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# Study on Shock-Responsive Social Protection in Latin America and the Caribbean

Summary of key findings and policy recommendations

Rodolfo Beazley, Ana Solórzano, and Valentina Barca

FINAL VERSION

March 2019

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## Acknowledgments

A wide range of people have contributed to this publication and the overall study. We want to thank WFP's Regional Bureau for Latin America and the Caribbean for the guidance, support and contributions, and in particular to Francesca de Ceglie, Giorgia Testolin, Regis Chapman, Marc-André Prost, Giulia Baldi, Alessio Orgera, and Chiara Dara.

We would also like to acknowledge the valuable contributions of the following WFP Country Offices (COs): Ecuador, Guatemala, Haiti, Dominican Republic, Peru, El Salvador and the Barbados office for the Caribbean.

Thanks to the governments of Ecuador, Guatemala, Haiti, Dominican Republic, Peru, El Salvador and Dominica for their support to our research and the information and feedback provided.

We extend our gratitude to key informants from NGOs, UN agencies, the World Bank, the Inter-American Development Bank and the governments of Mexico and Chile.

Our special thanks to the people affected by the shocks and the beneficiaries of social protection programmes in various countries who kindly agreed to be interviewed and shared with us their experiences and views.

Oxford Policy Management Limited  
Registered in England: 3122495

Level 3, Clarendon House  
52 Cornmarket Street  
Oxford, OX1 3HJ  
United Kingdom

Tel: +44 (0) 1865 207 300  
Fax: +44 (0) 1865 207 301  
Email: [admin@opml.co.uk](mailto:admin@opml.co.uk)  
Website: [www.opml.co.uk](http://www.opml.co.uk)  
Twitter: [@OPMglobal](https://twitter.com/OPMglobal)  
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## Preface

This report is part of an assignment commissioned by the World Food Programme (WFP) to Oxford Policy Management (OPM, [www.opml.co.uk](http://www.opml.co.uk)). The project manager is Rodolfo Beazley. Please contact Rodolfo for comments or additional information, [Rodolfo.Beazley@opml.co.uk](mailto:Rodolfo.Beazley@opml.co.uk), or from WFP [Giulia.Baldi@wfp.org](mailto:Giulia.Baldi@wfp.org)

The report should be attributed as Beazley R., Solórzano A. and Barca V. (2019). *Study on shock-responsive social protection in Latin America and the Caribbean: summary of key findings and policy recommendations*. Oxford Policy Management in collaboration with the World Food Programme.

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Oxford Policy Management Limited  
Registered in England: 3122495

Level 3, Clarendon House  
52 Cornmarket Street  
Oxford, OX1 3HJ  
United Kingdom

Tel: +44 (0) 1865 207 300  
Fax: +44 (0) 1865 207 301  
Email: [admin@opml.co.uk](mailto:admin@opml.co.uk)  
Website: [www.opml.co.uk](http://www.opml.co.uk)  
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## List of abbreviations

Bono AAA	<i>Bono de Acogida, Alquiler y Alimentación</i> (Ecuador)
CCRIF	Caribbean Catastrophic Risk Insurance Facility
CCRIF SPC	CCRIF Segregated Portfolio Company
CCTs	Conditional Cash Transfer Programmes
CONRED	<i>Coordinadora Nacional para la Reducción de Desastres</i> (Guatemala)
DRM	Disaster Risk Management
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECTP	Emergency Cash Transfer Programme (Dominica)
FIBE	<i>Ficha Básica de Emergencia</i> (Chile)
HSNP	Hunger Safety Net Programme (Kenya)
IPCC	International Panel on Climate Change
IVACC	<i>Índice de Vulnerabilidad ante Choques Climáticos</i> (Dominican Republic)
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation
MIDIS	<i>Ministerio de Desarrollo e Inclusión Social</i> (Peru)
MIES	<i>Ministerio de Inclusión Económica y Social</i> (Ecuador)
MIMP	Ministry of Women and Vulnerable Populations (Peru)
MIS	Management Information System
MLSS	Ministry of Labour and Social Security (Jamaica)
MSD	Ministry of Social Development (Chile)
NGO	Non-Governmental Organisation
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODI	Overseas Development Institute
OPM	Oxford Policy Management
PAP	Public Assistance Programme (Dominica)

PATH	Programme of Advancement through Health and Education (Jamaica)
PET	<i>Programa de Empleo Temporal</i> (Mexico)
PWP	Public Works Programme
RUD	<i>Registro Único de Damnificados</i> (Ecuador)
SDG	Sustainable Development Goal
SINAGERD	<i>Sistema Nacional de Gestión de Riesgos</i> (Peru)
SINAPRED	<i>Sistema Nacional para la Prevención Mitigación y Atención de Desastres</i> (Nicaragua)
SIUBEN	<i>Sistema Único de Beneficiarios</i> (Dominican Republic)
SPIAC-B	Social Protection Inter-Agency Cooperation Board
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WFP	World Food Programme

# 1 Introduction

There is a global recognition within the development and humanitarian spheres of the promising linkages between social protection, disaster risk management<sup>1</sup> (DRM), climate change adaptation, resilience, and humanitarian action in responding to shocks, including seasonal shocks. This recognition has been clearly expressed, for example, at the 2016 World Humanitarian Summit in SPIAC-B's<sup>2</sup> commitment to 'support the further expansion and strengthening of social protection systems to continue to address chronic vulnerabilities and to scale up the utilisation of social protection as a means of responding to shocks and protracted crises'. Likewise, the Agenda for Humanity advocates for a shift from disproportionate focus on crisis management and response toward investing in crisis prevention and building up community resilience, moving from delivering to ending needs.<sup>3</sup> Moreover, the 2030 Agenda for Sustainable Development clearly points toward the creation of social protection systems that allow all people to enjoy basic standards of living. In addition, this global recognition is supported by recent experiences in the use of social protection in emergency response in Asia, Africa, and Latin America and the Caribbean (LAC),<sup>4</sup> and is buttressed by extensive research and debate.<sup>5</sup>

Social protection systems are intrinsically related to shock response. Social protection has conceptually and empirically been linked to shock response in LAC, both in relation to covariate shocks, like the Tequila Crisis<sup>6</sup> in 1994 and the global financial crisis in 2008, which propagated the growth of cash transfer programmes, and to idiosyncratic shocks like unemployment, work accidents, and others.

In a region in which the frequency of disasters has increased by 3.6 times in half a century (UN Economic Commission for Latin America and the Caribbean (ECLAC), 2015), reasonably advanced social protection systems seem to provide a unique opportunity to support shock response. However, social protection systems can involve conflicting objectives, target populations, and operational processes when compared with humanitarian interventions. This can impede their ability to play a role in accommodating additional demand for assistance at the time of an emergency.

It is in this context in which the World Food Programme (WFP) has joined forces with Oxford Policy Management (OPM) to conduct a ***Study on Shock-Responsive Social***

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<sup>1</sup> DRM is the application of disaster risk reduction policies and strategies to prevent new disaster risk, reduce existing disaster risk and manage residual risk, contributing to the strengthening of resilience and reduction of disaster losses (UNISDR, 2009).

<sup>2</sup> The Social Protection Inter-Agency Cooperation Board (SPIAC-B) is an inter-agency coordination mechanism to enhance global coordination and advocacy on social protection issues and to coordinate international cooperation in country demand-driven actions. SPIAC's board is chaired by the World Bank and the International Labour Organization and includes representatives of ADB, IFAD, IMF, ISSA, FAO, OECD, UN-DESA, UNDP, UNESCO, UN-HABITAT, UNICEF, UN Women, WHO, WFP, and others.

<sup>3</sup> 'Ending needs will require three fundamental shifts in the way we work: (1) reinforce, do not replace national systems. (2) Anticipate, do not wait for crisis; (3) transcend the humanitarian-development divide' (UN SG, 2016).

<sup>4</sup> See the annex for a description of some global experiences.

<sup>5</sup> Refer to [www.opml.co.uk/projects/shock-responsive-social-protection-systems](http://www.opml.co.uk/projects/shock-responsive-social-protection-systems) and <http://socialprotection.org/>.

<sup>6</sup> A Mexico-based economic crisis that nonetheless had effects throughout the region.



**Protection in LAC.** The objective of this study is to **generate evidence and inform practice for improved emergency preparedness and response in LAC, linked to more flexible national social protection systems.** The focus is on national social protection systems, although some findings also apply to civil protection<sup>7</sup> actors and international humanitarian partners who complement and support national efforts in LAC. The study aims to contribute to further integration of humanitarian and development actions and raise commitment and awareness of the humanitarian–development nexus. The main research question for the study is: **‘What factors enable social protection systems to be more responsive to shocks?’** The study includes the following reports<sup>8</sup>:

- Theoretical framework and literature review – Beazley *et al.* (2016);
- Ecuador case study – Beazley (2017a);
- Guatemala case study – Solórzano (2017);
- Haiti case study – OPM (2017b);
- Dominican Republic case study – Beazley (2017b);
- Peru case study – Beazley (2017c);
- Dominica case study – Beazley (2018a)
- El Salvador case study – Beazley (2018b);
- El Salvador’s response to the 2018 drought – Beazley (forthcoming); and
- This report, which summarises the key findings and provides policy recommendations.

The findings and recommendations in this report are based on all the research for the products mentioned above, which included desk review, fieldwork, primary data collection, and a wide range of key informant interviews. In addition to the country case studies,<sup>9</sup> numerous other country experiences and regional views were collected throughout the project period (August 2016 to March 2019), all of which informed the report. A new phase of the study (2019-2020) will focus on the Caribbean region, conducting five country case studies and a sub-regional literature review of shock-responsive social protection experiences.

Following this short introduction, the next section briefly frames the role of social protection in shock response from a theoretical view point. Section 3 presents the main findings of the review of experiences in the use of social protection in emergency response. Section 4 presents some policy recommendations to improve the response capacity of social protection systems in the region and also introduces some policy

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<sup>7</sup> In LAC, civil protection is usually the government authority and sector in charge of providing protection and assistance to the society in case of a natural or man-made disaster.

<sup>8</sup> These reports and other relevant material are available at [www.opml.co.uk/projects/study-shock-responsive-social-protection-latin-america-and-caribbean](http://www.opml.co.uk/projects/study-shock-responsive-social-protection-latin-america-and-caribbean) and <http://es.wfp.org/Estudio-sobre-Proteccion-Social-Reactiva-ante-Emergencias-en-América-Latina-y-el-Caribe>.

<sup>9</sup> The case studies focus almost exclusively on social assistance, i.e. non-contributory social protection schemes like cash or in-kind transfer, school meals, and employment programmes. Although social protection systems have other important components, which were included in the literature review (Beazley *et al.*, 2016), due to the scope of the study these have not been the focus of the research in the country case studies. In addition, social assistance is often implemented by different line ministries and entities in a country and, in those cases, we focused on the programmes and systems of the ministry implementing the largest cash transfer programme.

recommendations for WFP to contribute to improving the responsiveness of government systems. Finally, Section 5 integrates a selection of conclusions.

## 2 Framing the role of social protection in shock response

In this section we present the theoretical framework used in this study and, based on global evidence, provide general reasons for studying the role of social protection in shock response.

### 2.1 Theoretical framework for shock-responsive social protection

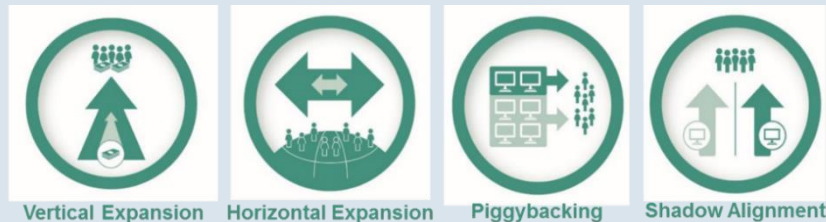
The box below summarises the theoretical framework used in this study. This framework, based on the one developed by OPM (2015),<sup>10</sup> has been adapted for the purposes of this research. A detailed description can be found in Beazley *et al.* (2016).

#### Box 1: Shock-responsive social protection – theoretical framework

Our theoretical framework guides an assessment of the **responsiveness** and **preparedness** of social protection systems to covariate shocks that represent threats to people's wellbeing, health, food security, nutrition, and safety.

##### **System response**

When relevant decision-makers consider the use of a social protection system to address emergency needs, there are a number of strategies they may employ to scale up the overall level of support that the system provides to vulnerable people:



1. **Vertical expansion**: increasing the benefit value or duration of an existing programme or system;
2. **Horizontal expansion**: adding new beneficiaries to an existing programme or system;
3. **Piggybacking**: using parts of a social protection intervention's administrative systems and/or capacity, but running the shock-response programme separately (via government or its partners); and
4. **Shadow alignment**: developing a parallel humanitarian system that aligns as well as possible with a current or possible future social protection programme.

##### **System preparedness**

<sup>10</sup> A slightly revised framework was proposed within the final Synthesis Report of the DFID Shock Responsive Social Protection Study (O'Brien *et al.*, 2018), after the case studies for this report had been completed.

In this study we assess the level of preparedness of the social protection system based on three programme design and implementation aspects, which could be adapted in advance of a disaster to ensure timely and effective response<sup>11</sup>:

1. **Targeting system and data management** – the capacity of the system to identify and select people affected by shocks
2. **Delivery mechanism** – the capacity to transfer cash or in-kind support
3. **Coordination and financing** – the capacity to align resources and actors for an integrated response



Targeting system and data management



Delivery mechanism



Coordination & financing

Source: OPM (2015) and Beazley *et al.* (2016)

## 2.2 The case for shock-responsive social protection

Before moving to the study findings, it is worth discussing and summarising the main reasons why social protection could play a role in shock response, especially in the LAC context:

- Social protection is intrinsically related to shock response, as we discuss in Section 3. **Social protection could help better meet the needs of shock-affected populations** (e.g. ensuring adequate coverage and level of support). For example, social protection interventions effectively targeted at the poor can ensure coverage of those who are most vulnerable to shocks. It is now widely recognised that poor people are more vulnerable to spikes in food prices, more dependent on instable income sources, most often exposed to disasters and climate change (International Panel on Climate Change (IPCC), 2014), and strongly affected by diseases and health issues that shocks tend to magnify (Hallegatte *et al.*, 2016).
- The modalities and delivery chain for cash and food transfers are common both to assistance for households in normal times and during an emergency, with minimal variations. **Social protection's systems and processes for the administration of long-term transfers can therefore be used during emergencies with potential for a quicker, more predictable, sustainable, efficient (e.g. less duplication), and therefore more effective and less costly response** (OPM, 2017a; O'Brien *et al.*, 2018).

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<sup>11</sup> Due to the scope of this research, important processes of social protection systems like monitoring and evaluation (M&E), grievance-redressal mechanisms, and communication strategies are only covered when directly related to targeting, delivery and coordination, and financing. The same applies to important cross-cutting issues like gender and nutrition. Further research on these aspects is required.

- Using social protection systems for emergency response provides an opportunity for governments, humanitarian actors, DRM actors, and other development partners to **bridge the response–recovery gap and strengthen the humanitarian–development nexus**. Social protection can also help to ensure that poor and vulnerable households impacted by shocks are not pushed further into chronic poverty. If livelihoods fail to fully recover after a stress, households can fall into poverty traps, increasing their risk of food insecurity and their need of further social assistance. Moreover, social protection has the potential to increase households’ resilience to shocks, when provided on a regular and predictable basis.
- Using existing social protection systems and programmes during emergencies can **increase the overall confidence of affected people in the response**, since they are already familiar with the system and the processes. This was the case of the response to the 2016 earthquake in Ecuador (Beazley, 2017a).

Regional trends that further underline the potential for further embedding shock response within existing social protection systems include the following:

- The **extensive coverage of social protection systems in many LAC countries enables substantial segments of the population to be reached**, in particular the poor and vulnerable. For example, the proportion of households benefiting from conditional cash transfer programmes (CCTs) in LAC increased from 3.6% to 20.2% between 2000 and 2016, reaching up to approximately 130 million people (ECLAC, 2017).
- Similarly, **social protection systems in the region are – overall – ‘mature’ systems** characterised by strong government leadership (e.g. embedded in legislation), an integrated system of programmes supported by established administrative systems, high levels of institutional capacity, robust systems for informed decision making and accountability enhancement (e.g. via tailored information systems), and sustainable funding. This provides a solid base for responses to shocks to be tailored on.
- In the region, there generally remains a **gap between: (1) initial relief activities**, which are typically intended to support affected populations for the first weeks following a shock; **and (2) early recovery and reconstruction efforts**. Evidence suggests that the social protection system can be used in the different phases of the emergency response. There are therefore gains to be made from better coordination between the variety of government and non-government stakeholders working on emergency response, including with the social protection sector.
- **There is a trend in the region toward the progressive construction of social citizenship**. In line with rights-based initiatives, like the International Labour Organization’s Social Protection Floor or ECLAC’s sister concept of inclusive social protection, there are ongoing debates about a new approach to social protection – one that includes everyone and that eradicates the divide between the better-off (contributory) vs. poor (non-contributory), promoting equity and providing effective support in times of need.<sup>12</sup> This approach, and the development of delivery systems which support it, holds promise for the role of social protection in shock

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<sup>12</sup> In the words of ECLAC (2015), ‘conceiving social protection from a rights-based perspective as a universal policy providing all citizens with egalitarian access does not mean providing uniform services for a heterogeneous population, but adapting services to cover differentiated needs and guarantee the enjoyment of rights for all. The universalist orientation, then, is not at odds with targeting. Rather, the latter is placed at the service of the former, in recognition of the different situations people find themselves’.

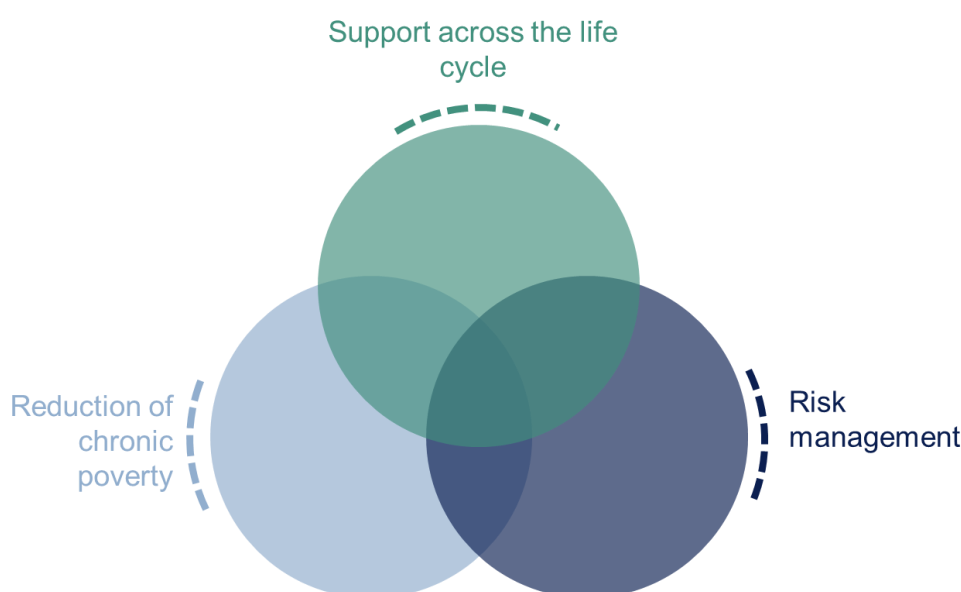
preparedness and response (Beazley *et al.*, 2016), as well as in poor people's overall resilience to shocks. This is particularly important in relation to climate change, as it is expected that its impacts will exacerbate poverty in most developing countries and create new poverty pockets in countries with increasing inequality (IPCC, 2014).

It is therefore unsurprising that several countries in the region are starting to use their social protection systems in response to shocks (see section 3.1), alongside a similar trend in Africa and Asia (see OPM (2017a) and Annex A).

### 3 The role of social protection in emergency response – key findings

**LAC social protection systems have been developed for objectives different from supporting shock response.** Despite the growth and strengthening of social protection systems in the LAC region in recent decades, most of these systems have been conceived as instruments for reducing chronic poverty and/or providing support across the life cycle. However, a third function of social protection systems, as the diagram below depicts, is risk management. Although some activities may be found at the intersection of these three different objectives, many require different approaches and tools and may target different populations.

**Figure 1: Objectives of social protection systems**



For example: child grants or old age pensions are examples of schemes that provide support across the life cycle. Conditional or unconditional cash transfer programmes that are poverty targeted are examples of schemes with the objective of reducing poverty. Poverty-targeted child grants or old age pensions are at the intersection of both. If in addition the scheme includes contingency procedures to scale up to support risk management, then it is at the intersection of the three objectives. In practice, there are currently very few programmes at the intersection.

Source: Authors

**Despite being conceived for different purposes, social protection systems are increasingly used in emergency response in LAC.** This is the case because social protection is concerned with supporting those in need, regardless of whether this need is an established socio-economic condition (e.g. chronic poverty), part of the life cycle (e.g. elderly) or caused by a shock. However, to date, systems and programmes have been mostly used ‘as they were’ or only slightly adapted after the shocks. Planning and preparedness of the social protection system has been limited, although an increasing number of countries is starting to adapt their systems to be responsive (see Section 3.2).

**More mature social protection systems in the region have been able to play more important and effective roles in emergency response, as opposed to relatively weaker systems.** Stronger systems, processes, and administrative capacity, greater

coverage, a wider variety of services, and higher levels of integration provide systems with more scope to expand or refocus when a shock hits and create greater opportunities for piggybacking. More incipient social protection systems, with low coverage and weak processes and operational systems and limited political traction and tax-payer support, are more constrained when it comes to responding to emergencies. This is also the case in other regions of the world (see O'Brien *et al.*, 2018).

**Nevertheless, even less mature systems have been used to respond to shocks in the region.** Taking into consideration the risk of overburdening systems that are already stretched, experiences in the region, such as in El Salvador and Dominica (see Box 2), show that systems that are still in the process of development can also be successfully used for shock response. For example:

- Simple '**design tweaks**' – aimed at better taking into consideration the crises that a country typically faces (O'Brien *et al.*, 2018) – can be a first step toward better shock-proofing a system. This includes simple procedures for ensuring business continuity in the aftermath of a shock, but also minor changes to programme design such as the temporary waiving of conditionalities or work requirements.
- A '**mix and match**' approach can be taken when designing emergency programmes, building and 'piggybacking' on those social protection delivery systems and capacities which are most developed – and incorporating those only. Section 3.2 discusses this in more detail.

It should also be noted that **countries' systems are continuously evolving, sometimes as a direct consequence of previous shocks**, where the limitations of existing systems are often starkly felt. For instance, several countries in the region have strengthened the delivery systems of existing programmes and expanded their coverage to respond to changing needs in the aftermath of a shock (e.g. the 2008 financial crisis).

Below we present the main findings of our review of experiences, divided by those related to system response and to system preparedness.

## 3.1 System response

In this section, we present the key findings of our study of the use of social protection in shock response. We organise the description of experiences by type of shock, type of response, and type of social protection scheme.

### 3.1.1 By type of shock

#### Economic shocks

**The literature review that we conducted for this project in 2016 found that most experiences of social protection in LAC responding to shocks involved responses to economic shocks**, with most examples stemming from the 2008/09 global financial crisis (Beazley *et al.*, 2016). This is probably because social protection is more frequently associated with providing support when economic changes push people into poverty, whereas sudden-onset disasters are typically the domain of civil



protection authorities and slow-onset disasters such as droughts are dealt with by ministries of agriculture, for example.

**Most economic shocks could be classified as slow-onset<sup>13</sup> ones (e.g. inflation). In this kind of shock, it is challenging for governments and partners to establish when the shock leads to an ‘emergency’.** Moreover, shocks are also likely to affect the capacity to respond (e.g. via a concomitant fall in tax revenue). Some programmes have established some *ex ante* mechanisms in the form of automatic stabilisers that would allow for a timely response (e.g. the adjustment of benefits to consumer price indexes or minimum wages). However, in some cases responses through the social protection system have been delayed precisely due to the difficulty in establishing when the crises led to emergencies as well as lack of programme preparedness .

## Natural disasters

**The number of countries using social protection systems to respond to disasters resulting from natural hazards has increased substantially in recent years, in what seems to be a new trend in the region.** Countries like Ecuador, Peru, Chile, Mexico, El Salvador, and Dominica have all used their social protection capacity to respond to crises caused by disasters (see Box 2 below).

**Regarding natural disasters, rapid-onset shocks commonly attract more attention, as well as the support from governments and the international community.** It is for this reason that most regional experiences in the use of social protection in response to disasters involved rapid-onset shocks, such as earthquakes and hurricanes (Beazley *et al.*, 2016).

**Slow-onset shocks, on the other hand, bring with them critical questions about when a gradually worsening situation can be classified as an emergency and when assistance, in the form of social protection for example, should be provided.** Drought is the most common example, but others include increasing sea level rise, glacial retreat and related impacts, salinisation, land and forest degradation, and in certain circumstances flooding and food and energy price spikes.

**The trend in the region has been to address slow-onset shocks only once they have reached a state of emergency and then treat them in much the same way as rapid-onset shocks.** This is a challenge the civil protection and agriculture sectors have been facing and the social protection sector will also face as it becomes more involved in emergency response. In Guatemala, for example, the *Coordinadora Nacional para la Reducción de Desastres* (‘National Coordinator of Disaster Risk’: CONRED) is the entity in charge of implementing policies and actions to improve the capacity of interinstitutional coordination both at the central and the local levels in the context of disaster reduction. However, CONRED focuses on rapid-onset shocks and not slow-onset ones such as the protracted drought in the Dry Corridor, the eco-region

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<sup>13</sup> By definition, a slow-onset shock is one that ‘does not emerge from a single, distinct event but one that emerges gradually over time, often based on a confluence of different events’ (United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2011).

of dry tropical forest in Central America.<sup>14</sup> The approach then has been one of prioritising emergency response to the impacts of the extended droughts, such as the loss of harvest of subsistence farmers and the risk of food insecurity. An integrated approach to reducing the risk of drought and increasing resilience to recurrent droughts would necessarily need to address the different issues underpinning water access and management and the environmental degradation in the region (Solórzano, 2017).<sup>15</sup>

**Box 2: Recent social protection responses to natural disasters: Ecuador, El Salvador, Dominica, Peru, and Mexico**

The number of countries responding to disasters using social protection systems has increased rapidly in recent years. A few examples are discussed below.

- **Ecuador – piggybacking.**

The Government of Ecuador responded to the 2016 earthquake with different strategies. One of these consisted on providing cash assistance to affected families through the *Bono de Acogida, Alquiler y Alimentación* (Bono AAA) and *Bono de Alimentación Rural* programmes. This response piggybacked on the capacity of the *Ministerio de Inclusión Económica y Social* (MIES), which was in charge of implementing the cash transfer programme *Bono de Desarrollo Humano* and the social pension, among other schemes. The emergency response piggybacked on the staff, IT platform, procedures, and infrastructure of MIES.

In order to be eligible for cash support, families had to be registered in the Registry of Affected Households (*Registro Único de Damnificados – RUD*). The Bono AAA targeted displaced families living with foster families or renting, while the other allowance targeted rural households. Beneficiaries received US\$100 per month during three months, while tenants and foster families received US\$135 per month for six months plus US\$15 for utilities in the case of the latter.

The cash assistance was effective and innovative but not so timely due to a combination of factors. The main challenges faced were related to the difficulties with RUD's data collection and processing, the allocation of new financial and administrative responsibilities, and the adaptation of the IT platform. It was a month after the earthquake, on 19 May, when the Bono AAA was designed by MIES and the RUD was fully operationalised toward the end of July. MIES did start transferring the Bono AAA to eligible families toward the end of May, but most transfers were made in July and August once the RUD had been completed.

- **El Salvador – vertical and horizontal expansions and shadow alignment**

In 2018 El Salvador was affected by a severe protracted drought; a 'red alert' was declared in 143 out of 262 municipalities in the country and estimates indicate that approximately 12,000 families were in food insecurity.

El Salvador's social protection system is still young and one of its main constraints is that it does not have national coverage yet. For this reason, the Government and WFP developed a social protection response model which combined three different strategies, each of them implemented in different municipalities, in order to increase the coverage of the response as a whole.

- Vertical and horizontal expansions of cash transfer programmes (*Bono Sequía*). Consisted of one transfer of US\$ 120 per family and reached 15,538 families.
- Shadow alignment of WFP's cash response. Reached 1,989 families with two transfers of US\$ 80 to each.

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<sup>14</sup> The Dry Corridor extends from Chiapas, in the south of Mexico, to Costa Rica, and covers a strip along Guatemala, El Salvador, Honduras, and Nicaragua.

<sup>15</sup> It should be noted that CONRED's mandate is currently being revised.

- Food distribution – had not been delivered yet when this report was written. The objective is to reach 73,758 families.

It is the first time that a cash transfer programme in El Salvador is scaled up to provide support to people affected by a natural hazard. Although there were some delays with the implementation of the vertical and horizontal expansions (*Bono Sequía*), mostly related with the lack of preparedness and the capacity of the payment provider to accommodate additional demand, the experience is assessed as successful.

The food response was delayed for a few months. Seven months after the pick of the drought, food had not been distributed yet.

- **Dominica – vertical and horizontal expansions.**

The Emergency Cash Transfer Programme (ECTP), launched by the Government of Dominica, WFP, and the United Nations Children’s Fund (UNICEF) in early December 2017, provided unconditional cash transfers to almost 25,000 people (including 6,000 children) most affected by Hurricane Maria. This expanded vertically and horizontally the cash transfer programme Public Assistance Programme (PAP).

The value of the ECTP transfer was US\$90 per household per month, with a top-up of US\$50 per child up to three children, in addition to PAP benefits for those in the programme. ECTP beneficiaries were meant to receive three monthly payments. ECTP transfers were entirely funded by WFP and UNICEF. Meanwhile, the Government of Dominica continued to provide PAP beneficiaries with their regular entitlements. ECTP grants were distributed to the beneficiaries using the existing PAP delivery mechanisms, largely based on manual payments through village councils.

Hurricane Maria made landfall in Dominica on 18 September 2017. PAP beneficiaries received the first ECTP payment in December. Due to delays with the identification of non-PAP beneficiaries, the payments to non-PAP recipients had to be split into two groups, one receiving the first transfer in January and transfers 2 and 3 in March, while the other received the three transfers at the same time in March.

- **Peru – vertical expansion and horizontal expansion.**

One of the strategies used by the Government of Peru to respond to the effects the 2017 coastal El Niño phenomenon<sup>16</sup> was the vertical expansions of the cash transfer programmes *Juntos* and *Pension 65*, through the *Bono Una Sola Fuerza*. However, the extraordinary cash transfers were not part of the government’s first response: they took place in early September, approximately six months after the peak of the emergency. Beneficiaries of *Juntos* and *Pension 65* living in the affected districts received a one-off top-up payment of approximately US\$60.

In addition, the social pension *Pension 65* brought forward the achievement of annual coverage goals in response to the coastal El Niño, incorporating eligible people living in the affected areas who were not in the programme before the shock.

- **Mexico –horizontal expansion**

In Mexico, the conditional cash transfer programme *Prospera* expanded horizontally in response to the 2017 earthquake by re-incorporating into the programme households living in the affected areas and which had graduated from the programme. This re-incorporation of former beneficiaries was deemed a cost-effective approach to horizontal expansion, as *Prospera* already had all the operational data of these households. In addition, the programme also incorporated households living in the affected areas and which had been

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<sup>16</sup> This phenomenon is characterised by unusual warming of the sea, triggering heavy rains that lead to overflowing and flooding.

identified as eligible but were not in the programme when the earthquake hit because of budget restrictions.

Source: Beazley (2017a; 2017c; 2018a; 2019)

### 3.1.2 By type of response

Unlike the dominant approach in other regions of the developing world (O'Brien et al, 2018), in LAC it is governments that tend to lead and (at least partially) fund the response to shocks, mainly through civil protection, with Haiti and other Caribbean countries as exceptions. In the cases where social protection played an active role in the response, in recent years this role has consisted mostly of 'top-ups' (vertical expansions), scale-ups (horizontal expansions), and the use of existing systems and capacities within new programmes (piggybacking).

#### Vertical expansions



Vertical Expansion

**When responding through the social protection system, topping up benefits to existing recipients is often the 'go-to' measure in the region because it is fast and reasonably administratively inexpensive to put in place.** In some cases, like in Mexico's CCT *Prospera* (formerly *Oportunidades* and *Progres*a), once the value of benefits is increased it is then politically challenging to scale it back. This

is probably the result of a combination of factors, but the way these increases are communicated to the population is essential. In Argentina and Peru, for example, vertical expansions were presented as temporary time-bound support, and there were no expectations of them becoming permanent. Admittedly, this becomes more challenging in the face of slow-onset shocks, since it is difficult to establish beforehand the duration of the increase, although in the case of climate-related shocks, an understanding of seasonality can help to plan initial periods for continued assistance.

**Emerging experiences in LAC and elsewhere are showing that the determining factor for a timely vertical expansion is preparedness to approve and promptly disburse funds** (Barca and Beazley, 2019). In Peru, for example, due to the lack of preparedness and a slow decision-making process during the aftermath of the impacts of the El Niño phenomenon, the vertical expansion was not timely and the top-ups were transferred approximately six months after the peak of the floods (Beazley, 2018a) (see Box 2). In Dominica, beneficiaries of the cash transfer programme PAP received the top-up benefits in response to Hurricane Maria almost three months after the shock (Beazley, 2018a). This response was entirely designed after the shock (also see Box 2).

**Inevitably, this type of response only reaches existing beneficiaries (see also Section 3.2.1Error! Reference source not found.), thus excluding non-beneficiaries.** It is extremely rare that social protection programmes cover 100% of the population in any given area, as beneficiaries are almost always subsets of the population (e.g. 'the poor', older people, children, etc.).

**As a result, the accuracy of vertical expansions will depend on the correlation between an existing programme's targeting (both design and implementation) and the population affected by the shock** (Barca and Beazley, 2019). For example,

in Ecuador only 15% of households within the Registry of Affected Households (*Registro Único de Damnificados – RUD*) (the database of affected households collected in the aftermath of the 2016 earthquake – see Box 2) were recipients of the country’s flagship social assistance programme, the *Bono de Desarrollo Humano* (Beazley, 2017a). Thus, the correlation between the programme’s targeting’s criteria and the population affected by the shock was low, and a response based exclusively on expanding this programme would have led to substantial errors of exclusion.

**One approach to deal with the under-coverage challenge of vertical expansions is to vertically expand across multiple programmes with different targeting criteria**, as was the case in Peru in response to the 2017 floods (see Box 2) and in Argentina in response to recent floods, wildfires, and volcanic ash disasters (Beazley *et al.*, 2016). Alternatively, if vertical expansions lead to high levels of exclusion, they would need to be complemented with other strategies, as in the case of Dominica, where the vertical expansion of PAP was complemented with a horizontal expansion (see Box 2). In some cases, complementary programmes could be delivered via other government (e.g. DRM) or humanitarian actors – via improved coordination (see Section 3.2.3).

## Horizontal expansions



Horizontal Expansion

**Horizontal expansion offers a solution to the limited coverage of vertical expansion.** The growth of social protection in LAC is partially explained by the coverage increase of cash transfer programmes in response to shocks, typically economic shocks like the 2008/09 global financial crisis (Beazley *et al.*, 2016; Grosh *et al.*, 2014). Programmes have also expanded horizontally in response to natural disasters in Mexico, Dominica, El Salvador and Peru (see Box 2).

**Horizontal expansion poses challenges on three fronts: targeting, delivery, and communication with beneficiaries.** Expanding to new caseloads requires a flexible approach to identifying and selecting those in need (as discussed in Section 3.2.1) and to delivering assistance to them (see Section 3.2.2). The considerations above related to communication with the population are also valid for horizontal expansions, since incorporating beneficiaries on a temporary basis could be confusing and lead to social tensions.

**Importantly, research in the region has shown that there are many different ways in which horizontal expansions can be achieved in practice** – and many ways in which increased coverage of affected populations can be achieved beyond horizontal expansion. The key insights on this, including considerations on the different practical implications of different options, are summarised in Box 3.

### **Box 3: Clarifying definitions: expansion of coverage can be achieved in many ways, not just via ‘horizontal expansion’**

The typology presented within the theoretical framework for this study (Section 2.1) is very helpful to guide discussions on response options, but it has some limitations. First, it is a framework for the use of social protection systems in emergency response and therefore it does not cover responses by other sectors, which may be more effective in responding to emergencies. Second, the framework does hide some of the complexity that underpins each option and how it is ultimately put into practice. For example, this LAC study has clearly shown that expanding coverage to more people (beyond current social protection

beneficiaries) can be achieved in many different ways – each with very different practical implications. These options are described below.

It is important to highlight that the alternatives below can lead to temporary and/or long-term/permanent coverage expansions depending on the case. However, the policy process behind temporary expansions is clearly different from the commitment required for permanent changes. In addition, regional experience has shown that strategies designed with the objective of increasing coverage temporarily can often lead to permanent increases.

**1. Expansion via existing programmes** (horizontal expansion, as defined in Section 2.1):

- *Via extending the programme's geographical coverage:*
  - *Temporary geographical expansions* – theoretically feasible although we have not found many examples of programmes expanding and then contracting their coverage during the lifespan of a response.
  - *Longer-term geographical expansions* – Examples include cash transfer programmes in El Salvador, Guatemala, Mexico, Paraguay, and Peru in response to the 2008/09 global financial crisis.
- *Via enrolling additional beneficiaries who are eligible but were excluded from the original support.* Regional experience shows such a process is likely to lead to expansions that are long-term/permanent (not temporary).
  - *Newly eligible households* because of changed household conditions. On-demand registration systems (such as those in Brazil and Chile, for example) theoretically have the capacity to flexibly accommodate these new caseloads.<sup>17</sup>
  - *Eligible households excluded because of quotas/budget restrictions.* For example, this was how the programmes *Pension 65* and *Prospera* in Peru and Mexico responded to recent disasters (see Box 2 and Beazley, 2018).
  - *Eligible households excluded because of a wide range of other reasons* (e.g. direct, indirect, and opportunity costs of applying, etc.)
  - *Former beneficiaries who had 'graduated' out.* This was recently the case in Mexico (see Box 2) and is a simple and swift option as operational data is already available for former beneficiaries.
- *Via temporarily or permanently modifying the eligibility criteria.* In practice, this may be operationalised via either:
  - *A new registration/enrolment process* (either census survey or potentially on-demand) aimed at identifying affected households and assessing eligibility on the basis of the revised criteria. This was the case in Dominica's response to Hurricane Maria (see Box 2); or
  - *Utilising existing social protection data* (e.g. non-beneficiary information from a social registry) and applying new criteria. This is an option that was often considered and discarded in the region, except for the response of El Salvador to the 2018 drought; this point is further discussed in Section 3.2.1.
- *Via enabling temporary access to those who are already enrolled, but who are not receiving because of requirements/qualifying conditions.* A common example is the

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<sup>17</sup> This is not always the case, however, as on-demand systems present numerous barriers to access (Barca, 2017).

waiving of conditionality,<sup>18</sup> embedded in legislation in Mexico and Colombia. Another example is the requirement to work in a public works programme (PWP).

2. **Expansion via new programmes that piggyback on existing delivery systems** and deliver temporary support to new caseloads ('piggybacking', as defined in Section 2.1). This approach includes:
  - *Piggybacking on existing data* (e.g. from a programme database or social registry); and
  - *Piggybacking on registration/enrolment approach and capacity*. Two good examples are Chile, where capacity for registration of social protection programmes is used for collection in the aftermath of a shock (see Box 7), and Ecuador, where MIES capacity was used to implement the cash response to the 2016 earthquake (see Box 2).
3. **Expansion via new 'emergency' programmes that align to existing programmes** ('shadow' alignment, as defined in Section 2.1). In the region, there are few experiences of this type, probably because responses were primarily government-led. An exception is WFP's response to the 2018 drought in El Salvador.
4. **(Longer-term) expansion via new social protection programmes**. Many countries in the region have responded to large crises – most notably the economic crisis of 2008/09 – by developing new social protection programmes (e.g. Argentina, El Salvador, Honduras, Belize, and Guatemala).

It is clear from the discussion above that there is a continuum of potential approaches to extending coverage beyond current recipients of social protection), each with a set of opportunities, risks, and challenges – and each affected by what countries have in place in advance of a shock. Moreover, it should be remembered that addressing the needs of shock-affected populations is not only a function of coverage but also of adequacy of support (e.g. type, amount, etc).

Sources: Authors, building on Beazley (forthcoming); Beazley (2018a); Beazley et.al. (2016); Barca and Beazley (2019); Grosh et.al, (2014); and O'Brien et al (2018).

## Piggybacking



**There are experiences in the region of humanitarian actors responding through existing government social protection systems ('piggybacking')**. In Ecuador, for example, WFP channelled its support through the national social protection system and complemented the government response to the 2016 earthquake (Beazley, 2017a). In Guatemala, WFP piggybacked on existing social protection administrative systems to respond to the protracted drought in the Dry Corridor (Solórzano, 2017). The piggybacking strategy allows humanitarian actors not only to respond in a more timely fashion and reach a higher number of people than with separate responses but also to strengthen government systems. From the government perspective, these response strategies can help align international humanitarian assistance with the national response strategy.

<sup>18</sup> It should be noted that O'Brien *et al.* (2018) define this as a 'design tweak', i.e. minor changes to the design of a social protection programme to take into account the risks and impacts of shocks and crises that countries typically face.

**Piggybacking is not only relevant for humanitarian actors but also for governments setting up new emergency programmes that build on the systems and processes of the routine social protection system.** In some cases, this strategy may lead to the use of all the systems and processes of an existing programme while creating a new programme with a new name and defined temporality. This strategy avoids the confusions to which horizontal expansions are exposed to, where long-term beneficiaries coexist in the same programme with temporary beneficiaries (e.g. during the response and recovery period). As an example, in Ecuador, the government used the processes and platforms of MIES to respond to the 2016 earthquake. This was not a horizontal expansion of existing programmes but a new humanitarian response programme based on existing capacity (see Box 2).

**There are experiences of LAC governments piggybacking on the capacity of the social protection sector when responding to shocks.** For example, in Chile, Ecuador, Jamaica and Mexico, the capacity of social protection to collect and manage data has been used in response to recent shocks, in order to identify affected households (see Box 6). Moreover, the payment system of Jamaica's flagship conditional cash transfer programme, the Programme of Advancement through Health and Education (PATH), is used to provide cash support to beneficiaries and non-beneficiaries affected by shocks. The Ministry of Labour and Social Security issues checks that are distributed to local post offices for collection.

## Shadow alignment



**There are few experiences in the region of humanitarian agencies responding in a way that aligns as much as possible with a current or possible future social protection programme.** This is due to the fact that in many countries responses are directly implemented by governments, but also because in countries in which humanitarian actors do implement programmes, there is typically very limited coordination and interaction between the humanitarian and the social protection sectors.

An interesting experience of shadow alignment is El Salvador's response to the 2018 drought. The Government scaled up the main cash transfer programme and offered support to households affected by the drought. This consisted of both vertical and horizontal expansions. However, the cash transfer programme does not have national coverage, and some of the municipalities affected by the drought were not covered by the social protection expansion. As a consequence, two complementary approaches were implemented in the remaining municipalities: i) food distribution, which is the traditional response in the country, and ii) a humanitarian cash transfer programme by WFP. The latter was designed following similar parameters and criteria as in the expansion of the government's cash transfer programme and was developed with the intention that in the future, once social protection covers all the municipalities affected by protracted droughts, the government will be able to provide the cash support when needed (Beazley, forthcoming).

### 3.1.3 By type of social protection scheme

**In the cases in which LAC social protection systems have been used to respond to emergencies, countries have relied mostly on existing systems and programmes with relatively greater coverage and stronger administrative capacity.** Depending on the context, this could mean expanding a conditional cash



transfer programme, and/or a social insurance scheme, or school meals. While in one country the most effective response could imply expanding one type of programme, in another it could mean expanding a different one or even not involving the social protection sector at all.

## Cash-based social assistance

Regarding the different social protection schemes used for emergency responses, **cash-based social assistance is the most popular type in LAC**. There are a number of reasons for this trend. First, global evidence has shown that cash transfers are associated with positive effects on various dimensions, from the reduction of poverty and inequality to the enhancement of empowerment and dignity, the promotion of social rights, and others (see Box 4). Second, as social protection systems in LAC evolve they tend to rely more on cash-based schemes (contributory and non-contributory) and less on other types. Consequently, a lot of administrative capacity has been built over the years for the management of cash transfers that reach the poor, which can be called upon in emergency response. Third, there are administrative reasons to opt for a cash response when markets are functioning: it can be administratively and logistically easier to deliver cash than food, it can boost local economies and markets, and allows beneficiaries to purchase what they need.

### Box 4: The benefits of cash

Cash transfers are increasingly at the centre of social protection policies in the developing world and there has been an exponential growth of cash transfers in the last 15 years, as has been widely documented (Fiszbein and Schady, 2009). This is a trend that has remained sustained in recent years partly because of a widespread expansion in sub-Saharan Africa (World Bank, 2014). Globally, the number of countries implementing these programmes increased from 27 in 2008 to 52 in 2013 (World Bank, 2014). This growth has been backed by substantial evidence; a large number of evaluations have shown positive effects on various dimensions of welfare (Bastagli *et al.*, 2016; DFID, 2011; World Bank, 2014). Cash transfers and vouchers, however, remain a small proportion of humanitarian aid (US\$1.2–US\$1.5 billion or 5%–6%) even though they are often more efficient than in-kind aid (Overseas Development Institute (ODI), 2015).

Some of the benefits of cash transfers are outlined below:

**Poverty reduction:** The evidence shows that with the correct level of transfer, timing and frequency, and duration, cash transfers can reduce income poverty. There is substantial evidence linking cash transfers with increases on household consumption. Bastagli *et al.* (2016) found 35 studies on cash transfer programmes reporting impacts on household total expenditure, with 26 of these demonstrating at least one significant impact and 25 finding an increase in total expenditure.

**Food security and nutrition:** evaluations suggest that cash transfers increase households' food intake through increased expenditure on food and can improve nutrition by enabling access to foods that are more diverse and of better quality. Cash, however, should be addressed as one element of a comprehensive approach to addressing malnutrition, including access to food and other complementary interventions (Bailey and Hedlund, 2012).

**Income inequality:** Cash transfers can help reduce income inequality if key contextual, design, and implementation features are in place. In Brazil, for example, the *Bolsa Família* cash transfer programme was responsible for a drop in the Gini coefficient, between 1995 and 2004 (DFID, 2011).

**Flexibility and choice:** One of the main advantages of cash transfers is that beneficiaries decide how and when to spend the money, increasing their agency. Evidence from the Livelihoods and Economic Recovery in Northern Uganda programme by Action Against

Hunger (*Action Contre La Faim*) shows that the impact of unconditional cash transfers can be significantly greater than comparable in-kind or voucher projects because beneficiaries are free to choose how to spend the cash at the time it is received (Pietzsch, 2011). In humanitarian response, **multipurpose cash transfers** are unrestricted cash transfers that place beneficiary choice and prioritisation of his/her needs at the forefront of humanitarian response. They are the aid modality designed to offer people affected by crisis the maximum degree of flexibility, dignity, and efficiency commensurate with their diverse needs (UNHCR *et al.*, 2015).

**Social rights and dignity:** By allowing beneficiaries to control what goods and services their households purchase, many consider cash transfers more dignified than receiving goods in kind because they recognise beneficiaries as active participants in the provision of their family's wellbeing after a disaster (Creti and Jaspars, 2006; UNICEF, 2015). Some cash transfer programmes draw from a formal social rights recognition; for instance, the Mahatma Gandhi National Rural Employment Guarantee Act in India recognises the right to work by providing at least 100 days of waged employment of unskilled manual work. Likewise, the *Bolsa Família* programme in Brazil draws from the right of a minimum income for Brazilian families (Leisering and Barrientos, 2013).

**Empowerment and gender:** The availability of cash gives households a sense of power restored over their immediate situation. For instance, there is evidence that social pensions in Namibia and Lesotho have improved the status of older people without relatives, who might otherwise have been isolated and excluded from community life. By addressing gender imbalances in access to education and putting cash directly in the hands of women, cash transfers can also increase their bargaining power within households and improve intra-household allocation of resources for human development, as evidence from *Prospera* in Mexico and *Bolsa Família* in Brazil has shown (DFID, 2011; Bastagli *et al.*, 2016).

**Reduction in negative coping strategies:** During emergencies households sometimes sell their productive assets in order to cover their immediate consumption needs. This increases their future vulnerability and the risk to poverty traps. Cash transfers can avoid these asset-depleting strategies by providing consumption-smoothing support. Moreover, recipients of regular cash transfers increase their credit worthiness within their communities and might access informal loans to fulfil their consumption needs during an emergency (Solórzano, 2016).

**Boosting local economies:** In certain contexts, cash transfers can contribute to reactivating markets and the local economy (ODI, 2015).

Finally, it is worth noting that claims about cash transfers being significantly used to purchase alcohol and tobacco are unfounded. Evans and Popova (2014) reviewed 30 studies of cash transfer programmes in Latin America, Africa, and Asia and showed that transfers **are not consistently used for temptation goods** in any of these environments, irrespective of the presence of conditionalities.

Sources: Bailey and Hedlund (2012), Bastagli *et al.* (2016), Creti and Jaspars (2006), DFID (2011), Evans and Popova (2014), Fiszbein and Schady (2009), Leisering and Barrientos (2013), ODI (2015), Pietzsch (2011), Solórzano (2016), UNHCR *et al.* (2015) and UNICEF (2015).

## School meals

**School meals programmes have also been used in emergency responses, mostly due to their coverage and in-built systems for delivery.** In Nicaragua, Honduras, and Haiti, for example, school meals have been expanded vertically (through additional rations, the provision of meals during weekends and school holidays, and improving the quality/nutritional content of the meals) in response to climate shocks (Beazley *et al.*, 2016). In times of crisis, in addition to providing food directly to children and their

families (if they incorporate a take-home ration), these programmes can also discourage negative coping strategies. They have the potential both to address short-term hunger and support nutrition through micronutrient-fortified food, and they provide an incentive for poor families to keep their children in school during times of crisis. Moreover, depending on the context, when school feeding programmes are connected to small farmers and local economies (known as Home-grown school feeding) these programmes might be also an opportunity to recover and reactivate local economies after a shock.

**Of course, routine school meals only reach households with school-age children who are attending school, yet there are ways of expanding horizontally to provide support to others who are affected.** Although not common in the region, take-home rations (provided as food in-kind or as cash transfers) ensure assistance reaches other household members, and even families without children in school could be assisted if the right procedure were set in place at community level.<sup>19</sup> However, lack of infrastructure – possibly exacerbated by disruption in the event of a shock – may affect the speed at which a programme could be adapted. Moreover, the challenges in terms of logistics, agreements between different actors, abiding by minimum hygiene standards in crisis contexts and large-scale procurement of food stuffs, storage, and transport should not be underestimated, even in the case of a functioning school meals programme (WFP, 2013; Bastagli, 2014; Fafo, 2017).

## Employment-related programmes

**Many employment-related social protection programmes in the region have been developed to respond to shocks.** Countries like Argentina, Chile, El Salvador, Mexico, Peru, and Uruguay, among others, have implemented labour-intensive PWP in response to economic or natural shocks (Beazley *et al.*, 2016). There are three chief reasons why PWPs have been as popular as they have in emergency response: self-targeting reduces administrative costs, work requirements make these programmes more palatable, and asset creation and rehabilitation components are particularly useful in response to disasters. However, the extent to which these aspects are always in place is questionable, and effective PWPs are resource-intensive and difficult to implement. The requirement to work can also act as a qualifying condition that imposes excessive burden on beneficiaries at times of crisis, while the focus on those who are in working age and able to work can exclude the most vulnerable categories in need of support (McCord, 2013a).

## Social insurance

**Although in principle social insurance is designed to act as an automatic stabiliser following a shock, there are a number of constraints that limit the use of these schemes in emergency response.** In practice, social insurance coverage is fairly low – particularly coverage of the poor – and revenue from contributions shrinks during crises, challenging this type of response. Despite these limitations, there are some experiences in the region of expanding social insurance vertically in response to emergencies in countries like Argentina, Brazil, Costa Rica, the Dominican Republic, El Salvador, the Bahamas, and Uruguay (Beazley *et al.*, 2016). Due to the contributory

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<sup>19</sup> For instance, engaging the school community (parents, teachers, administrators, etc.) to reach out to other affected households who could be temporarily incorporated in the emergency transfer programme.

nature of social insurance schemes, it is very uncommon to see governments expanding their coverage in response to emergencies.

## Subsidies

**Food and fuel subsidies have been frequently created or expanded in response to economic shocks in the region** (Coady *et al.*, 2015). They are typically implemented to protect the population from international price increases and are often perceived as temporary. However, governments can find it politically challenging to eliminate subsidies even after the decrease of international prices. In the case of fuel subsidies, they also have an environmental cost, contributing to climate change and therefore creating future vulnerability. Fuel subsidies have traditionally taken the form of supply subsidies (to service providers), with regressive effects as the bulk of the benefits accrue to those with the highest levels of consumption. More recently, countries have started implementing demand subsidies, i.e. subsidies provided directly to users/consumers who are in need and reducing the overall cost of subsidies (Coady *et al.*, 2015; Inchauste and Victor, 2017). Some countries, like Argentina, Brazil, Chile, the Dominican Republic, and Uruguay, have piggybacked on social protection targeting systems (e.g. social registries) to reach those in need and provide the subsidies.

## In-kind transfers and other

**Most responses to disasters in the region involve in-kind transfers. This support is more frequently provided by the civil protection sector than through an expansion of existing social protection schemes.** There are, however, very few examples of social protection in-kind transfer programmes expanding in response to shocks, beyond the case of school meals described above. In the Dominican Republic, for example, the social protection programmes *Plan Social* and *Comedores Económicos*, which transfer mainly food and basic items and meals respectively, expanded substantially in response to recent emergencies (Beazley, 2017b). *Comedores Económicos* has mobile kitchens that allowed the programme to offer meals to people affected by disasters not only throughout the country but also support the emergency response in Haiti if required.

**Finally, there are only a handful of experiences in the region in the expansion of other types of social protection assistance, such as the transfer of vouchers or fee waivers in response to emergencies** (Beazley *et al.*, 2016). These schemes have lower spending (see World Bank, 2015) and less administrative capacity than other types like cash transfers or school meals.

## 3.2 System preparedness

Our theoretical framework considers the level of preparedness of the social protection system based on three programme design and implementation aspects that are essential for a timely and effective response: **targeting and data management systems, delivery mechanism, and coordination and financing.**

### **3.2.1 Targeting and data management systems**

In this subsection there are two important aspects related to the identification of beneficiaries that are covered: targeting mechanisms and data management.

Before we do this, it is worth visualising the issue and the relation between targeting and data management, as exemplified in

Figure 2. **The root of the problem is that households affected by shocks are not necessarily those benefiting from existing social protection programmes. This is the case because of the different target population, eligibility criteria, and overall objectives of these programmes.** The overlap between the population benefiting from social protection (whose data is in a 'beneficiary registry' – see

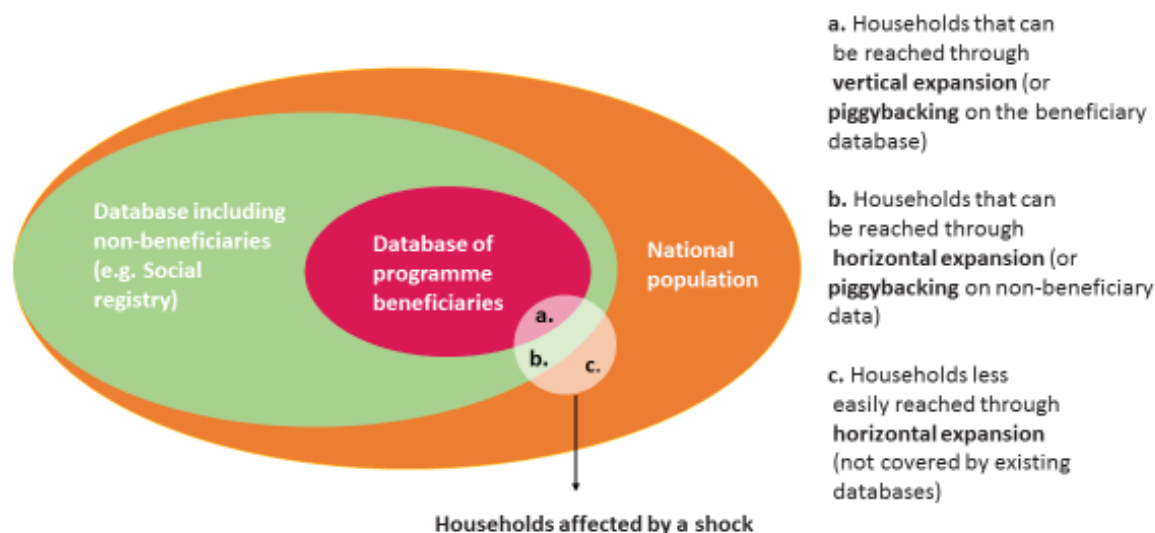
Table 1) and the population affected by a shock is represented as area 'a' in

Figure 2. Countries with high coverage of existing programmes and with targeting criteria aimed to reach populations vulnerable to shocks have higher overlaps. These are the individuals/households who can be reached via vertical expansion or piggybacking on the beneficiary registry.

**Because expanding to current beneficiaries will only ever be a partial response, expansions to new caseloads (areas 'b' and 'c') will always be necessary to ensure a comprehensive response.** As discussed in Section 3.1.2 and Box 3, this can be achieved in many different ways. In some cases, where registries including data on non-beneficiaries ('Social Registries' – see

Table 1) are available and appropriate, these could be used to swiftly identify new caseloads in affected areas (area 'b'). In other cases, new caseloads in areas 'b' and 'c' would have to be identified via new registration efforts or entirely new programmes.

**Figure 2: Shock-affected people within the wider population – why expansion is challenging**



Source: Barca and O'Brien (2017). Note: (1) The size of each oval will depend on each country's circumstances. (2) The 'National population' oval represents 100% of the population. (3) To keep the figure simple, the red oval exemplifies one programme (e.g. the country's flagship programme with highest coverage), although most countries have several programme databases that are sometimes partly overlapping.

### Targeting systems



Targeting

**Social protection targeting mechanisms in the region have been largely designed with the objective of reaching the chronic poor and rely on the use of administrative registries informed by periodic household surveys. They therefore have limited capacity to capture the effects of sudden crises.** Social protection programmes tend to rely on a variety of targeting mechanisms, often combined, including demographic, geographic, and poverty targeting.

Many of these mechanisms are designed to detect well-established conditions – like, for example, chronic poverty or belonging to a certain age group – and hence they are not conceived as tools to detect sudden changes to wellbeing and livelihoods. However, initial responses to emergencies could use existing targeting data under a defined set of criteria to top up existing benefits or expand coverage.

**There are only a handful of LAC countries with developed social protection targeting mechanisms for emergency response, by which we mean pre-designed systems to support the registration, eligibility assessment, and enrolment of new caseloads.** One example of this key preparatory activity is Chile's *Ficha Básica de Emergencia* (FIBE), a one-page questionnaire that is used during emergencies to identify households affected by natural or man-made disasters at the local, provincial, regional, or national levels. Information collected via FIBE supports decision making by



the government on how to provide assistance to affected populations, complementing routine approaches to targeting (see Box 7).

**Few programmes in the region have targeting protocols that can be temporarily revised or rules and requirements that are softened in response to shocks.** The cash transfer programmes *Más Familias en Acción* from Colombia and PAP in Dominica are currently reviewing their protocols to make the programmes more flexible and responsive. Moreover, programme targeting rules, created for objectives different from emergency response, may diminish their shock-responsive impact. For example, in Mexico the *Prospera* programme used to operate only in locations with functioning health and education services, in line with the conditionalities that beneficiaries have to meet. In 2012, a heavy drought had a very strong impact on the indigenous communities in the north of the country; however, while they had very high rates of chronic poverty, when *Prospera* scaled up to support affected families these communities were not targeted because they did not have the appropriate social infrastructure upon which conditionalities could be levied (Solórzano, 2015). The programme acknowledged this problem and the operational guidelines then considered the removal of conditionalities in the event that a state of emergency is declared<sup>20</sup>.

### Data management systems<sup>21</sup>

**It is important to clarify the terminology around data management systems that serve the social protection sector** (focusing on social assistance, not social insurance). In

Table 1 this is presented along two main dimensions: 1) whether they retain data on non-beneficiaries or not and, 2) whether they serve one or multiple programmes (Barca, 2017; Leite *et al.*, 2017). In what follows, for ease of understanding, the term ‘social registries’ will be used to refer to registries serving one or multiple programmes.

**Table 1: Data management systems: clarifying the terminology**

	Serving one programme	Serving multiple programmes
<b>Only retaining data on beneficiaries</b>	<b>Beneficiary registries</b> track data on beneficiaries and benefits to support programme management and implementation (payments, case management, conditionalities monitoring, and grievance redress) via what is often referred to as a Management Information System. In terms of population coverage, beneficiary registries maintain information only on beneficiaries of specific programme(s).	<b>Integrated beneficiary registries</b> operate as a data warehouse that collects information from different social programmes and their benefits administration systems, allowing for monitoring and coordination of ‘who receives what benefits’ and for identifying intended or unintended duplications across programmes.
<b>Retaining data on non-</b>	<b>Social registries</b> support processes of outreach, intake and registration, and assessment of needs and conditions to	<b>(Integrated) social registries</b> combine the processes of outreach, intake and registration,

<sup>20</sup> While this report was being finalised the *Prospera* programme was cancelled.

<sup>21</sup> Most commonly referred to as social protection information systems (we retain this terminology for consistency with previous outputs).

<b>beneficiaries</b>	determine potential eligibility for a social programme. That assessment usually takes into account measures of socioeconomic status, categorical factors, or a combination of both. In terms of population covered, social registries contain information on all registrants, whether or not they are deemed eligible for, or enrolled in, a select social programme.	and assessment of needs and conditions to determine potential eligibility for multiple programmes. They serve as platforms that support access to benefits and services that can extend well beyond the sphere of social assistance.
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Source: Barca and Beazley (2019), building on Barca (2017) and Leite *et al.* (2017)

**Beyond these distinctions, registries and their broader information systems vary greatly across countries in their set-up,<sup>22</sup> size, functions and levels of cross-sectoral integration, greatly affecting what can and cannot be done with them** (Barca, 2017). A simple framework that can be used to assess the potential usefulness of existing social protection registries for shock response is discussed in depth within Barca and O'Brien (2017) and Barca and Beazley (2019), based on the following criteria:

- **Completeness** (or 'coverage') refers to the number of records compared with what would be perceived as a full set of records – 100% population, or 100% of those in need.
- Data is **relevant** if it contains the variables required for the intended purpose. Data collected for the provision of long-term social protection (i.e. another purpose) may not always be relevant in an emergency if it does not contain variables that comprehensively identify households in affected areas, and ideally that assess their needs.
- Data **currency** is the degree to which data are current (up to date), representing households' real circumstances at the required point in time. It is of course impossible for standard social protection data to reflect the reality after a disaster, meaning some form of post-disaster revalidation is always required. The relevant factor is how up to date existing data is overall.

<sup>22</sup> For example, the way data is collected has important implications in the use of registries for emergency preparedness and response. Social registries typically collect data either through census surveys like in Ecuador or on demand, or a combination of both like in Chile, Brazil, and Colombia (Barca, 2017).

**Census-survey registration** entails a labour-intensive approach by which all households in an area are interviewed at selected intervals. This approach has better chances of reaching the poorest and most vulnerable groups, who are less informed and more stigmatised, and has the advantage of conducting the house-check/verification visit during the survey process without a need for additional visits. However, re-registrations are very costly and often postponed, and hence registries tend to represent a static snapshot of socioeconomic circumstances at a certain point in time. **On-demand registration** relies on households to go to a local welfare office to register and apply for benefits. Modern approaches to on-demand registration include the use of online applications or mobile phone apps. This type of data-collection process has lower total costs due to self-selection, is dynamic, enables ongoing entry, and is easier to update. However, the poor may not participate for various reasons: they could lack information, fear stigma and face other barriers to access; costs can be higher if social workers must verify (via home visits) information provided; applying can be a slow process involving long queues and bureaucracy; and a large network of staff is required at local level. Although on-demand registration seems more suitable for capturing up-to-date information, which is required for targeting in emergency response, census surveys could also achieve this if conducted frequently. A combination of both, and the integration of data with other sources, can improve the quality of information available for decision-making.

- **Accessibility** refers to the ease for potential users – most likely national or local government agencies and departments or their partners – to obtain the data.
- Data is considered to be **accurate** if it is free from errors and omission. Accuracy means that a high level of confidence can be placed on the data, affecting its wider credibility and ultimately its usability
- Data is **secure** when they are protected against unauthorised access, misuse, or corruption and where data privacy is guaranteed. In emergency contexts, concerns regarding misusing or losing such information – potentially exposing households to further vulnerability – are heightened.

Furthermore, this distinction between beneficiary registries and social registries, discussed in

Table 1, has important implications for shock response.

**The use of beneficiary data for emergency response has advantages but also noteworthy limitations in terms of adequately covering shock-affected populations.** Beneficiary registries are often more up to date than social registries and contain more operationally relevant information, such as bank account details, contact details, addresses, etc. (Barca and O'Brien, 2017). As a consequence, the information contained in these databases can enable timely support to be provided to programme beneficiaries. However, as discussed in Section 3.1.2, vertical expansions and programmes piggybacking on beneficiary data exclude non-beneficiaries<sup>23</sup> and their accuracy depends on the correlation between the targeting design and implementation with the effects of the shock (Barca and Beazley, 2019) (see also Box 5).

**Social registries,<sup>24</sup> including information on all potential beneficiaries and increasingly popular in the region, typically have higher population coverage<sup>25</sup> but are rarely designed to identify the population exposed to shocks.** One notable exception is the Dominican Republic's *Índice de Vulnerabilidad ante Choques Climáticos* (Index of Vulnerability to Climate Shocks: IVACC), which is part of the social registry called *Sistema Único de Beneficiarios* (SIUBEN). The IVACC calculates the probability that a given household may be affected by climate shocks, as explored further in Box 11, a practice which is referred to as 'climate-smart targeting'.

**Nonetheless, where they satisfy the criteria above, existing non-beneficiary data stored in social registries could prove valuable for a timely response to new caseloads,** reducing the need for costly and time-consuming *ex novo* registrations in the aftermath of a shock (see Table 2). Recent experiences in LAC show the potential value of this type of data in contexts with integrated social registries with high coverage (high level of 'completeness'). In Ecuador, 66% of the households affected by the 2016 earthquake were already registered in the RUD social registry (Beazley, 2017a). In Peru, the proportion goes up to 80% in the case of the 2017 floods (Beazley, 2018a). In

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<sup>23</sup> Beneficiaries of social assistance programmes are rarely more than 20% of the population, and often significantly less.

<sup>24</sup> For ease and simplicity we will use the term 'social registries' to indicate integrated social registries as well.

<sup>25</sup> Coverage of social registries varies across countries, with coverage between 45% of population (e.g. Mexico) and 85% (Dominican Republic). Coverage is partially influenced by the underlying approach to registration, among other aspects.

Chile, more than 90% of households affected by recent shocks were already included in the registry.

**Table 2 Coverage of social registries and overlaps with affected households**

	Coverage of flagship cash transfer programme	Coverage of the social registry (% population)	<u>Overlap</u> between the new registry of affected households and the social registry
Chile	NA	74%	<b>98%</b> Various recent shocks
Ecuador	10% <i>Bono de Desarrollo Humano</i>	53%	<b>66%</b> 2016 earthquake
Peru	8% <i>Juntos</i>	60%	<b>80%</b> 2017 floods

Sources: authors

**Despite this potential, there are only a handful of experiences in the use of non-beneficiary data for horizontal expansions or piggybacking in LAC and elsewhere.**<sup>26</sup> This was the case in El Salvador, in which non-beneficiary data available in the social registry was used for targeting the horizontal expansion of cash transfers in response to the 2018 drought (Beazley, forthcoming). Even though Ecuador and Peru have fairly strong social registries with high coverage, and the overlap between the population in the registries and the population affected by recent shocks was high, neither country chose to use the registry for rapid expansions. Ecuador’s government decided to create a registry of affected households to target the social protection response, delaying the cash response by approximately five months (Box 2 and Beazley, 2017a). In the case of Peru, after months of deliberations, the government decided to vertically expand the programmes *Juntos* and *Pension 65* (Box 2 and Beazley, 2018a). In both cases, other types of support were provided from the onset of the crisis.

**There are a several explanations for the limited number of experiences in the use of existing data for horizontal expansions** (Barca and Beazley, 2019), including the following:

- Few countries have social registries with high coverage and high-quality data;
- Static databases will often not be in a position to contain the type of information that is required for identifying the households most affected by a shock because households’ situations are often affected by the shock itself;
- It is rare to find protocols and plans for the use of this type of data in shock response;

<sup>26</sup> In addition to the horizontal expansion in Mexico described in Box 2, the case of the Hunger Safety Net Programme (HSNP) in Kenya the most cited example in the global literature. This programme collected additional data that enabled expanding horizontally in response to shocks. In fact, HSNP went beyond collecting additional data and pre-enrolled almost all the households in the four participating counties, and gave them bank accounts as well, despite nearly 300,000 people being ineligible for the routine transfers. In this regard, the programme is intentionally designed and prepare to scale up (O’Brien *et al.*, 2018).

- The types of data contained within social registries are not always operationally relevant and usable for an immediate response (e.g. because households have been registered but not pre-enrolled<sup>27</sup>);
- Mandates can constrain the role of ministries/departments in charge of managing social registries; and
- Horizontal expansions based on social registry data are bound to lead to significant errors of inclusion (households not affected by the shock receiving support) and potentially exclusion errors (see Box 5). This is not only a political concern for decision makers but in some cases rules and regulations may prohibit this type of action (Beazley, 2017a).

#### **Box 5: The trade-off between targeting accuracy and timeliness**

Both vertical and horizontal expansions based on existing data collected in advance of a shock create a strong potential for inclusion and exclusion errors (reduced 'targeting accuracy'). However, if adequately planned and prepared, these approaches could improve the timeliness of response. This is a pressing trade-off that requires policymakers' attention in advance of a shock. Given the existing country context (including the features of existing social protection data and information systems), what is the true cost of delaying a response for the sake of improved targeting accuracy?

The literature on the topic is unequivocal: overall timeliness is usually more important than full targeting accuracy, especially in the first phase of assistance (Pelham *et al.*, 2011; Beazley *et al.*, 2017; O'Brien *et al.*, 2018).

Specifically, inclusion errors can and should be tolerated in the short term – especially as they can contribute to controlling tensions within recipient communities, although there is more risk that the programmes are used politically. Exclusion errors, on the other hand, should be promptly addressed through a sound grievance redress process and complementary approaches to swiftly reach all affected households (Pelham *et al.*, 2011; O'Brien *et al.*, 2018). In a second phase of the response, data collection could allow adjusting the initial targeting by assessing who should continue receiving support.

Source: Barca and Beazley (2019)

**Greater integration of information systems, together with robust data-collection processes, can increase the ability of a system to respond.** The integration of systems enables the flow and management of information within the social protection sector and sometimes beyond. A few countries in the region – typically those with stronger social protection systems – have been investing in the integration of databases. In Argentina, for example, a country with a social protection system with high coverage, established delivery mechanisms and reasonably well-integrated systems, the government responded to several recent small-scale disasters by quickly increasing both non-contributory and contributory benefits on a temporary basis (Beazley *et al.*, 2016).

**Social protection's *capacity* to collect and manage data can be piggybacked before or after a shock – beyond the data itself.** Governments managing social protection programmes tend to develop capacities, from technical abilities to collect and manage data to interoperability agreements with other ministries or sectors (see Box 6).

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<sup>27</sup> This is the case for the HSNP in Kenya.

**Finally, data and information from the social protection sector can support broader decision making for improved preparedness for shocks.** For example, it could support the development of a risk profile of citizens across the country and the *ex ante* modelling of potential caseloads, costs, and options for shock response, thus aiding financial planning. Data from the Dominican Republic's IVACC has been used to forecast the number of people affected by climate shocks, although the use of this information in emergency preparedness and response has been very limited (Beazley, 2017b).

### Box 6: Leveraging existing capacity and systems – some experiences

In **Chile**, the FIBE is used to identify households affected by natural or man-made disasters. Information collected via FIBE supports decision making by the government on how to provide assistance to affected populations: in order to receive any kind of government assistance (across sectors) households need to be registered with FIBE. The Ministry of Social Development (MSD) is in charge of managing FIBE's database and providing training and support to local administrations in terms of data collection. The MSD was selected to play this role, as opposed to the ministry with the DRM mandate, because of its experience and capacity in data management and in particular in the management of the country's social registry and broader information system, which is linked to FIBE data. For example, in this capacity, MSD has interoperability agreements already signed with other line ministries, government organisations, and local authorities – and is responsible for ongoing capacity building of enumerators for FIBE within municipalities (Beazley *et al.*, 2016; personal interviews with MSD staff).

In **Mexico**, the capacity of the *Prospera* programme at local level was leveraged to collect *ex novo* data after the 2017 earthquake. Programme staff were in charge of registering the households affected by the shock.

In **Ecuador**, the ministry in charge of social assistance (MIES) registered the households affected by the 2016 earthquake. At the beginning of the crisis other government organisations were in charge of the data-collection process (e.g. the statistics office) but after some operational challenges it was decided that MIES, due to its capacity at local level and experience with vulnerable households, should lead the process. In addition, the *Ministerio Coordinador de Desarrollo Social* was designated to manage the registry database precisely because of its experience managing the integrated social registry (Beazley, 2017a).

In **Jamaica**, social workers of the Ministry of Labour and Social Security collect data from affected households in the aftermath of a shock and determine the support to be provided. This was the case in the responses to hurricanes Dean and Sandy in 2007 and 2012 respectively.

Sources: Beazley *et al.* (2016) and Beazley (2017a)

## 3.2.2 Delivery systems



Delivery

The experiences reviewed in this study suggest **there has been little planning in relation to adapting existing delivery mechanisms or developing new ones prior to the shock.** In practice, most shock responses through social protection have entailed either vertical or horizontal *ex post* expansions of existing schemes and hence relied on their existing delivery mechanisms.

**There are challenges in relation to shock-proofing the delivery mechanisms.** During emergencies a variety of problems can arise, from power cuts and blocked

roads to people having lost their programme cards/identifiers. Responsive programmes and delivery mechanisms would need to plan for such events and proof the delivery mechanism as far as it is possible.

**E-payment systems are increasingly being introduced in emergency responses in the region and elsewhere.** These systems are also well established in many social protection systems in LAC, enabling governments to reach large segments of the poor and vulnerable.

**The widespread use of e-payments for cash-based social protection provides an opportunity for rapid and efficient emergency responses (see Box 7).** Although promising, however, horizontal expansion of cash schemes with e-payment mechanisms is challenging, unless systems have been set up for people identified as non-beneficiaries too (as in Kenya, for example) or have system outreach and requirements that allow new people to be easily incorporated (as is the case in Ecuador, for example – see Beazley, 2017a).

#### **Box 7: The use of electronic transfers in emergency response**

There has been growing recognition that electronic payment (e-payment) systems have the potential to provide more efficient and reliable delivery for cash payments. Almost **50% of social transfer programmes launched globally in the first decade of the 2000s** (mostly in middle-income countries) use electronic payments (Smith *et al.*, 2011). These allow financial value to be transferred from the bank account of the government to the bank accounts or mobile phones of recipients. Evidence from 25 cash transfer programmes in 11 countries that have used e-payment systems (*ibid.*) shows that the main comparative advantages are:

1. improved security for staff and recipients;
2. reduced leakage;
3. improved reconciliation and control of expenditure;
4. greater speed and efficiency of transfers;
5. reduced costs for the agency and recipient; and
6. potential for realising wider impacts for the recipient.

Manual payment arrangements, however, are considered inherently prone to inefficiency and risk, to divert staff from core responsibilities, and to impose hidden costs.

Some of the **main challenges** for establishing e-payments are the lack of prior experience with technology, poor networks and infrastructure or severe disruptions during an emergency, low literacy levels, and lack of agency capacity. O'Brien *et al.* (2013) found that the evidence does not suggest that e-transfers are systematically cheaper than manual transfers. E-transfer schemes incur a much higher cost at start-up, especially at the first time of implementation, and only have reduced costs for disbursement later. Thus, it is only after several transfers that the reduction in recurrent costs starts outweighing the heavy one-off costs. A programme may not reach the point of this payoff until long after the emergency ends. As a consequence, **e-payment systems are likely to be more cost-effective when created and used for regular social protection programming and then also used in response to emergencies.**

In this light, **the widespread use of e-payments for cash-based social protection in LAC provides an opportunity for rapid and efficient emergency responses.** Some of the countries with e-payment systems are Argentina, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Honduras, Mexico, Paraguay, Peru, and Uruguay (Proyecto Capital, 2017).

Sources: O'Brien *et al.* (2013); Proyecto Capital (2017); Smith *et al.* (2011); Villada (2013).

Within e-payments, mobile money services are a promising avenue due to their high outreach and low costs and are a technology many social protection programmes will use in the future. A few countries have already started using this technology. Colombia's DaviPlata is a good example, wherein transfer payments are made through mobile phones to some beneficiaries of *Más Familias en Acción*. Ecuador is also currently testing the use of this technology in the *Bono de Desarrollo Humano* programme. However, the use and evaluation of mobile money services in large-scale social protection programmes in the region is still limited, as is their role in emergency response.<sup>28</sup>

### 3.2.3 Coordination and financing



Coordination & financing

**Regarding coordination, in most LAC countries the social protection and civil protection sectors run in parallel, with limited interaction in practice even where formal coordination mechanisms are in place.** Despite an increased awareness of the importance of this coordination and certain initiatives, like inter-ministerial committees, this is still an

incipient area. One example of inter-ministerial coordination is the *Sistema Nacional para la Prevención Mitigación y Atención de Desastres* (SINAPRED) in Nicaragua. This body is in charge of prevention, mitigation, and response to disasters, and is led by the Presidency and integrated across every line ministry, showing a multidimensional approach to shock response. Moreover, the SINAPRED has committees at every level, from national to local, in order to improve vertical coordination. Another case is the collaboration agreement signed between *Prospera* and Civil Protection in Mexico, which aimed to support civil protection actions by providing DRM information and training to *Prospera's* beneficiaries.

**Often, the institutional set-ups and mandates of DRM and social protection do not promote collaboration between the two sectors** and, if they do, then in practice this is not fully materialised. Box 8 sets out the cases of Guatemala and Peru in this regard.

#### **Box 8: Social protection institutional mandates to respond to emergencies – Guatemala, Peru and Jamaica**

In **Guatemala** the Ministry of Social Development has a formal legal mandate and role specifically for developing strategies of prevention and focuses on the population living in precarious settlements and vulnerable to disasters and public calamities. In response to this mandate, the Ministry has designed an Institutional Response Plan, which aims at protecting and responding to the population affected by disaster, emergency, calamity, crisis or conflict, in urban or rural areas, according to the Ministry capacities and through the core programme operations including *Bono* (a grant programme), which includes an emergency component (*Bono calamidad*). While the institutional provisions are there for the Ministry to contribute to disaster response through its main programmes, this has not been utilised to date, due to substantially budgetary and administrative constraints.

In **Peru**, the Ministry of Development and Social Inclusion (*Ministerio de Desarrollo e Inclusión Social*, MIDIS) is the main ministry for social protection and is responsible for a

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<sup>28</sup> For example, from the 11 countries with cash transfer programmes supported by the Proyecto Capital, which promotes the link between social protection and financial inclusion, only two (in Paraguay and Colombia) use mobile technology (Fundación Capital, n.d.).



number of social protection programmes and tools, including Peru's large-scale conditional cash transfer programme *Juntos*. All government entities that manage social protection programmes are part of the National Risk Management System *Sistema Nacional de Gestión de Riesgos* (SINAGERD), which, in principle, creates a legal framework for coordination. However, in practice, this does not necessarily translate into effective strategic and operational coordination, particularly between SINAGERD and the national social protection system as a whole. Within SINAGERD, the role of 'first responder' has been given to the Ministry of Women and Vulnerable Populations (MIMP), which has the mandate to protect vulnerable populations. However, MIDIS has an annual budget that is almost 10 times larger than MIMP's and MIMP is not responsible for transfer programmes with broad coverage. This situation changed in February 2019 when SINAGERD's law was modified and MIDIS was given the role of first responder<sup>29</sup>.

In **Jamaica**, the Ministry of Labour and Social Security (MLSS), which is the lead ministry for social assistance, chairs the humanitarian sub-committee of the DRM system and, in this capacity, coordinates jointly with the Office of Disaster Preparedness and Emergency Management all preparedness and response actions related to the provision of humanitarian assistance. In addition, the MLSS is in charge of providing cash and in-kind support to people affected by shocks and of conducting the post-disaster household assessments.

Source: Solórzano (2017) and Beazley (2017c).

National emergency response strategies tend to establish coordination mechanisms at various levels, such as the so-called emergency operations centres. The degree of participation of the social protection sector in these coordination mechanisms differs from country to country, although some recent experiences have shown that these mechanisms can be challenged by medium- and large-scale emergencies, particularly at local level (see for example Beazley, 2017a and 2017b).

A good practice is for the civil protection area to be established in the presidency or in the ministry of the interior, since this helps to strengthen the transversality of the issue and centralises coordination at the highest level, such as is already the case in Chile and Mexico. However, in many countries the area sits in the ministry of defence as a result of view that relates emergency response to civil defence.

**As with governments, partners are also typically divided between those providing support to building or strengthening social protection systems ('development actors') and those responding to emergencies ('humanitarian actors').** Coordination between these two sectors is also sometimes limited, as their objectives, agendas, timings, funding sources and incentives are sometimes in conflict. There are also international actors whose support is in the form of technical assistance that can sometimes play an important role in creating bridges between different actors.

## Financing

**According to the research findings, there is a lack of regional experiences in the development of instruments to finance shock-responsive social protection specifically.** Given this, it is rare to find social protection systems and programmes with contingency funds for emergency response. An exception is Mexico's *Programa de Empleo Temporal* (PET), which is overseen by the *Secretaría de Desarrollo Social* (Ministry of Social Development) and implemented by several sectoral ministries (Transportation, Environment, and Labour). The *Secretaría de Gobernación* (Ministry of

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<sup>29</sup> Decree 010-2019

the Interior) is tasked with coordinating the institutional response to natural disasters and managing a major national disaster response contingency fund (known as the FONDEN: Natural Disasters Fund), to which all PET's implementing ministries are required to allocate a percentage of PET funding. A parliamentary act stipulates the responsibilities of each party and mandates the coordination mechanism.

**In practice, responses through social protection systems have mostly entailed the reallocation of budgetary resources.** However, this can put pressure on public expenditure, given the higher frequency and increasing magnitude of disasters (Hallegatte *et al.*, 2016).

**Humanitarian assistance has also been an important source of funding, although there are substantial variations in the region.** While the whole amount of Dominica's emergency cash transfer in response to Hurricane Maria in 2017 (vertical and horizontal expansions) was financing by WFP and UNICEF, slightly less than 30% of the cash transfers provided by the Ecuadorian government to families affected by the 2016 earthquake were financed with aid from WFP and its donors (see Box 2).<sup>30</sup> Peru's vertical expansion of *Juntos* and *Pension 65* in 2017 was fully financed by the government (Beazley, 2018a).

With increasing shocks, including those related to climate change, governments will find it increasingly difficult to cover the required resources to meet all needs when responding to a shock. **Disaster risk financing approaches suggest that best practices involve risk layering using different available financing instruments such as market-based, contingent credit, and budgetary instruments, which can help spread risks and costs.** Some examples are outlined in the table below.

**Table 3: Risk layering**

Strategy	Description	Examples
<b>Market-based instruments</b>	Risk transfer for assets (property or agricultural insurance) and for budget management (parametric insurance)	Caribbean Catastrophe Risk Facility (CCRIF) – see Box 10
<b>Contingent credit</b>	Financial instruments that provide liquidity immediately after a shock	The Dominican Republic's Catastrophe Deferred Drawdown Option (also known as a Cat-DDO) with the World Bank
<b>Budgetary instruments</b>	Reserve funds, contingency budgets, and budget reallocations	FONDEN in Mexico (reserve fund)

Source: based on World Bank (2017) and Beazley (2017b)

<sup>30</sup> WFP provided US\$ 8,100,000 to fund the cash response described in Box 2, whereas government provided US\$ 20,147,255 up to 28 March 2018, according to MIES.

- 1) **Budgetary instruments (contingency/reserve funds):** Many governments establish national funds to finance preparedness, response, and recovery activities. These funds are relatively cheap and immediately available allowing national and local agencies to develop realistic contingency plans:
  - For instance, Mexico's FONDEN was created as a budgetary tool to rapidly allocate federal funds for rehabilitation of public infrastructure affected by disasters.
  - Most countries in the region have budget lines for emergency response. In Peru and the Dominican Republic's annual national budgets there is a provision of 1% of current revenue for emergency response or contingencies. In the case of the latter, however, the full amount is only rarely allocated (Beazley, 2017b). In Peru, this provision allowed the government to provide one-off transfers to beneficiaries of the main non-contributory cash schemes in the areas affected by floods in 2017 (Beazley, 2017c).
- 2) **Contingent credit:** this is mainly in the form of *ex ante* loan agreements designed to give countries access to liquidity immediately following an exogenous shock, such as a terms-of-trade shock, financial shock, or natural hazard. They are typically offered by multilateral development banks and international financial institutions. This has the potential to assure financing beyond a government's own disaster response funds (World Bank, 2017). The release of emergency credit can provide immediate liquidity to countries in the aftermath of a disaster, although it has the drawback of adding to national debt (O'Brien *et al.*, 2018).
  - In 2017 the Government of the Dominican Republic signed a contingency loan with the World Bank (a Cat-DDO) for a value of US\$150 million (Beazley, 2017b).
  - El Salvador has contingency loans with the Government of Japan to a value of US\$50 million (Beazley, 2018b).
  - In 2018 the World Bank issued a multi-country catastrophe bond that collectively provides US\$1.36 billion in earthquake protection to Chile, Colombia, Mexico, and Peru (World Bank, 2018).
- 3) **Market-based risk transfer instruments:** These describe products or agreements whereby a government transfers the risk of specific meteorological or geological hazards to actors in the market (insurance companies, reinsurance companies, banks, and investors) who are willing to accept them. For instance, catastrophe risk pools could be used to aggregate insurance of public infrastructure or to manage the contingent liability from expanding social protection programmes.
  - The CCRIF uses parametric insurance to provide quick-disbursing and short-term liquidity for financing responses and recovery to 16 countries in the Caribbean and Central America exposed to major earthquakes, heavy rainfall, and hurricanes (*ibid.*) (see Box 10). For example, the CCRIF paid to Haiti US\$20 million and US\$7.7 million after Hurricane Matthew in 2016 and the 2010 earthquake (OPM, 2017b) and US\$19 million to Dominica following Hurricane Maria in 2017 (Beazley, 2018a).

### Box 9: The CCRIF

In 2007, the CCRIF was formed as the first multi-country risk pool in the world, and was the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. It was designed as a regional catastrophe fund for Caribbean governments to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered.

It works by combining the benefits of pooled reserves from participating countries with the financial capacity of the international financial markets. It retains some of the risks transferred by the participating countries through its own reserves and transfers some of the risks to reinsurance markets where this is cost-effective. This structure results in a particularly efficient risk financing instrument that provides participating countries with insurance policies at approximately half the price they would obtain if they approached the reinsurance industry on their own.

The facility was restructured into a segregated portfolio company to facilitate expansion into new products and geographic areas and is now named CCRIF Segregated Portfolio Company (CCRIF SPC). The new structure, in which products are offered through different portfolios, allows for total segregation of risk.

CCRIF SPC offers earthquake, hurricane, and excess rainfall policies to Caribbean and Central American governments. Its parametric insurance mechanism allows it to provide rapid payouts to help members finance their initial disaster response and maintain basic government functions after a catastrophic event. In 2017 the Aggregated Deductible Cover (ADC), a new policy feature for tropical cyclone and earthquake policies, was introduced. The ADC was designed to be akin to a dedicated reserve fund providing a minimum payment for events that are objectively not sufficient to trigger a CCRIF policy, because the modelled loss is below the attachment point.

Since it began in 2007, CCRIF SPC has made payouts of over US\$139 million to 13 member countries, with all payments occurring within 14 days of the shock. Also, CCRIF has made 7 payments totalling almost US\$700,000 under member governments' ADC.

**Currently there are 21 country members of the facility: Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, Montserrat, Panama, St. Kitts and Nevis, Saint Lucia, St. Maarten, St. Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands. Nicaragua is the first Central American government to become a CCRIF member.**

Source: [www.ccrif.org/](http://www.ccrif.org/)

## 4 Policy recommendations – how can social protection systems be made more shock-responsive?

In this section we provide overall policy recommendations intended to make social protection systems more shock-responsive. It is important to underline that policies depend on local context, in terms of the existing capacity of the social protection system, the civil protection sector, and other sectors, as well as the political will for policy reform, the country risk profile, and many other factors. Consequently, the recommendations below will need to be carefully assessed based on each specific country context, and be further detailed possibly through consultations in-country and the development of specific roadmaps.

Before providing our policy recommendations, we identify the enabling factors for shock-responsive social protection in LAC, based on the analysis shared in the previous sections – and also discuss these along the shock cycle.

### 4.1 Enabling factors

#### 4.1.1 System response

1. **Conduct diagnostics and feasibility assessments to assess whether it is appropriate to use social protection systems to respond to covariate shocks.** Just because it is feasible to adapt existing programmes, this does not mean that it is necessarily advisable. To determine whether it is, it will be important to ‘compare options with other previous and planned emergency responses. If social protection programmes are to be useful for shock response, they need to offer a solution that improves on alternatives’ (O’Brien *et al.*, 2018b). Research within the Global Shock-Responsive Social Protection study proposed six dimensions for assessing whether shock-responsive social protection is appropriate: meeting needs, coverage, timeliness, predictability, duplication, and sustainability. It also stresses it is unlikely that any shock-responsive programme will improve all these dimensions compared to an alternative emergency response. Rather, that decision is likely to entail a policy trade-off regarding what dimensions to prioritise given the country context and the policy priorities (O’Brien *et al.*, 2018). Consequently, we recommend avoiding taking for granted that social protection should play a role in shock response and conducting diagnostics and feasibility assessments, as well as addressing the policy trade-offs, before embarking on the process of making social protection systems more shock responsive.
2. **Use and adapt the social protection mechanisms or programmes that are more established, that have wider coverage, and that have solid administrative processes.** When adapting existing delivery systems to emergency response, it is necessary to rely on strong mechanisms with high levels of coverage, at least in high-risk locations. Moreover, it is not necessary to have an effective social protection system as a whole; in some cases, a single effective and robust programme or operational system (like a registry or a payment mechanism) could be enough to respond through the social sector.

3. **Prioritise cash-based responses. If the country has a strong cash transfer social assistance programme or infrastructure to distribute cash effectively, then – once markets are functioning – cash has additional benefits as opposed to in-kind responses (see Box 4).** These modalities can also be provided together, however. Cash-based social assistance has been the most popular type of social protection response to emergencies in LAC. In general, markets are well integrated and responsive throughout the region. Recent crises, such as the 2016 earthquake in Ecuador and the 2017 hurricane in Dominica, have shown that markets are able to be re-established in disaster-affected areas quickly when a demand is established. Cash transfers help to create that demand, but communication with the private sector before and during a crisis is critical in terms of ensuring markets are able to be re-established as quickly as possible.
4. **Consider the use of other social protection schemes with large coverage, such as the contributory programmes, school meals programmes, and PWPs that have been used in the region.** Although cash-based social assistance has been the first-response option, the adoption of second-best options may be more feasible and cost-effective depending on the context.
5. **Combine and/or sequence the different social protection response strategies, in order to achieve the timeliest response.** Each response will depend on the type of emergency, the institutional and policy setting, and the overall context. Therefore, there is no specific prescription on which response strategy is better. As a consequence, vertical and horizontal expansions and piggybacking and shadow alignment responses can be combined or sequenced following an overall response strategy.
6. **Whenever possible, humanitarian actors could consider options for responding through government social protection systems.** In some cases, although not always, it may be more efficient and effective for humanitarian actors and NGOs if they make use of existing government systems (the ‘piggybacking’ type of response in our framework) or align parts of their intervention to a government programme (‘shadow alignment’) instead of setting up a parallel humanitarian response. These strategies allow humanitarian actors not only to respond to urgent needs but also to strengthen government systems. Moreover, from the government perspective, these response strategies could help align international humanitarian assistance to the national response strategy. However, it is important to assess the context and avoid a situation in which humanitarian aid becomes less effective or the key principles of humanity, neutrality, impartiality, and independence are challenged.

### 4.1.2 System preparedness

In recent years, and following the evidence collected in this study, a few LAC countries have started to invest in adapting their social protection systems in order to respond to shocks. In Box 10 below we present some of these recent experiences that could inform and serve as examples for other countries.

**Box 10: Recent institutional investments in shock-responsive social protection systems in LAC**

Country	Shock-responsive social protection investment
<b>Peru</b>	<p>A national dialogue process has led to a ministerial resolution that recognises the importance of shock-responsive social protection and has led to the development of a national strategy by MIDIS. In addition, in February 2019 a decree has modified the law that regulates the national risk management system (SINAGERD) and has given MIDIS, the main social assistance ministry, the role of 'first responder' to emergencies. Following the strategy and this new mandate, it is expected that throughout 2019 MIDIS will revise its protocols and systems to make its programmes more responsive to shocks.</p>
<b>Ecuador</b>	<p>The Government of Ecuador, with the support of WFP, organised a national workshop on shock-responsive social protection in February 2018. The main outputs of this workshop were an official statement with agreements for interinstitutional collaboration between the DRM and social protection sectors and a roadmap for the design, development, and implementation of a shock-responsive social protection system. Both these documents set up the guidelines for the Risk Management Secretariat to lead the different institutions involved in the strengthening of a shock-responsive social protection system.</p> <p>The Government, with WFP's support, drafted a presidential decree establishing the role of social protection in emergency response and a manual of operations for humanitarian assistance. A registry of affected households with the related data collection mechanisms is also in the process of development.</p>
<b>Dominica</b>	<p>After the experience in the use of the social protection system to respond to Hurricane Maria in 2017, WFP and UNICEF are currently supporting the Government in the development of key social protection processes and systems, taking into consideration the role of the sector and programmes in future responses to shocks.</p> <p>WFP is supporting the Government with the development of a management information system (MIS) for the main cash transfer programme in the country. As part of this process, a data collection mechanism will be designed to gather data both for routine cash transfers targeting and for responses to future shocks. The MIS will store and manage this data.</p> <p>UNICEF is supporting the Government in the development of standard operating procedures for the main cash transfer programme. The draft manual of operations includes procedures for responding to emergencies.</p>
<b>Dominican Republic</b>	<p>A memorandum of understanding between WFP and the government was signed in 2017 for the strengthening of capacities and use of the government's social protection system in response to humanitarian emergencies.</p> <p>A high-level dialogue took place between the decision makers of the social protection system and the country's civil protection sector, including representatives of the United Nations system, the international community, and civil society. As a result of this dialogue, the government agreed and requested support for the development of a comprehensive social protection and emergency response strategy in the Dominican Republic. A roadmap to promote social protection in emergencies was also developed through a working group with technical-level representatives.</p>

A multi-agency agreement was signed in 2018 to collaborate in making the social protection system more responsive. The agencies involved in the agreement are WFP, UNICEF, United Nations Development Programme (UNDP) and the United Nations Population Fund.

**Colombia** The Department for Social Prosperity of Colombia is developing a series of measures to make the protection system more responsive to natural disasters and also to provide support to the influx of Venezuelan migrants. These strategies include: the revision of programme protocols and guides, the implementation of a pilot of humanitarian assistance in cash, and the development of guidelines for the implementation of assistance programmes by international actors, which allows sharing common criteria and procedures (“shadow alignment”).

The key insights from the sections below are also summarised in Figure 3.

**Figure 3 What factors enable social protection systems to be more responsive to shocks?**



## Overall

7. **Invest in strengthening the social protection system** (see recommendations about targeting, data management, delivery mechanisms, coordination and financing in the sections below). Stronger systems with high coverage, robust infrastructure, and effective delivery of regular transfers offer more opportunities for support in emergency response.
8. **Invest in shock-proofing the social protection system, enabling programmes to deliver their regular support during emergencies.** Before thinking about expanding the social protection schemes, it is necessary to guarantee that they can perform their regular activities in emergency contexts.



9. **Adapt and equip the social protection system to respond to shocks.** To play an effective and timely role during emergencies, social protection systems, programmes, and/or processes should be adapted in advance and should be flexible enough to react to changing circumstances (see below for more policy recommendations in this regard).
10. **Do not overburden incipient social protection systems.** It is important not to put an additional burden on weak or incipient systems and programmes that are not managing to deliver their core mandates. Although system strengthening could include strategies to make it more responsive, care should nonetheless be taken to ensure the system is not overburdened.
11. **Promote and strengthen the humanitarian-development nexus in both the social protection and civil protection sectors.** Emergency response requires a mind-set and principles different from those usually behind social protection systems, which have been created for poverty reduction and/or to provide support across the life cycle. Issues that are at the centre of social assistance schemes in LAC – such as conditionalities and targeting accuracy – can also be less relevant in an emergency response. When it comes to crisis response, timeliness is usually more important than full targeting accuracy, especially in initial relief assistance. This does not mean that the latter is not important but rather that there are important trade-offs to be considered, particularly when facing rapid-onset and large shocks (see Box 5). In this light, creating stronger communication and coordination lines between the two sectors will better support the bridge between the two sectors.
12. **Gradually make the social protection system part of an integral response.** Social protection systems can contribute to a holistic response to shocks. This is not about replacing the roles of the civil protection sector or others but rather about complementing them, based on a holistic approach that integrates different sectors. For this to be achieved, there is the need for a national response strategy involving different sectors, with clear roles and responsibilities, and strategies for the necessary cross-sector articulation at different phases of an emergency.
13. **Invest in addressing the structural causes of risk and enhancing resilience.** In a context of climate change, where more frequent and intense weather-related shocks are expected in the region, a national strategy should not only consider an integrated emergency response to the impacts of shocks but also dealing with the structural causes of risk, such as vulnerability, inequality and poverty, which all fall under the mandate of standard social protection programmes.
14. Based on the overall response strategy, **develop scenarios and contingency plans for the social protection response to different sudden and slow onset shocks.** The role of social protection should also be determined by the policy response objectives.
15. Use learnings from specific shock-responsive social protection experiences to stimulate the dialogue between civil protection and social protection actors, and to promote a more systematic approach to system preparedness.

## Targeting systems and data management



Targeting

### Targeting mechanisms

The preparedness and adaptation of existing targeting mechanisms – as well as possibly the creation of new ones – is of paramount importance for a timely response through the social protection system. The key challenge is that authorities can make relatively quick and informed decisions during emergencies about who should be supported. Depending on the type and scale of the shock, collecting data during the emergency is cumbersome and results in delays in the provision of the support.

16. **Develop emergency protocols and adapt targeting systems and/or programme rules for potential expansions.** At programme level, protocols to temporarily revise, soften, or waive conditionalities and rules could be put in place, which would enable expansions. This would need to be complemented with contingency processes and procedures to register new beneficiaries (if not pre-registered as suggested below), including an IT platform able to manage the new caseload, all backed with the necessary funding.
17. **Protocols for both horizontal and vertical expansions could be linked to early warning indicators.** This could be particularly relevant for slow-onset shocks, when it is difficult to define when the social protection support should kick in. We have not found any experience in the LAC region of social protection expansions triggered automatically by early warning systems. Kenya, Uganda, and Ethiopia have already developed such strategies for regular, predictable shocks.<sup>31</sup>
18. **Programmes could decide to register every or most households in vulnerable locations so that, when a shock hits, they can rapidly expand horizontally.** If the country has a social registry in place, this would be achieved to a large extent by using the registry. In the absence of such a registry, however, government could opt for actively registering households in high-risk locations, although depending on the number of people to be registered this could be an expensive and administratively complex measure. This is particularly relevant for areas highly prone to disasters, such as the Dry Corridor in Central America. To our knowledge, there are, however, no experiences of this type in the region and the case of the Hunger Safety Net Programme in Kenya is the only such model in the world (linked to a regular, predictable shock).
19. **Staff expected to perform activities different from their usual tasks, such as emergency response targeting, should be trained accordingly.** If central and local government staff are expected to play a role in emergency response targeting, as was the case for example in Ecuador's earthquake crisis, then they should be regularly trained in emergency procedures. This work may be substantially different from their daily duties and therefore requires proper training.
20. **The temporary nature of benefits and changes to programme rules should be properly communicated to the population.** The same applies to registrations that do not provide immediate entitlements. It is important to manage people's

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<sup>31</sup> Refer to Barca and Beazley (2019) and Bastagli and Harman (2015) for the pre-requisites of index-based triggers.

expectations in order to avoid disappointment and also avoid temporary scale-ups becoming permanent, thus risking the financial sustainability of programmes.

## Data management

21. **Assess existing data and information systems** against their coverage, relevance, currency, accessibility, accuracy and levels of data protection guaranteed (see Barca and Beazley, 2019 and Table 4).
22. **Consider investing in the interoperability of databases and the integration of systems for information management to enable both vertical and horizontal expansions (or piggybacking).** Greater integration, together with robust data-collection processes, could increase the ability of a system to respond. The principle would be to use all the existing information to reach as many people affected by shocks as possible, as in Argentina for example, where the data and processes of several schemes have been used to respond to shocks (see Beazley *et al.*, 2016).
23. **Beneficiary registries or social registries could also collect additional data that would allow them assessing the vulnerability to shocks**, as in the case of the IVACC in Dominican Republic (see Box 11).<sup>32</sup> For example, ‘climate-smart’ or ‘climate-informed’ targeting uses area- and household-level data on climate exposure and livelihoods to inform targeting and distinguish the temporarily from the chronically poor (Kuriakose *et al.*, 2013). However, further research and evidence is required in relation to measuring this vulnerability at household level and without imposing an additional burden on programmes.<sup>33</sup>
24. **Social registries, which are popular in the region, could be used or adapted to provide the data required for targeting households affected by shocks.** Although registries are not typically designed for emergency response, they do provide useful information for decision making in the early stages of a response. These registries could become even more useful in the following ways:
  - Social registries are typically not a national census and do not have 100% coverage of a population. Instead, they often only include data from locations or

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<sup>32</sup> According to Barca and Beazley (2019), the type of additional data to be collected depends on the shocks affecting the country or geographical area as well as people’s livelihoods and coping mechanisms. In the case of seasonal droughts, for example, data on food insecurity – not only on own food production and crop failures but also availability and households’ ability to buy food – could help identify vulnerable households. In the case of seasonal floods, typhoons, or hurricanes, the additional data could be related to the location of households, such as living in coastal locations or proximity to rivers, streams, or ravines. The same applies to households in proximity to active volcanos. In relation to livelihoods, high reliance on agricultural activities can imply high vulnerability in regions prone to floods and droughts, while high reliance on remittances implies vulnerability when the regions/countries sending remittances are challenged by economic downturns.

<sup>33</sup> Although social registries may be typically designed to identify the chronic poor, the type of data collected for these registries is not substantially different from that required for identifying vulnerable households. A recent study from the World Bank in Niger (Schnitzer, 2016) compares two of the most widely used approaches to targeting: proxy means testing, designed to identify the chronic poor, and the household economy approach, a livelihoods analysis framework. The paper finds that the former performs better at identifying the chronic poor and the latter at identifying households suffering from seasonal food insecurity. However, it also highlights that they both rely largely on the same type of household-level information. As a result, small tweaks to the type of data collected can enable estimating not only households in chronic poverty but also those vulnerable to shocks (see Barca and Beazley, 2019).

households that are considered to be poorer. In many cases, poverty maps, which tend to rely on census data, are used for such selection. However, other tools, for example vulnerability maps, could be used in addition to the poverty maps to cover locations that are highly exposed to climate shocks. A Central American country, for example, could decide to collect the data of every household in locations within the Dry Corridor, which is more regularly affected by droughts, and/or take into consideration factors such as the number of harvests per year that areas typically benefit from.

- Social registries could include operationally useful information for both current and potential beneficiaries (e.g. geo-referenced data or information on the location of beneficiaries, phone numbers, etc.). Such an approach may be easier to achieve in relation to recurrent shocks.

**25. If the social protection system has strong capacity to collect and manage data, consider piggybacking on this capacity for conducting post-disaster needs assessments or other *ex post* data-collection strategies. Alternatively, consider incorporating in existing post-disaster assessment surveys questions to enable social protection targeting.** In many countries, civil protection already has the mandate and capacity for conducting surveys to assess the levels of impact in the aftermath of shocks. In those cases, social protection could liaise with the sector in charge of the shock assessments and include questions that enable social protection targeting to be improved.

**Box 11: Linking social protection and civil protection in the Dominican Republic**

In the Dominican Republic, the social registry SIUBEN is the database used for targeting of social assistance programmes. A key tool of SIUBEN is the IVACC, created by the government with support of UNDP. This index calculates the probability that a given household may become vulnerable to hurricanes, tornadoes, and flooding based on a range of socioeconomic characteristics. IVACC includes such dimensions and variables as housing characteristics (walls and ceiling), earned income, and dwelling proximity to a hazardous natural element (river, stream, or ravine). IVACC helps map out the areas most at risk from natural disasters, thus making it possible to focus state action toward the more vulnerable households, optimise resources, and avoid social investment loss. IVACC can be used by local governments and rescue authorities for the preparation of mitigation plans and responses to natural disasters. Combining IVACC and the socioeconomic information of SIUBEN could serve as a strategic asset in the design of the national civil protection plans, although it has not been used in this way so far.

Source: Beazley (2017b)

**Table 4: When is social protection data fit for shock response?**

	<b>Implications for the use of existing social protection data</b>	<b>Implications of different types of shocks</b>
<b>Completeness</b> <b>Number of records compared with what would</b>	<ul style="list-style-type: none"> <li>• Depends on the overlap between the households in the registries and the households affected by the shock.</li> <li>• Higher coverage, and uniform coverage across geographic areas (regions, urban/rural), is desirable.</li> </ul>	<ul style="list-style-type: none"> <li>• Registries can extend their coverage to cover regions affected by recurrent shocks.</li> <li>• The overlap between poverty and vulnerability depends on the type of shock: rapid-onset</li> </ul>

	<b>Implications for the use of existing social protection data</b>	<b>Implications of different types of shocks</b>
<b>be perceived as a full set of records</b>		shocks, economic crises, and conflict are more likely to also affect the non-poor (often not covered by existing databases) than other types of shock.
<b>Relevance</b> <b>Contains the variables required for the intended purpose</b>	<ul style="list-style-type: none"> <li>• More useful if it includes variables that can help predict vulnerability to shocks (e.g. 'climate-smart' variables).</li> <li>• More useful if it includes operationally relevant information (e.g. location, contacts, bank account details, etc.).</li> <li>• In the case of non-beneficiaries, socioeconomic data can allow prioritising of support.</li> </ul>	<ul style="list-style-type: none"> <li>• Operational information is relevant for any type of shock.</li> <li>• Socioeconomic data may be more relevant for certain types of shocks, e.g. economic, slow onset, recurrent, etc.</li> </ul>
<b>Currency</b> <b>Degree to which data is up to date</b>	<ul style="list-style-type: none"> <li>• Data will never reflect the situation after the shock, but the more up to date data is the better.</li> <li>• Will depend on the underlying approach to data collection (on-demand approaches are more flexible) and information management.</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict or rapid-onset disasters may cause widespread internal displacement, split up households, and significantly change their material circumstances.</li> </ul>
<b>Accessibility</b> <b>Refers to the ease for potential users</b>	<ul style="list-style-type: none"> <li>• Digitally maintained and stored data can increase accessibility.</li> <li>• Data-sharing agreements need to be defined in advance.</li> <li>• Provisions for data security and privacy should be in place.</li> <li>• Some interfaces enable quicker and more secure access than others.</li> </ul>	<ul style="list-style-type: none"> <li>• The challenges of accessing a database are compounded in a conflict or rapid-onset natural disaster.</li> <li>• In conflict situations, security concerns around the sharing of personal information are particularly worrying.</li> </ul>
<b>Accuracy ('integrity')</b> <b>Data is considered to be accurate if it is free from errors and omissions – meaning it can be trusted.</b>	<ul style="list-style-type: none"> <li>• Processes for verifying and validating existing data (e.g. supervisions and cross-checks with other databases) increase accuracy.</li> <li>• This is a function of the perceived trustworthiness of the institution responsible for collecting and housing the data.</li> <li>• In poverty-targeted programmes, high errors of inclusion and exclusion affect perceived 'accuracy' and may affect the usability of data for responses.</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant for every type of shock. Particularly problematic where trust between actors is already undermined (e.g. in conflict situations).</li> </ul>
<b>Protection</b> <b>Guaranteeing data privacy and security</b>	<ul style="list-style-type: none"> <li>• Ensuring free, fully informed, and specific consent for information to be processed for a set of predefined purposes (e.g. sharing with humanitarian agency/DRM, etc).</li> <li>• Ensuring the amount of data collected is the minimum necessary to meet this clearly defined and articulated purpose.</li> <li>• Setting up processes for personal data to be protected during storage, transmission and use, by design.</li> </ul>	<ul style="list-style-type: none"> <li>• Risks compounded in Fragile and Conflict Affected States</li> </ul>

Source: drawing on Barca and Beazley (2019), Barca and O'Brien (2017), O'Brien et al (2018b).

## Delivery systems



Delivery

When designing a response strategy, it is important to differentiate between the delivery mechanism and the type of benefit. The fact that, for example, the school meals system has the greatest coverage and strong capacity does not mean that food-based assistance should necessarily be provided. If cash is preferred and considered more appropriate, then a mechanism could be established so that cash is distributed to households (e.g. as a take-home transfer in addition to the in-school meal for the students).

26. **Define stand-by agreements with service providers for the expansion of existing delivery systems.** This could include protocols for increasing coverage, transfer values, and frequency, defining operational and transaction costs, requirements, and processes for enrolling new beneficiaries, and even pre-printing temporary programme identity cards. Likewise, the IT platform behind the delivery mechanism also needs to be ready to operationalise these special protocols.
27. **Consider providing pre-registered households or families in the social registry in high-risk locations with bank accounts or payment cards.** This is particularly relevant for recurrent shocks, again such as the droughts in the Dry Corridor and hurricanes in the Caribbean. Proper information and communication with potential beneficiaries is very important in terms of avoiding confusion and disappointment among those who are registered but who receive no benefits.
28. **Explore the adoption of e-payments and undertake preparedness measures to rapidly activate them in the event of an emergency.** Countries and programmes could explore options to pilot delivery mechanisms that would allow not only for regular, timely, and predictable transfers but also for rapid scale-up. E-payment systems are increasingly being introduced in cash transfer programmes in the region and elsewhere. Depending on the strength of the country in question's financial system, governments may have a choice between multiple payment mechanisms through which to transfer income, ranging from bank account transfers to automated teller machine cards, mobile money services, e-vouchers, and over-the-counter transactions. E-payment systems are a promising way to deliver support with speed, precision, and flexibility, even in challenging environments (Bastagli, 2014). However, the adoption of e-payment systems takes time and involves challenges, including the coverage of agents and vendors, liquidity, and occasionally failure of the technology (O'Brien *et al.*, 2013). Within e-payments, the type of mechanism best suited will depend on a number of local factors (see Box 8).

## Coordination and financing



Coordination & financing

Coordination is often stated as a key challenge when it comes to inter-sectoral policies and although inter-ministerial committees offer a good platform, in practice they are not as effective as they could be. Actors at various levels – international, national, and subnational – and from different sectors – social protection and civil protection – need to coordinate prior to and during a crisis. Below we provide some recommendations so that coordination is built on tangible activities.

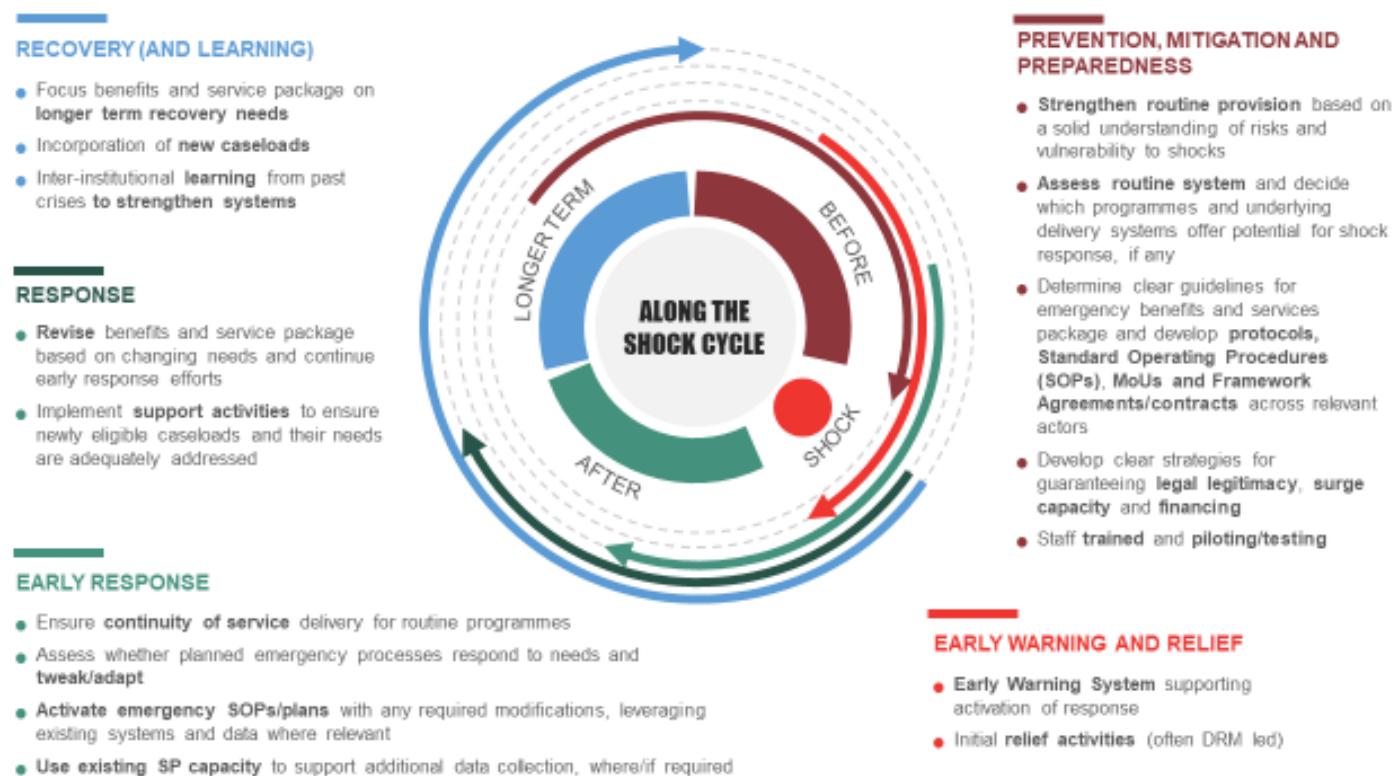
29. **Social protection can piggyback on civil protection tools.** As mentioned above, social protection could make use of tools developed by the civil protection sector, such as vulnerability maps, to identify geographic areas in which to pre-register households or to collect data for the social registry, or early warning indicators to trigger the social support.
30. **Civil protection can piggyback on social protection tools.** Social registries, for example, have rich information about an important segment of the population, which could be valuable for civil protection activities.
31. **The social protection sector can develop its contingency plans with the support of the civil protection sector and participate in the development/improvement of national response strategies.** Above we recommend considering putting in place contingency plans for the expansion of social protection in response to different shocks. This should be developed jointly with the civil protection sector as well as other emergency response actors, since it should be based on different scenarios and overall response strategies.
32. **Social protection programmes can be used as vehicles to share civil protection information.** These programmes have access to vulnerable populations and their frequent visits to households, the community gatherings, and the materials provided by the programmes can be used to disseminate DRM information, as it is done by the Mexican programme *Prospera*. The opposite can also occur following an emergency.
33. **Organise joint social and civil protection trainings and conferences. The lack of coordination between the two sectors is rooted, to some extent, in a limited understanding of what the other sector does.** Greater knowledge will create new opportunities for collaboration. In this sense, joint training, simulations, and conferences, as well as learning from international experiences in the coordination between social and civil protection, can promote stronger coordination and integration, in addition to strengthening institutional complementarity in order to achieve stronger and more sustainable impacts. Governments from countries like Ecuador, Dominican Republic and Peru have recently organised this type of events.
34. **It is recommended to explore *ex ante* disaster risk financing strategies such as risk layering through contingency funds, budgetary instruments, and market-based instruments.** Reallocation of resources, which has been the main way of financing emergency response so far, can negatively affect other sectors and can also delay the response if, for example, congress approval is required. Management of such funds may be through social protection, civil protection, or the ministry of finance, depending on the country context.

## 4.2 Along the shock cycle

Framed in a different way, the insights discussed in Section 4.1 could also be viewed along the ‘shock cycle’, as shown in Figure 4 below and summarised in Table 5. These are of course generic representations: the exact mix of actions required in any given country will depend on an analysis of risks/shocks, social protection system capacity, and institutional roles and responsibilities across key actors – among other factors (see e.g. O’Brien et al 2018b for more guidance).



Figure 4 Key actions along the shock cycle



**Table 5 Key actions along the shock cycle (details)**

When/what	Details
<p>Before: prevention, mitigation and preparedness</p>	<ul style="list-style-type: none"> <li>• <b>Strengthen routine provision</b> (adequacy, coverage, effectiveness and inclusiveness) based on a solid understanding of risks and vulnerability to shocks. Examples include:               <ul style="list-style-type: none"> <li>○ Building on DRM expertise/tools/frameworks to better understand risks, vulnerability and potential impacts across population groups (food security, etc). Where relevant, integrating this information into social protection information systems, to inform planning and implementation.</li> <li>○ Including a focus on resilience and risk mitigation into routine programming (addressing the structural causes of risk)</li> <li>○ Incorporating risk and vulnerability into routine targeting criteria (e.g. expanding coverage in risk prone areas, etc)</li> <li>○ Analysing the likely impacts of various shocks on existing delivery systems and capacity and 'shock proofing' these</li> </ul> </li> <li>• <b>Assess</b> routine social protection system and <b>decide</b> which programmes and underlying delivery systems offer further potential for shock response (e.g. vertical or horizontal expansion, or new programme piggybacking on existing systems), if any. Incorporate considerations on the extent to which these could help to a) meet needs, b) adequately cover affected populations, c) ensure a timely response, d) ensure predictability, e) avoid duplication of efforts, f) ensure sustainability compared to alternative approaches.</li> <li>• Determine clear <b>guidelines for emergency benefits and services package</b> and develop practical <b>protocols and Standard Operating Procedures (SOPs)</b> across relevant actors outlining a) how to ensure 'business as usual' after a shock, b) how system could flex and scale.               <ul style="list-style-type: none"> <li>○ Which programmes and what targeting criteria (e.g. based on layering of vulnerability data with poverty data and models of likely impacts of events)</li> <li>○ What delivery systems will be leveraged, if any, and how (outreach, registration, enrolment, payments/delivery, case management, grievances, etc)</li> <li>○ What benefit size and duration</li> <li>○ Who will be responsible for what</li> <li>○ When will the response be triggered (e.g. establishing clear triggers and thresholds linked to an Early Warning System)</li> </ul> </li> <li>• <b>Develop MoUs and Framework Agreements/contracts with all relevant actors</b> (DRM, humanitarian, NGOs, Banks, etc.) for inter-institutional coordination, clarity on roles/responsibilities and information sharing: clear articulation ex-ante on how these sectors/systems/frameworks will work together in an emergency.</li> <li>• Develop clear strategies for guaranteeing <b>legal legitimacy, surge capacity and financing</b> for response via social protection. Examples include:               <ul style="list-style-type: none"> <li>○ Ensuring legal backing – and no legal obstacles</li> <li>○ Staff trained on emergency protocols and procedures and clear strategy for surging staff in affected areas</li> <li>○ Identify budgetary space through contingency funds, sovereign risk insurance, or 'crisis modifiers' built into existing development grants/loans that allow for a quick reallocation of resources during times of emergencies</li> </ul> </li> <li>• <b>Piloting/testing</b> of the chosen approach</li> </ul>
<p>Just before.. and during: early warning and initial relief activities</p>	<ul style="list-style-type: none"> <li>• <b>Early Warning System</b> potentially triggering planned response strategies in advance of – or during – a shock (especially for predictable, recurrent shocks)               <ul style="list-style-type: none"> <li>• <b>Initial relief activities</b> (often DRM led)</li> </ul> </li> </ul>

After: early response	<ul style="list-style-type: none"> <li>• <b>Ensure continuity of service delivery</b> for routine programmes ('business as usual')</li> <li>• <b>Assess</b> whether planned emergency processes respond to needs and ensure strategies for inclusion of the most vulnerable</li> <li>• <b>Tweak/adapt the planned emergency benefits and services package</b> (size and duration), if needed, in close collaboration with humanitarian/DRM actors</li> <li>• <b>Activate</b> emergency SOPs with any required modifications, starting from 'easy wins' (e.g. vertical expansion, piggybacking) and building on existing systems where relevant (e.g. targeting building on existing data and vulnerability analysis ex-ante)</li> <li>• Use <b>existing SP capacity</b> to support <b>additional data collection</b>, where/if required             <ul style="list-style-type: none"> <li>• <b>Ensure clarity of communications</b> to affected communications (e.g. nature and duration of the benefits)</li> </ul> </li> </ul>
After: response	<ul style="list-style-type: none"> <li>• <b>Revise benefits and service package</b> based on changing needs and continue early response efforts</li> <li>• <b>Based on new data collected, implement</b> support activities to ensure newly eligible caseloads and their needs are adequately addressed, including clear procedures for grievances</li> </ul>
Longer term: recovery (and learning)	<ul style="list-style-type: none"> <li>• Focus benefits and service package on longer term <b>recovery needs</b></li> <li>• Incorporation of <b>new caseloads</b> into the social protection system where relevant – and broader review of targeting criteria and transfer levels to reflect changing needs (alongside advocacy for greater financing)</li> <li>• Clear process for inter-institutional <b>learning</b> from past crises to <b>strengthen</b> systems on that basis – feeding into future preparedness</li> </ul>

### 4.3 How can WFP contribute to making social protection systems more shock-responsive?

**WFP's dual mandate as both a humanitarian and development agency puts the organisation in a unique position to promote greater coordination between the national social protection and DRM sectors and international development and humanitarian actors.** WFP prioritises Sustainable Development Goal (SDG) 2 on achieving zero hunger and SDG 17 on partnering to support implementation of the SDGs within its Strategic Plan (WFP, 2017a) and is committed to the principles of the Grand Bargain<sup>34</sup> and the World Humanitarian Summit. Its dual mandate allows it to use a development lens in its humanitarian responses, and to align relief, early recovery, and development interventions accordingly. The ongoing process to support comprehensive strategic reviews of food security and nutrition and develop country-level strategic plans to prioritise WFP's contribution to national zero-hunger goals offers a unique opportunity in this sense.

**With this unique mandate and experience, WFP can offer pragmatic advice and support to governments on developing and strengthening social protection systems.** This role seems particularly suitable for the LAC region. With relatively stronger social protection and DRM sectors and fewer large-scale violent conflicts than other regions of the world, LAC governments may be interested in support to enhance

<sup>34</sup> The Grand Bargain is an agreement between 30 of the biggest donors and aid providers. Some of its principles are key for shock-responsive social protection. Examples are: Principle 2 – More support and funding tools for local and national responders; Principle 3 – Increase the use and coordination of cash-based programming; and Principle 10 – Enhance engagement between humanitarian and development actors.

their systems and prepare them for emergencies. Improving social protection systems and enabling them to play a more effective role in emergency response is in line with the WFP mandate and objectives in the region. Below we provide some concrete ideas in relation to how WFP could help in making social protection systems more shock responsive:

- **The first and most important role for WFP to play in this area is to help in putting the topic on the regional and national policy agenda**, promoting the critical engagement of different actors, from governments, and within governments' social protection, DRM, and other sectors, to development partners and humanitarian agencies. While there are ongoing global debates about the role of social protection in shock response, this is nonetheless a fairly new topic in the LAC region. As a consequence, WFP could create the institutional space at regional and national levels for engaging in debates on this topic.
- **Piggybacking on existing social protection systems would allow WFP to increase both the coverage and cost-efficiency of the response, while contributing to strengthening government systems and response capacity**, as shown by the response to the 2016 earthquake in Ecuador (Beazley, 2017a). The use of existing systems instead of setting up a parallel response allowed WFP to access a very large number of affected families efficiently. This is certainly a model that WFP can replicate in other countries of the region in the event that the magnitude of a disaster requires direct assistance from WFP.
- **The shadow alignment type of response, in which WFP implements a response in parallel to the social protection system but with the objective of it being taken over or replicated by the government, can also have positive results in countries with limited social protection capacity** (see Beazley *forthcoming* – in relation to the experience of El Salvador). However, it is fundamental that WFP invests in promoting the institutionalisation of the shadow alignment responses so that they do strengthen government capacity as intended. This could be achieved through a combination of shadow alignment plus the required technical assistance to governments.
- **Provide technical assistance to governments and facilitate exchanges of experiences on shock-responsive social protection in LAC**. Supporting the strengthening of social protection systems' responsiveness will require WFP to increasingly engage in the provision of technical assistance and policy support. An example is the case of Haiti, where WFP is contributing to advancing the nascent social protection system both in terms of programme implementation but also in regard to capacity building and support to the development of social protection policies (see OPM, 2017b). In the case of the Dry Corridor in Central America, it is important that WFP promotes the understanding that the drought is in fact an emergency while also taking into consideration the structural causes that have triggered the protracted drought in the region. WFP could continue to support governments' institutional and financial capacity to respond to droughts in the early stages before a crisis is triggered, based on a multi-sectoral approach that tackles the structural causes of vulnerability in the region and builds resilience in the long term.
- **Continue to support a research agenda on emerging topics related to shock-responsive social protection in LAC in order to inform practice**. Starting from the findings and gaps identified in this study, WFP could focus on specific topics that require further research and evidence and join forces with research institutions to generate and share knowledge. In particular, further research is needed in relation to the linkages between shock-responsive social protection and resilience, given the

increased exposure that the region will have to more frequent and severe weather-related shocks due to climate change. Likewise, the use and scale up of social protection systems to provide support to migrants and refugees is of increasing interest in the region and there is still a lack of documented evidence available to inform the policies and programmes of governments and partners. It is also important to document any future responses to shocks using social protection systems/programmes to strengthen the knowledge base and build further lessons learned to guide the regional and global discussions on shock-responsive social protection.

Finally, it is important not to put too many expectations on social protection systems that, despite all the substantial progress and growth in recent years, still need to improve the delivery of their core mandates. In this regard, there is a need to be cautious about what can be realistically achieved. WFP could help by promoting these ideas among donors and a common approach that does not overload government systems. WFP is also uniquely placed, given its dual mandate and portfolio in the region, to assist governments on strengthening social protection systems and programmes to deliver their core mandates while simultaneously strengthening their shock responsiveness.

The table below sets out some specific suggestions.

**Table 6: Recommendations for governments and for WFP**

Category	Recommendations for national governments	Recommendations for WFP
<b>System response</b>		
	1. Conduct diagnostics and feasibility assessments to assess whether it is appropriate to use social protection systems to respond to covariate shocks	- Provide technical assistance and policy support to governments to assess the potential of a shock-responsive social protection approach
	2. Use and adapt the social protection mechanisms or programmes that are more established, have wider coverage, and solid administrative processes	- WFP to support the response strategy and the selection of social protection mechanisms to be used. WFP can develop a toolkit to support governments to rapidly assess how to respond through the social protection system
	3. Prioritise cash-based social assistance responses	- WFP to advocate for cash-based responses where appropriate by conducting research, sharing global experiences, etc.
	4. Consider the use of other social protection schemes with large coverages, like contributory programmes, school meals programmes, and PWPs	- WFP to develop a toolkit to support governments to rapidly assess how to respond through the social protection system
	5. Combine and/or sequence the different social protection response strategies, in order to achieve the timeliest response	- WFP can facilitate exchanges of experiences in the region that have combined and/or sequenced different social protection response strategies. WFP could also support a research agenda that studies the contexts in which certain combinations and sequences provide the timeliest response
	6. Consider aligning international humanitarian assistance to the national response strategy ('shadow alignment') or using existing social protection systems ('piggybacking')	- WFP and other humanitarian actors to consider whether responding through government systems is more effective. WFP to create an institutional space for humanitarian actors to coordinate rapid responses and assess whether to respond through government systems

<b>System preparedness</b>		
	7. Invest in strengthening and shock-proofing the social protection system, to deliver its regular programming	- WFP to support government in developing strategies to shock-proof social protection programmes
	8. Adapt and equip the social protection system to respond to shocks	- WFP can provide technical assistance to national governments on adapting social protection systems to respond to shocks
	9. Promote a new mind-set in the use of social protection in emergency response	- WFP can deliver training and organise conferences to embed the principles and mind-set of humanitarian response within the social protection sector
	10. Make the social protection system part of an integral response, through a national response strategy involving different sectors, with clear roles and responsibilities, and strategies for the necessary cross-sector articulation, without overburdening systems that are weak	- WFP to promote the engagement of social protection within the overall national emergency response through technical assistance or the 'piggybacking' and 'shadow alignment' type of responses
	11. Invest in addressing the structural causes of risk and enhancing resilience	- WFP can also support the research agenda on adaptive social protection and the links with resilience building.
<b>Targeting</b> <b>(i) Targeting mechanisms</b>	12. Develop scenarios, emergency protocols, and contingency plans and adapt systems for potential expansions	- WFP to support government contingency planning efforts through its core emergency preparedness and response capacities, as well as simulations designed to test preparedness mechanisms

	13. Protocols for both horizontal and vertical expansions could be linked to early warning indicators	<ul style="list-style-type: none"> <li>- WFP to provide technical assistance to governments in developing protocols</li> <li>- WFP to pilot test an initiative to link horizontal and vertical expansion to early warning indicators and promote experience sharing on this, including through facilitating South–South cooperation</li> </ul>
	14. Programmes could decide to register every or most households in vulnerable locations so that, when a shock hits, they can rapidly expand horizontally	<ul style="list-style-type: none"> <li>- WFP and partners may support the government to assess whether this is feasible and cost-effective and, if so, pilot and evaluate this experience</li> <li>- WFP to utilise its vulnerability analysis capacity to support the identification of priority locations for such efforts</li> </ul>
	15. Staff expected to perform activities different from their usual tasks (e.g. emergency response targeting) should be trained accordingly	<ul style="list-style-type: none"> <li>- WFP can utilise its vulnerability analysis and emergency preparedness capacities to support governments. Developing and conducting simulations is one example of this</li> </ul>
	16. The temporary nature of benefits and changes to programme rules should be properly communicated to the population	<ul style="list-style-type: none"> <li>- WFP to support communication strategies</li> </ul>
<b>(ii) Data management</b>	17. Adaptation of IT platforms and registration processes so that programmes can manage the new caseload	<ul style="list-style-type: none"> <li>- WFP to use its IT expertise and platforms such as SCOPE<sup>35</sup> among other tools to support government counterparts</li> </ul>
	18. Programmes could collect additional data that would allow them to assess the vulnerability of beneficiaries to shocks	<ul style="list-style-type: none"> <li>- WFP to provide support in household assessment tools to ensure adequate information is collected to be able to inform horizontal expansion approaches</li> </ul>

<sup>35</sup> WFP's digital beneficiary and transfer management platform.



	19. Social registries to use vulnerability data to identify the areas for data collection	- These vulnerability assessment methods could include the use of WFP tools like Vulnerability Analysis and Mapping or the Integrated Context Analysis
	20. Increasing the interoperability of databases and the integration of systems for information management	- Assess whether sharing WFP's beneficiary data with government could improve emergency response. Consider privacy and protection issues
	21. Incorporate in existing post-disaster assessment surveys questions that enable social protection targeting	- WFP to support governments with the revision of existing assessment surveys and their links with social protection targeting
	22. Consider including in social registries operationally useful information for assessing contextual vulnerabilities after a shock	- These vulnerability assessment methods could include the use of WFP tools like Vulnerability Analysis and Mapping or the Integrated Context Analysis
<b>Delivery system</b>	23. Define protocols and contingency plans for the expansion of existing delivery systems	- WFP to support the design of the protocols, development of contingency plans, and conducting of simulations based on different scenarios
	24. Consider providing pre-registered households or families in the social registry in high-risk locations with bank accounts or payment cards	- WFP to assess whether this is feasible and cost-effective and, if so, pilot and evaluate this experience - WFP to utilise its vulnerability analysis capacity to support the identification of priority locations for such efforts
	25. Explore the adoption of e-payments and undertake preparedness measures to rapidly activate them in the event of an emergency	- WFP to share international and regional experiences and provide technical assistance
<b>Coordination and financing</b>	26. Social protection can piggyback on civil protection tools such as vulnerability maps or early warning indicators	- WFP to use and share its methodologies and facilitate sharing international experiences, methodologies, and best practices on social protection and civil protection coordination
	27. Civil protection can piggyback on social protection tools like social registries	

	<p>28. Social protection can develop its contingency plans with the support of civil protection and participate in the development/improvement of national response strategies</p>	<ul style="list-style-type: none"> <li>- Contribute technical expertise and serve as a convener of international expertise and governments throughout the region                             <ul style="list-style-type: none"> <li>- WFP to facilitate/support inter-sector dialogue at national level through technical assistance, support in the organization of joint events and more regular communication between social protection and civil protection actors</li> </ul> </li> <li>- Support contingency planning as well as simulations designed to test these plans</li> </ul>
	<p>29. Social protection programmes can be used as vehicles to share civil protection information</p>	
	<p>30. Organise joint social and civil protection training and conferences, strengthening their institutional complementarity, in order to achieve stronger and more sustainable impacts.</p>	
	<p>31. Explore <i>ex ante</i> strategies for financing emergency responses, including the expansion of social protection schemes, such as risk layering through contingency funds, regional insurance schemes, and private reinsurance</p>	

## 5 Conclusion

Although social protection systems in the region have not been conceived as ways of managing disaster risk, they have nonetheless played important roles in emergency response. However, systems and programmes have been mostly used ‘as they were’ or slightly adapted after the shocks, with overall limited preparedness actions.

Until recently, most experiences of social protection in LAC responding to shocks had involved responses to economic shocks. However, in the last two or three years there has been a growing number of governments and humanitarian agencies responding to disasters through national social protection systems. Such an option is not about replacing the role provided by the civil protection sector or other actors; rather, it complements them based on a well-rounded approach that integrates the different sectors.

To play this role in a timely manner, social protection systems, programmes, and/or processes should be adapted prior to the shock and should be flexible enough to enable them to react to changing circumstances. Moreover, social protection systems and programmes need to be resilient to shocks themselves. When planning the role of a system or programme in shock response, it is important not to put an additional burden on weak or incipient systems and on programmes that are not managing to deliver their core mandates.

Mature social protection systems offer more opportunities to respond compared to relatively weaker systems. Stronger systems, processes, and administrative capacity, greater coverage, variety of services provided, and integration provide systems with more capacity to expand or refocus when a shock hits, as well as creating greater opportunities for piggybacking. More incipient social protection systems are more constrained when it comes to responding to emergencies. However, experiences have shown that even weaker/less mature systems can use a single programme or system, provided it has adequate coverage and is robust enough, to provide social protection support to households affected by a shock.

When using the social protection system to respond to emergencies, countries should rely on existing systems and programmes with relatively greater coverage and stronger administrative capacity. Depending on the context, this could mean expanding a conditional cash transfer programme, and/or a social insurance scheme, and/or school meals, or even not involving the social protection sector at all if it is still too underdeveloped.

Cash-based social assistance is the most popular type of social protection response in LAC. This is due to the benefits of cash assistance, associated with greater flexibility for recipients, promoting dignity and empowerment, and boosting local economies, among others, and the coverage and administrative capacity buttressing these schemes. Other types of social protection schemes, like contributory programmes, school meals programmes, and PWPs, have also been used in the region, although less frequently.

Traditionally, the social protection and civil protection sectors in most LAC countries run in parallel, with limited interaction even where formal coordination mechanisms are in place. However, in recent years we have started to see greater collaboration as a result of the increasing use of social protection systems in response to disasters.

According to the research findings, there is a lack of experiences in the development of contingency funds and use of instruments to finance social protection together with civil protection activities. Responses through social protection systems have until now entailed mostly the reallocation of budgetary resources.

The review of experiences has shown that, in LAC, governments tend to lead the response to shocks. It is therefore not surprising to find that most responses are, first, 'top-ups' ('vertical expansions') and, second, scale-ups ('horizontal expansions') or government or humanitarian responses piggybacking on social protection's administrative capacity. The responses can be combined and sequenced to achieve the timeliest response. Each response will depend on the emergency, institutional and policy setting, and overall context. Therefore, there is no specific prescription on which response strategy is better.

WFP's dual mandate as both a humanitarian and development agency puts the organisation in a unique place for promoting greater coordination between national social protection and civil protection sectors and international development and humanitarian actors. Improving social protection systems and enabling them to play a more effective role in emergency response is in line with WFP's mandate and objectives in the region.

Finally, being a relatively new and promising policy area, it is important to strengthen the evidence base around the role of social protection in emergency response, to share global and regional experiences and promote the debate. This study aims to contribute to this new agenda.

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## Annex A Global experiences on shock-responsive social protection

A number of programmes have attempted to integrate social protection and humanitarian response, particularly in Asia.

### A.1 Nepal

The evaluation conducted by OPM found that the emergency cash transfer programme in the aftermath of the earthquakes in Nepal in 2015 has provided proof of concept that the existing social protection system can be used as a tool to respond to emergencies.

Two earthquakes struck Nepal in 2015, killing more than 8,800 people and pushing more than 750,000 below the US\$1.25 international poverty line. UNICEF implemented an emergency cash transfer programme over two phases: Phase 1 provided a single top-up grant of NPR 3,000 (approximately US\$30) to the beneficiaries of the existing Nepal social assistance programmes in 19 earthquake-affected districts, covering five vulnerable groups: Dalit children under five years of age, widows and single women, people with disabilities, senior citizens, and members of minority ethnic groups. The second phase of the programme altered the coverage to provide a single cash transfer of NPR 4,000 (approximately US\$40) to all children under five years of age in the 11 most earthquake-affected districts. By leveraging existing government systems, the emergency cash transfer was able to reach a large number of people reasonably quickly.

However, it did not necessarily reach all or the most affected populations. Future performance could be improved by learning some of the lessons from the experience of the emergency cash transfer programme, as well as by expanding coverage of social assistance in the country, but even more so if the social protection system was developed to become more responsive to shocks. For that to be realised, however, a number of considerations and a variety of investments need to be made across all aspects of the social protection system. These include the policy and legislative framework for social protection in Nepal, the institutional architecture for social protection, the supporting systems and operational processes, government awareness and buy-in, and the need for coordination at all levels of the system (Merttens *et.al.*, 2017).

### A.2 The Philippines

As markets stabilised after the national calamity and appeal for assistance after Hurricane Haiyan in 2013, which affected over 16 million people and caused more than 6,000 deaths, numerous aid agencies transitioned a portion of their response from in-kind relief to cash assistance. In particular, WFP and UNICEF chose to deliver their emergency cash transfer to affected populations in selected areas by topping up payments to the beneficiaries of the country's flagship conditional cash transfer programme, *Pantawid*.

The Philippines has developed one of the most advanced social protection systems in the East Asia region, as part of rapid and comprehensive social welfare reform over the last decade. From the different ways in which a social protection system can be used following a shock, this approach is best described as ‘vertical expansion’ as it delivers assistance through an existing programme, to existing recipients of that programme. WFP and UNICEF both anticipated that these households, being some of the poorest, were likely to be some of the worst affected by the disaster. Moreover, almost half the population in some of the worst affected municipalities had qualified for *Pantawid* before the hurricane. In total, out of 805,000 *Pantawid* beneficiary households in the region (21% of the total programme caseload), WFP and UNICEF targeted just over 110,000 by geographically prioritising the ‘worst affected’ municipalities.

The vertical expansion of the *Pantawid* programme was an efficient way of reaching a portion of the households affected. The programme offered proven systems with extensive coverage and experienced users. This meant relatively low transaction costs and increased speed in reaching a particular cohort of the needy, i.e. those who were registered *Pantawid* beneficiaries and living in targeted areas. Non-beneficiary households – many of whom were at least as poor as *Pantawid* beneficiaries – also received assistance through traditional humanitarian channels. Overall, the evidence shows that scaling up *Pantawid* did not have negative impacts on the channels that were still necessary to reach the wider population. Challenges mostly stemmed from a lack of prior experience of, or procedures for, adaptation of the *Pantawid* programme for shock response, or any procedures for continuation of normal programme operations post-disaster (Smith and Barca, 2017).

### A.3 Fiji

Category 5 hurricane Winston struck Fiji on 20 February 2016. The hurricane-related losses were estimated at US\$1.38 billion (31% of GDP), with more than 30,000 homes destroyed, approximately 540,400 people affected (62% of the population), and 44 deaths. The reconstruction cost was estimated at US\$940 million and the recovery phase is expected to continue for several years. In the aftermath of the disaster, the Fiji National Disaster Management Office led the response with all national government-led clusters activated. Food was immediately distributed to severely affected populations in 12 identified priority areas, accompanied by the provision of shelter and building materials for temporary rehabilitation of damaged homes.

Part of the government response was to top up the existing monthly social protection welfare benefits (through non-contributory cash + food vouchers) of members of the population previously identified as vulnerable with additional cash assistance for the TC Winston shock recovery. Three existing government social safety net programmes were identified as suitable for the emergency operation and reinforced with top-ups within one month of the hurricane: the Poverty Based Scheme, the Care and Protection Scheme, and the Social Pension Scheme. The latter provides support to almost 15% of the country’s older people.

WFP supported those who were identified as needing extra help to ensure they could meet their food needs in areas where damage was particularly bad. It topped up existing food assistance managed by the government (72,000 shock-affected individuals), delivered through the three existing government social safety net programmes. The values of the additional top-ups were calculated based on a basic nutritious food basket that would provide 2,100 kcal per person per day, additionally meeting daily protein and fat requirements. The previously established social welfare

database was used to identify beneficiaries. The top-up was channelled through existing transfer mechanisms, primarily electronic cards. For beneficiaries living in remote areas, where access to supermarkets was limited, bank transfers were available from Fiji's main financial service provider.

Based on the success of the joint emergency response initiative, the Fijian government showed interest in exploring options with WFP to strengthen and improve the Fiji National Disaster Relief System and to work on mechanisms for future joint interventions linking Fiji's social protection schemes and disaster management. The first planned activity formalising this collaboration was the setting up of a joint 'lessons learned' workshop on the TC Winston emergency response (WFP, 2017b).

## A.4 Mali

Mali is a country with high exposure to shocks and vulnerability, where seasonal food insecurity has been an issue for decades. This has led to a blurred line between the intentions of policies to address seasonal food insecurity as promoted by 'humanitarian' and 'development' actors. There is a strong political will for using social protection to address shocks in Mali, both *ex ante* and *ex post*, partly as assistance for short-term crises and for long-term development is seen as a continuum – aligning the objectives of social protection and humanitarian actors.

Mali's experience has demonstrated the strong complementary role that can be played by humanitarian actors in contexts where the state is unable to deliver (e.g. in the conflict-affected north of the country). These actions are strengthened via institutionalised mechanisms for coordination – ideally strongly led by the lead Ministry for Social Protection – and policies that talk to all stakeholders involved in service delivery, not just government actors. Steady alignment of core delivery mechanisms can then enable a transition in the medium to long term, once government capacity and funding are in place.

Mali's social protection policy uses several programmes that provide varying opportunities for scale-up in response to a crisis depending on their underlying systems. The *Jigisèmèjiri* cash transfer, set up in 2012, enables the creation of a government-led '*adaptive* national safety net system'. It works in around 100 of Mali's 700 communes, providing CFA 10,000 (US\$16) per month to poor households for three years. Some 47,000 households were receiving support in late 2016 (2% of the population). It has a closer alignment with the ECHO-funded Common Framework for Seasonal Social Transfers (*Cadre Communes* or CCTS) which operates there, harmonising the cash transfer interventions of five to six NGOs, including cooperation on some components of the method for household listing and selection of households; the *cadres communs* also linked up with DRM systems by using early warning system data to select geographical areas for intervention and a harmonised logframe, questionnaires, and M&E approach (O'Brien *et al.*, 2017).

For further details on other global experiences of shock-responsive social protection, see O'Brien *et al.* (2017), Merttens *et al.* (2017), Smith and Barca (2017), and WFP (2017b).