rate significantly, from 3% to nearer 20%. This number is more than double the average financial savings rate of Peruvians adults,
despite these women being amongst the poorest in the country. This ability to accumulate savings has translated into increased assets and investment, improved living conditions and reduced vulnerability to financial emergencies (Box 8.4).

Box 8.4. “A woman who saves is a woman that changes lives”: Voices from participants from the Juntos programme

“I am a woman who saves in the bank; and who goes to the bank to make deposits. I know how to withdraw my money. I know how to save. ... I am a stronger woman than before. ... No one will take my money away from me, and no one can deceive me, either.”

Emperatriz Taco, Community of Pumahuasi, Coporaque, Espinar, Peru

“Before [the ‘Promotion of Savings’ pilot programme], my animals were my savings account. ... I bought and sold pigs, guinea pigs and hens, nothing else. Now I save in the bank. I leave [some] of what I receive from the programme. Sometimes I add what I earn from selling a pig. When I have a little extra, I put it in the bank. I save it. ... In April, I withdrew my savings to buy books, school supplies and uniforms for my children.”

Rosa Altamirano, Community of Puiso, San Jerónimo, Andahuaylas, Peru

“The first time I went to the bank, it scared me. I thought they would trick me. ‘What’s this paper?’ I wondered. ‘What if they don’t return my money to me?’ That was my fear. ... When I went to the bank and they gave me my money, then I was sure that they weren’t lying to me.”

Victoria Quispe, Community of Poltocsa, San Jerónimo, Andahuaylas, Peru

Trust in the financial system is essential

The evidence from Proyecto Capital demonstrates the importance of promoting financial products and the need to build trust in the financial system. Findings in the Savings Promotion Pilot, implemented in Peru from June 2010 to March 2012 with beneficiaries of Peru’s Juntos conditional cash transfer programme, show an increase from 1% to 3% in the number of programme participants who know their savings are protected in a bank (Aldana and Boyd, 2015[9]). Also, in an initiative developed in 2015 with Banco de la Nación, the percentage of participants who are able to use the non-bank correspondent “Multiredd” agent15 without assistance increased from 26.3% to 99% (Clausen et al., 2018[13]).

Savings lead to increased assets

The most significant impact documented by Proyecto Capital is the increase of assets (human, productive, physical and others) achieved through the use of savings. The Savings Promotion Pilot initiative also show that the number of participants who financed their children’s education expenses with savings rose from 6.6% to 21.2%. Productive assets also increased: the number of participants who purchased large animals rose by 11.2 percentage points (Aldana and Boyd, 2015[9]).

Financial education must accompany access to financial services

Evidence also shows the importance of combining access to financial products and services with training in how best to use these tools. In Chile, for example, although access to savings accounts increased,16 without widespread financial education, debt levels remained very high (Box 8.5).17 One study shows that 70% of social grants beneficiaries had debts with retail stores and 60% declared that they were not able to cope with an economic emergency (Denegri et al., 2017[10]). Proyecto Capital’s pilot projects target these problems by enhancing financial capabilities for women, focusing on the importance of savings and reducing debt levels: that way, householders are informed and can decide whether or not to use financial services and products.
**From pilots to public policies: Mainstreaming financial inclusion**

Making financial inclusion part of all social protection policies is a challenge. It requires effort from governments, banks and development organisations; political will; co-ordination; and persistency.

The challenge was – and continues to be – how to move from pilots to large-scale and sustainable strategies. It is about making financial inclusion efforts part of social protection policies. Linking social protection and financial inclusion improves social grants beneficiaries’ lives. But it also enhances the government social programme effectiveness and transparency. An additional effort by the social protection programme’s enhances the impact and opens new opportunities. It is a win-win both for the programme users and for the state.

The process of linking social protection and financial inclusion strategies is complex and, as illustrated by the case of FOSIS in Chile (Box 8.5), requires external support. Proyecto Capital has been a key player in providing this support, which requires the following action.

**Box 8.5. Financial education: A force for eradicating poverty in Chile**

The Solidarity and Social Investment Fund (Fondo de Solidaridad e Inversión Social/FOSIS) and Proyecto Capital became strategic allies in 2009. Their joint aim was to bring financial education to the poorest and most vulnerable households in Chile. This started with pilot projects, then led to broadscale programmes and finally became public policy.

With support from Proyecto Capital, FOSIS created in 2012 a financial education programme initially reaching 5 800 users in the country, most of whom are women. This initiative brought the theme of financial education to the forefront within FOSIS, and led to the development of financial education programmes targeting children in schools.

For FOSIS, linking up with Proyecto Capital allowed it to generate national and regional networks, and thereby reach more people. By scaling up, and making financial education part of all FOSIS programmes, the organisation will be able to increase the number of people that receive financial education from 5 800 to 100 000.

The process of scaling up also meant that FOSIS revised its financial education programme. Informed by research and evaluation findings supported by Proyecto Capital, FOSIS launched in 2018 a new methodology taking into account the needs and constraints of women, in particular those that receive government finance through cash transfer programmes.

More broadly, FOSIS has participated in a debate since 2012 that has led to the creation of the Financial Education National Strategy. This was approved in 2018 and prioritises youth and women that are participants of social protection programmes.

The significance of the joint work by FOSIS and Proyecto Capital is demonstrated by each initiative and product that has been developed. But for the long term, there is a more important impact. This is the generation of a community of practice, both at the national and regional level, which firmly believes that people with enhanced financial literacy are more likely to move out of poverty.

Institutionalising financial inclusion is also important: the model is relevant not only for cash transfer programmes, but also for a wider range of initiatives designed to tackle poverty. Incorporating the concept into wide-scale directives, plans and strategic objectives requires continuous support, time and resources (Government of Chile, 2007[10]) (Government of Peru, 2016[11]) and means building capacities within institutions, with employees at different levels.18 This capacity building should be ongoing, especially for those employees who have direct contact with the most vulnerable. And it should allow for the development of a shared language and common messages so that agreements between institutions or departments are developed with minimal resistance.
Positive results so far: Lessons learnt

Both Chile and Peru, after many years of advocacy and policy influence, have now integrated financial education and inclusion strategies into social protection programmes (Government of Chile, 2018[13]) (Government of Peru, 2015[13]). This is based on a shared approach within the public and private sectors that responds to commitments made with international organisations such as the OECD and the World Bank.

After ten years of advocacy from Proyecto Capital, several lessons have emerged. Firstly, generating trust between institutes is crucial for effective collaboration with government. Also important is the capacity to adapt to a changing political landscape, and to changes in personnel both in the social protection programme and in government.

Secondly, research, carried out by Proyecto Capital and others, plays a significant role in the process of institutionalising financial inclusion as part of social protection policies. Thirdly, targeted communication using existing and familiar networks enables Proyecto Capital to win the trust of those most in financial need. As a result, householders have been willing to participate in financial training courses and open savings accounts.

Conclusion

Following Proyecto Capital’s long-term and collaborative approach, the integration of financial inclusion objectives into social protection programmes is becoming the norm in the region. These programmes are not only using the financial sector to more efficiently transfer subsidies, but are also collaborating with institutions to improve access to and foster use of financial services.

To ensure sustainability of this approach, monitoring and research must be ongoing. Social protection programmes must continue to meet the specific needs of vulnerable groups, and to build financial capabilities so that women and other vulnerable groups such as the youth, the elderly and migrants can become full economic citizens.
Regional integration is key to inclusive development in West Africa

By Freerk Boedeltje, OECD Sahel and West Africa Club

Key messages

- Growing awareness of the economic benefits of regional integration in West Africa has brought attention to investing in border regions, which tend to be home to largely isolated and disadvantaged populations.

- Strategies seeking to enhance stability and to reduce vulnerability and inequality in West Africa need to take cross-border dynamics into account.

- Delivering effective border policies is complex in West Africa; they are dependent on regional organisations, national governments and subnational authorities working well together and having the right resources.

- Barriers to cross-border co-operation include absence of clear legal frameworks covering cross-border projects, and lack of financial resources for local and regional authorities involved in implementing the projects.

- Development partners should step up support for territorial authorities through cross-border projects, building capacity, supporting the financial and legal enabling environment and involving local people in design and decision making.

For some time now, African leaders and regional bodies have made regional integration a priority, motivated by interest in boosting development, integrating markets and infrastructure, and stimulating a freer flow of people and goods around the continent. The African Union Agenda 2063, for example, defines regional integration as central to sustained development and household poverty reduction in Africa and to achieving the Sustainable Development Goals.

The United Nations Development Programme (2011[20]) defines regional integration more broadly than simply trade liberalisation; in order to achieve human development benefits, deeper levels of integration need to involve investments in infrastructure, technological upgrading and policy harmonisation between countries. This can further enhance competitiveness, productivity and employment, especially for young people in a region severely challenged in these areas. Moreover, integration is also about creating the right conditions that allow men, women and children to live lives they value by expanding their freedoms and building their capacities.

Countries can design place-based regional policies to target rural and remote areas and groups, while expanded regional integration creates opportunities for resilience by pooling capacities to respond to vulnerabilities along borders. West African countries are building regional integration into their development strategies, with the rationale of overcoming the constraints of their small and isolated national economies. Regional integration contributes to leaving no one behind in West Africa, and in other regions, for a number of related reasons: The most vulnerable populations (including children, youth, persons with disabilities, older persons, indigenous peoples, refugees, internally displaced persons and migrants) often live in remote areas, along borders and removed from decision-making capitals, with limited access to resources, water, public services and infrastructure.

Broader integration and co-operation would not only support the economic potential of West Africa, but reinforce human development. For example, if countries could enable greater cross-border labour mobility in a way that protects migrants and respects human rights – particularly of women and young workers – this would contribute to better incomes, and empowerment. Simulations undertaken by the United Nations Development Programme (“UNDP”) provide strong evidence of this potential and suggest that all African regions are better off with regional integration (UNDP, 2011[20]).
Regional integration is instrumental to development in West Africa

West Africa’s rapid population growth is expected to continue over the next two generations, with the population set to increase from 367 million in 2015 to 538 million by 2030 (OECD/SWAC, 2017[19]). Settlement basins will continue to densify and expand, reaching across borders, and there will be more and larger cities like Lagos in Nigeria, which at its current rate grows by 3 000 people every day. Moreover, many of the countries share fragile ecosystems, food systems and natural resources on which millions of people depend (OECD/SWAC, 2009[22]). West Africa faces serious consequences from climate-related risks, varying from an increase in temperature and prolonged droughts in the northern Sahel to an increase in erosion and flooding in coastal areas due to a rise in sea level (World Bank, 2018[23]). As these issues are transboundary, regional co-operation is essential, and tailor-made, place-based policies that cater to the specific needs and challenges of the various West African regions promise to be the best policies to assure a better future for all.

Currently, almost all subnational regions in West Africa lack the financial capacities and institutional infrastructure to invest in and co-ordinate local development which hold back development progress nationally and regionally. For example, only 35% of the population in the sub-Sahel Africa have access to electricity while rates of rural access are less than one-third those of urban regions. Transport infrastructure is likewise lagging with sub-Saharan Africa, overall, being the only region in the world where road density has declined over the past 20 years (World Bank, 2017[24]).

Most national policies in West Africa promote sectors, like industry and livestock, or categories of the population, such as the most vulnerable, without necessarily taking into account the spatial dimensions of regional development. As a result, these policies largely neglect regional disparities, despite the critical role they play at the expense of inclusive growth. The impacts of regional integration on human development is highly dependent on contextual aspects like geography and climate; on the age and gender of people affected by integration; on many contextual aspects, like geography and climatic conditions, but also weak policies that if properly designed and implemented can lead to inclusive growth and human development (UNDP, 2011[20]).

In West African countries, regardless of their level of development, place-based strategies that strengthen the economic potential and competitive advantage of specific regions and contexts, have great potential to assure a better future for all. The OECD Sahel and West Africa Club (SWAC/OECD) promotes such strategies through its mandate and scope of work. Place-based strategies assume that actors and local institutions can be mobilised to support regional integration and development.20 In contrast to conventional regional policies that are based on top-down sectoral interventions and which rely on subsidies, place-based policies aim to promote regional integration by investing in infrastructure and public services tailored to the context of each area. For example, the border region between Niger, Benin and Nigeria has progressively transformed into a regional hub for wholesalers because of the liberalisation of international trade. Densely populated border regions like the Niger-Nigeria area or the Lake Chad Basin have different needs from those of sparsely populated areas like the Dori region in Burkina Faso. Coastal and industrial belts such as the Accra-Lagos urban area require policies that are of little use to agricultural regions in northern Ghana. Place-based strategies can also support co-operation between subnational authorities in border regions who have the same interests and constraints but who have been minimally involved in integration efforts thus far.

Cross-border solutions

West Africa is divided by 32 000 km of land borders which, if placed end to end, would equal four-fifths of the circumference of the Earth. These borders, in large part the legacy of colonisation, are often obstacles to regional integration. The costs and delays related to border-crossing can obstruct the movement of people and their goods, undermine income potential, and encourage corruption.
The disruption of trade flows endangers the livelihoods of many and, in particular, affects the coping strategies of households that are vulnerable to food insecurity. Special attention to border areas is, conversely, key to a more regional approach to tackling these issues. Countries co-operating in border areas with a shared sense of responsibility, could find solutions for food insecurity and other problems related to border delays, as it supports a shared sense of responsibility. When trade flows are unobstructed, agriculture and livestock can create new opportunities for households to improve their food security and better prepare for future food crises.

Regional integration with a specific focus on border areas can boost West Africa’s economic competitiveness while at the same time addressing development issues (OECD/SWAC, 2017[19]). The mobilisation of political actors and local authorities has already resulted in a number of cross-border initiatives.

Cross-border co-operation can be defined as a local approach through which policies are implemented by actors from two or more countries. It should be based on the agreement and support of the governments concerned, with two objectives: to improve the living conditions of cross-border populations who are often marginalised; and to build regional co-operation. The former President of Mali, Alpha Oumar Konaré, first put forward this innovative approach to regional integration in West Africa was first put forward in the early 2000s promoting the existence of border regions that share common characteristics. Today, the Economic Community of West African States (ECOWAS) uses the concept to encourage local integration, and the African Union explicitly mentions the “geographical areas straddling the border lines of two or more neighbouring states and inhabited by people linked by socio-economic and cultural relations” in its programme dedicated to cross-border co-operation.

Countries in other parts of the world have developed similar types of cross-border solutions to. For example, the United States-Mexico border region that runs along southern California, shares comparable climate change risks with some West African regions. Through regional co-operation, a series of programmes and other measures to provide a comprehensive approach to the worsening of environmental problems along the border resulted in the creation of the Good Neighbor Environmental Board (GNEB), whose purpose is to advise the US government on the need to implement environmental and infrastructure projects along the border (GNEB, 2016[23]).

An ECOWAS Cross-Border Initiatives Programme started in 2004 with a special focus on annual capacity building and support to cross-border co-operation pilot projects. The African Union Border Programme, which began in 2007, developed effective operational support for local, regional and institutional cross-border projects, including setting up joint commissions such as the South Sudan-Sudan Joint Border Commission, created in 2012. In partnership with the UEMOA (Union Economique et Monétaire Ouest Africaine) the PCTL (Programme de coopération transfrontalière locale) the SDC (Swiss Development Cooperation) has been financing an FCFA (franc de la Communauté financière africaine, the West African CFA franc) 3.6 billion grant programme that supports the reinforcement of several cross-border inter-communities and finance studies and investments favouring the dynamics of co-operation within several cross-border areas of West Africa.

These programmes indicate that the Sahel, in particular, holds high co-operation potential, as is visible on the borders of Burkina Faso, Mali and Niger (see below). These regions with their border markets and shared water and agricultural resources encourage the creation of cross-border networks. However, local and regional authorities struggle to provide capacity and, as a consequence, have hardly any access to finance.

To the extent that development is an uneven process, countries should give more attention should be given to the great diversity of regions in West Africa, and tailor projects and institutional structures to the potential of each region. Considering the variety of needs and the unequal
development patterns of West African regions, cross-border co-operation initiatives will work best if policies provide public goods adapted to the specific socio-economic challenges of each region. Translating these place-based policies into effective action, however, requires a detailed understanding of the region and its populations (OECD/SWAC, 2017[20]) while the data needed to serve vulnerable groups are rare. Data collection in regional areas is crucial to understanding who is at risk of being left behind, where and why.

**Legal frameworks must be in place to enable cross border co-operation**

Despite successful initiatives like the *Programme de coopération transfrontalière locale*, the actual implementation of many other programmes remains a challenge. The difficulties lie in the shortcomings of the legal frameworks and the lack of monitoring mechanisms to measure progress in regional integration. It is seldom clear who is in a position to create a cross-border entity to manage a shared project; how that entity will manage the project under multiple jurisdictions; who can promote co-operation between local authorities from different countries; and just as importantly, who can finance the project.

Countries often respond to these challenges by locating an initiative on one side of the border only. This challenge is common for projects related to livestock markets, which engage local border authorities in order to attract more livestock. Such solutions can be applied in other fields, including education, where border schools are likely to attract pupils from the other side of the border. These initiatives generally arise out of informal discussions with actors from a neighbouring country, while some are sponsored by regional organisations looking for effective ways to boost regional co-operation at a grassroots level (OECD/SWAC, 2017[20]).

Nevertheless, there are very few successful examples of true cross-border projects so far. Given that regional integration still faces many challenges, public policy should aim to push forward legislation that alleviates these. Corruption is one major challenge with significant costs. Policies should therefore aim to end corrupt practices that hinder cross-border flows of goods and people. The success of regional integration will depend on political consensus, effective implementation and regulatory frameworks, cross-border project financing and better structuring of regional projects. It will also depend on a high level of trust between countries. In the absence of agreement, regional integration is fated to remain an uneven and idealistic vision poorly aligned with the priorities of African countries and unlikely to generate the needed investment.

Table 8.3 indicates several barriers to the development of cross-border projects, most of which relate to the absence of a truly cross-border legal framework in place to implement and finance cross-border projects. Delays in implementation risk losing the support of local populations and elected officials who have invested in the formulation of these projects.

**A Sahelian pilot for effective place-based regional integration**

A recent case study carried out in West Africa under the *Programme de coopération transfrontalière locale* supports the place-based approach to regional integration. Aiming to build healthy communities by improving living conditions for women and men, the PCTL pilot programme funded by the SDC and implemented by UEMOA seeks to enhance accessibility to basic services such as health and education, as well as to counteract an increasing lack of water for livestock in the region. A recent study (Nkwake, Magistro and Horjus, 2014[29]) indicates that the border region between Burkina Faso and Niger has seen a steady secular decline in rainfall since the 1950s, and a notable rise in minimum and maximum temperatures. Impacts on agricultural production (crops, livestock, trees and vegetation), as plant phenology and growth is affected by declines in rainfall and rising temperatures.
Table 8.3. **Barriers to the development of cross-border projects**

<table>
<thead>
<tr>
<th>Barrier that should be overcome to facilitate cross-border co-operation</th>
<th>Cross-border action required</th>
<th>Administrative levels involved in overcoming the barrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barriers in the daily lives of cross-border populations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Troublesome customs formalities attributable to non-compliance with protocols on the free movement of persons cause unnecessary time delays</td>
<td>Improving the enforcement of existing legislation</td>
<td>National</td>
</tr>
<tr>
<td></td>
<td>Better training and remuneration for customs officials</td>
<td></td>
</tr>
<tr>
<td>Administrative red tape at the border increases the cost of moving goods, and subsequent delays in trade endanger food security</td>
<td>Changing existing legislation for the better</td>
<td>National and sub-regional</td>
</tr>
<tr>
<td></td>
<td>Simplifying, adapting and clarifying regulations and informing people about them</td>
<td></td>
</tr>
<tr>
<td>Lack of access to border areas and basic facilities cause accessibility problems for basic services such as health and education</td>
<td>Developing and constructing cross-border through routes, roads and bridges</td>
<td>Local, with support from central government services and technical and financial partners</td>
</tr>
<tr>
<td></td>
<td>Developing cross-border services and facilities (health centres, purification plants, markets, etc.)</td>
<td></td>
</tr>
<tr>
<td>Barriers to the development of cross-border actions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of financial resources for local and regional authorities causes difficulties in implementing border-related programmes and projects</td>
<td>Establishing an appropriation specifically for cross-border co-operation within the national budget</td>
<td>National and sub-regional</td>
</tr>
<tr>
<td></td>
<td>Inclusion of the cross-border dimension within the overall strategy to eradicate poverty and in state-funding agency partnership agreements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Authorising national programmes to intervene in the neighbouring country to support schemes of cross-border interest (with simpler procedures for cross-border intervention by funding agencies)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establishing a sub-regional common fund for cross-border co-operation</td>
<td></td>
</tr>
<tr>
<td>Lack of a clear legal framework for cross-border projects leads to difficulties in the management of the projects</td>
<td>Cross-border dialogue between local governments and municipalities</td>
<td>Bilateral between African countries</td>
</tr>
</tbody>
</table>


The PCTL programme invests particularly in this region of West Africa. Located in the heart of the Sahelian belt on the border between Burkina Faso, Mali and Niger, the perimeter of local cross-border co-operation defined as the *Schéma d’aménagement transfrontalier intégré* (SATI) or integrated transboundary area scheme covers an area of about 200 000 km² with a population of 8.7 million inhabitants. The region faces several development and security challenges, including a poor quality road network aggravated by growing insecurity, the absence of basic public and social services, and increasingly limited access to water for livestock. Post-drought studies have unequivocally shown that cross-border mobility of livestock is crucial to the resilience of pastoral and agro-pastoral communities in the region. Urban border areas like Dori in Burkina Faso and Téra in Niger are important centres in the regional integration process, particularly by facilitating transnational trade. The region also hosts a large number of local initiatives and dense networks of actors working for numerous small and medium-sized decision-making centres. This can help bottom-up integration programmes, especially in livestock rearing, one of the region’s main activities.

The PCTL development strategy runs through three phases: 1) diagnosis of the current cross-border project spaces; 2) development of the SATI; and 3) definition of priority projects and investment principles, with estimation of their costs. Field visits and consultations with local authorities as well as with social and economic actors accompany each phase.

**Conclusion**

The commitment of the African Union and its Agenda 2063 to promoting regional integration has already led to the emergence of partnerships like the *Programme de coopération transfrontalière locale*. However, there is scope to reduce the “constraining effects” of borders. Cross-border co-operation can be an effective and affordable way of achieving socio-economic development in rural and remote areas.
in West Africa. The current challenge is to get legal frameworks to enable such co-operation and for governments to give it greater priority. Centralised systems of government tend to focus investments on a small number of urban regions, in particular around capital cities, without necessarily implementing regional policies that are likely to encourage cross-border co-operation.

Box 8.6. **Specific actions under the Programme for Local Cross-Border Co-operation, Burkina Faso, Mali and Niger**

**Economic cross-border development**
- milk industry (Tillabéri-Téra-Sebba-Dori)
- livestock sector (creation of processing units)
- irrigated agriculture sector (hydro-agricultural developments)
- cross-border economic governance (Gourma West and Gourma East).

**Social cross-border development**
- cross-border health centres (Tillabéri-Téra-Sebba-Dori)
- training centres.

**Governance**
- natural resource management
- cross-border co-ordination by local authorities
- promotion of peace and security

In light of experience with the *Programme de coopération transfrontalière* locale so far, and building on other cross-border efforts in West Africa, three necessary directions become clear. First, national and international development partners should strengthen support for territorial authorities in the development of cross-border projects, especially for capacity building, technical support for cross-border joint action, for financial and legal arrangements, and to involve local people. Second, policymakers should incorporate cross-border concerns in national, regional and local policies. They should co-ordinate policies on both sides of the border – especially in planning documents. Finally, more diverse support and financing – programmes, loans and grants – should be made accessible to local and regional programmes, with the direct involvement and leadership of relevant government authorities and communities.

“Without any financial means, investment and co-operation is tricky. For young business people like me, it’s really hard. If you don’t have some money saved, nobody will lend to you. Finding financial support is very difficult.”

Naffisa Hamidou, businesswoman, Niger

**Notes**

1. Historically, Benin played a major role in the transatlantic slave trade and after several years of independence following French colonial rule, it became a Marxist-Leninist republic. In 1990, Benin held a national conference and transitioned to democracy, thus becoming a frontrunner in the trend towards democracy in West Africa.

2. Benin has a social poverty line, a monetary poverty line and a non-monetary poverty line. These numbers refer to Benin’s monetary poverty line, which was established in the 1980s as the cost of a basket of goods which would provide approximately 2 400 calories per day. Price fluctuations in that basket means that the poverty line
will effectively change any time a survey is conducted. Trends at a fixed poverty line, such as the World Bank’s extreme poverty line (USD 1.90 per day 2011 PPP) shows slightly different trends, with poverty rates decreasing from 53% in 2011 and 50% in 2015.

3. The P20 approach includes everyone currently in, or vulnerable to, absolute poverty, as well as those who by reasons of their identity (age, disability, gender, religion and so forth) are most vulnerable to poverty or exclusion. The approach proposes that governments, donor agencies and civil society organisations each choose a small number of key indicators in line with their own priorities, and monitor these regularly to show what progress is being made. It is consistent with the universal agenda of the Sustainable Development Goals (SDGs), in particular SDGs 1 and 10, which maintain that responsibility for ending inequality both within and between countries is shared - the P20 approach reflects the shared agenda by focusing attention on the poorest 20% in any given population.

4. Raskin was originally called “Special Market Operations” (Operasi Pasar Khusus/OPK). Since 2002 it has been known as Raskin.

5. Social safety net programmes were launched in 1998 to protect the welfare of poor and vulnerable households in the wake of the Asian financial crisis. In addition to OPK/Raskin, the programmes include: Scholarship for the Poor, Cash for Work, Social Health Insurance and Food/Nutrition Supplementary.

6. For brief description on targeting mechanism of Indonesia Social Protection Programmes, one may refer to several publications on Indonesia’s Unified Data Base/Single Registry, for example (Bah, Nazara and Satriawan, 2015[39]).

7. (Banerjee et al.[36]) find that making the beneficiary list public at the village leads to lower rice leakage to non-beneficiaries and improved subsidy value received by the beneficiaries.

8. Near field communication (NFC) is a wireless radio communications standard.

9. Three cities were included in the second pilot for two reasons: (i) as follow up test of the first pilot, and (ii) to provide comparison results with results from districts that represent rural and remote areas.

10. The Steering Committee for Implementing Noncash Disbursement of Social Assistance (Tim Pengendali Pelaksanaan Penyaluran Bansos Nontunai) was set up following Presidential Regulation No. 63 of 2017. The Steering Committee is chaired by the Coordinating Minister for Human and Cultural Development with the TNP2K Executive Secretary as the Secretary with the mandate to ensure that the implementation is according to the design and plan.

11. This work was carried out with financial and scientific support from the Partnership for Economic Policy (PEP), with funding from the Department for International Development (DFID) of the United Kingdom (or UK Aid), and the Government of Canada through the International Development Research Centre (IDRC).

12. A location is the administrative division below a county in Kenya, and is further divided into sub-locations. In this chapter “Muthithi” refers to the location, while “Muthithi sub-location” refers to one of its constituent sub-locations.


14. Proyecto Capital was developed by the Instituto de Estudios Peruanos and Fundacion Capital, and supported by the Ford Foundation and Canada’s International Development Research Centre.

15. Multired is a non-banking correspondent agents, developed by the National Bank of Perú (Banco de la Nación).

16. According to data from Global Findex (2014), 63.2% of people have a bank account, placing Chile at the highest average in Latin America.

17. Chile is the most indebted country in Latin America. The global average of indebtedness per 10 000 adults is 2 007, while for Chile it is 3 672 (SBIF, 2013[39]).

18. One example is the financial inclusion course developed by the Pontifical Catholic University of Peru, the Ministry of Economy and Finance, the Institute of Peruvian Studies and the Development Bank of Latin America, CAF (La Republica, 2016[38]).


20. In 2017 and 2018, the Sahel and West Africa Club worked on the role of cross-border urban economies in building regional integration, identifying the levers for developing cross-border poles of attraction and analysing resilience to climate change. More broadly, SWAC provides support for regional and international strategies in order to better anticipate major changes impacting the region, like urbanisation and climate change.
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