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

Summary of key findings and policy recommendations

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List of abbreviations

CCRIF	Caribbean Catastrophic Risk Insurance Facility
CONRED	<i>Coordinadora Nacional para la Reducción de Desastres</i> (Guatemala)
DRM	Disaster Risk Management
ECLAC	UN Economic Commission for Latin America and the Caribbean
ECTP	Emergency Cash Transfer Programme
FIBE	<i>Ficha Básica de Emergencia</i> (Chile)
IVACC	<i>Índice de Vulnerabilidad ante Choques Climáticos</i> (Dominican Republic)
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation
MIC	Middle-Income Country
MIES	<i>Ministerio de Inclusión Económica y Social</i> (Ecuador)
NGO	Non-Governmental Organisation
OPM	Oxford Policy Management
PET	<i>Programa de Empleo Temporal</i> (Mexico)
PWP	Public Works Programme
SINAPRED	<i>Sistema Nacional para la Prevención Mitigación y Atención de Desastres</i> (Nicaragua)
SPIAC-B	Social Protection Inter-Agency Cooperation Board
SDG	Sustainable Development Goal
UNDP	United Nations Development Programme
WFP	World Food Programme

1 Introduction

There is an increasing global recognition within the development and humanitarian spheres of the promising linkages between social protection, disaster risk management¹ (DRM), climate change adaptation, resilience and humanitarian action in responding to shocks, including seasonal shocks. This recognition has been clearly expressed, for example, in the 2016 World Humanitarian Summit by SPIAC-B's² commitment to 'support the further expansion and strengthening of social protection systems to continue to address chronic vulnerabilities and to scale up the utilization of social protection as a means of responding to shocks and protracted crises'. Likewise, the Agenda for Humanity, which advocates for a shift from disproportionate focus on crisis management and response towards investing in crisis prevention and building up community resilience, moving from delivering to ending needs³. 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. Moreover, this global recognition is supported by recent experiences in the use of social protection in emergency response in Asia, Africa as well as Latin America and the Caribbean (LAC),⁴ and is buttressed by extensive research and debate.⁵

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 Crisis⁶ 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 (ECLAC, 2015), reasonably advanced social protection systems and large-scale safety nets 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 (McCord, 2013a).

It is in this context in which the WFP joined forces with OPM to conduct a ***Study on Shock-Responsive Social 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, not on the international humanitarian response. Some findings also apply to civil protection⁷ actors and international humanitarian partners who complement and support national efforts in LAC. 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 reports⁸:

¹ 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).

² 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.

³ "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).

⁴ See the annex for a description of some global experiences.

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

⁶ A Mexico-based economic crisis that nonetheless had effects throughout the region.

⁷ 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.

⁸ These reports and other relevant material are available at 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>

- Theoretical framework and literature review – Beazley *et al.* (2016);
- Ecuador case study – Beazley (2017a);
- Guatemala case study – Solórzano (2017);
- Haiti case study – OPM (2017);
- Dominican Republic case study – Beazley (2017b);
- Peru case study – Beazley (2017c);
- El Salvador case study – 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, numerous other country experiences and regional views were collected throughout the project period (August 2016 to December 2017), all of which informed the report.

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 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

The box below summarises the theoretical framework used in this study. This framework, based on the one developed by OPM (2015), 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 **preparedness** and **responsiveness** of social protection systems to covariate shocks that represent threats to people's wellbeing, health, food security, nutrition and safety.

System preparedness

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 'tweaked' in advance of a disaster to ensure timely and effective response:

1. **Targeting system** – 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



Delivery



Coordination and financing

System response

When policy-makers consider the use of a social protection system to address emergency needs, there are a number of strategies that 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 a social protection intervention's administrative framework, but running the shock-response programme separately either by the government or by humanitarian agencies;
4. **Shadow alignment**: developing a parallel humanitarian system that aligns as well as possible with a current or possible future social protection programme; and
5. **Refocusing**: adjusting the social protection system to refocus assistance on those groups most vulnerable to the shock.



Vertical Expansion



Horizontal Expansion



Piggybacking



Shadow Alignment



Refocus

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

This framework is used in the sections below to study the experiences in the region and identify the factors that would allow social protection systems to be more responsive to shocks. 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 in these aspects is required.

Moreover, case studies focus almost exclusively on the programmes and systems of the ministry responsible for non-contributory social protection as well as on school meals 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 case studies.

Before moving to the analysis, it is worth mentioning some issues that help in framing the research.

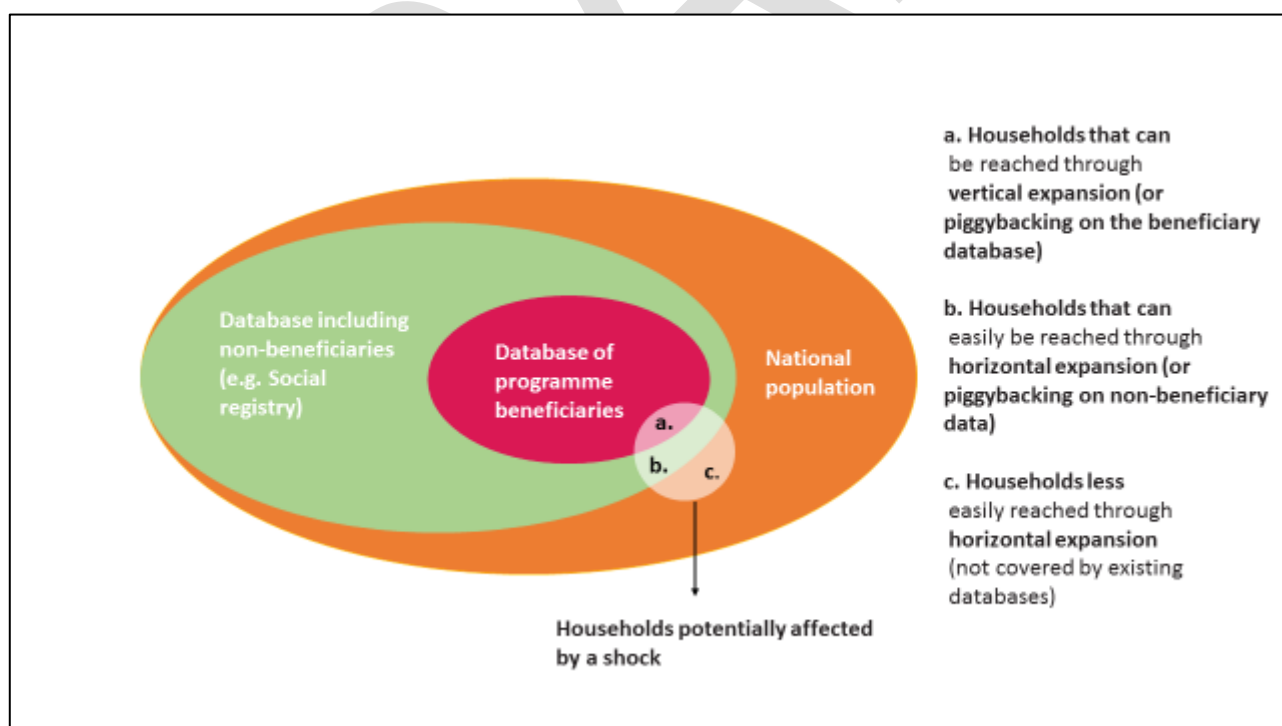
There are several reasons why social protection could play a role in shock response:

- Social protection is intrinsically related to shock response, as we describe in the next section;
- The modalities of cash and food transfers are common both to material assistance for households in normal times and during an emergency (OPM, 2016);
- Social protection's architecture for the administration of long-term transfers can be used during emergencies with potential for a quicker, more predictable, more efficient and therefore more effective response (OPM, 2016);
- Some countries in the region are starting to use their social protection systems in response to shocks (Beazley *et al.*, 2016). This is also the case in countries in Africa and Asia (see OPM (2016) and Annex A);
- The vast coverage of social protection systems in the region enables substantial segments of the population to be reached, in particular the poor and vulnerable. For example, the proportion of the population benefiting from conditional cash transfer programmes in LAC increased from 5.7% to 21.1% between 2000 and 2012 (ECLAC, 2015);
- 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);
- In the region, there generally remains gaps between: (1) initial emergency responses, which are typically intended to support affected populations for the first weeks following a shock; and (2) early recovery and reconstruction efforts. Using social protection systems for emergency response provides an opportunity for governments, humanitarian actors and development partners to harmonise and coordinate the assistance to affected households. This will also help to transcend the traditional humanitarian-development divide. Social protection can also help to ensure that poor and vulnerable households impacted by shocks are not pushed further into chronic poverty, through the provision of a comprehensive support package to cover all basic needs and to be linked to the early recovery phase. 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.
- There seems to be 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. 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'. This approach and the development of systems, like targeting and delivery, which should follow it, holds promise for the role of social protection in shock preparedness and response (Beazley *et al.*, 2016).

However, social protection systems face a core challenge when trying to help the affected population. The figure below describes this challenge. To begin with, **the root of the problem is that households affected by shocks are not necessarily those benefiting from a social protection programme or who are already in the social registry**. Social registries are databases/registries that collect and house comprehensive information on potential beneficiaries within the country, mostly related to socioeconomic data that allow social protection programmes to target based on poverty or demographics (Barca, 2017). Consequently, even where a country has strong programmes and registries, horizontal expansion would be required in most cases. However, **the greater the coverage of the programmes and their registries and the better the quality of the data they contain, the easier it is to respond**. In principle, if those already benefiting from social protection schemes could be easily reached with vertical expansion and non-beneficiaries whose information is contained in the registry with horizontal expansion, then the challenge is to reach affected households who do not belong to these two categories. It is from this perspective that in section 4 we provide recommendations on how to enable vertical expansion of existing programmes and horizontal expansion through social registries, as well as the development of tools to reach those not covered by existing databases.

Figure 1: Shock-affected people within the wider population – why expansion is challenging

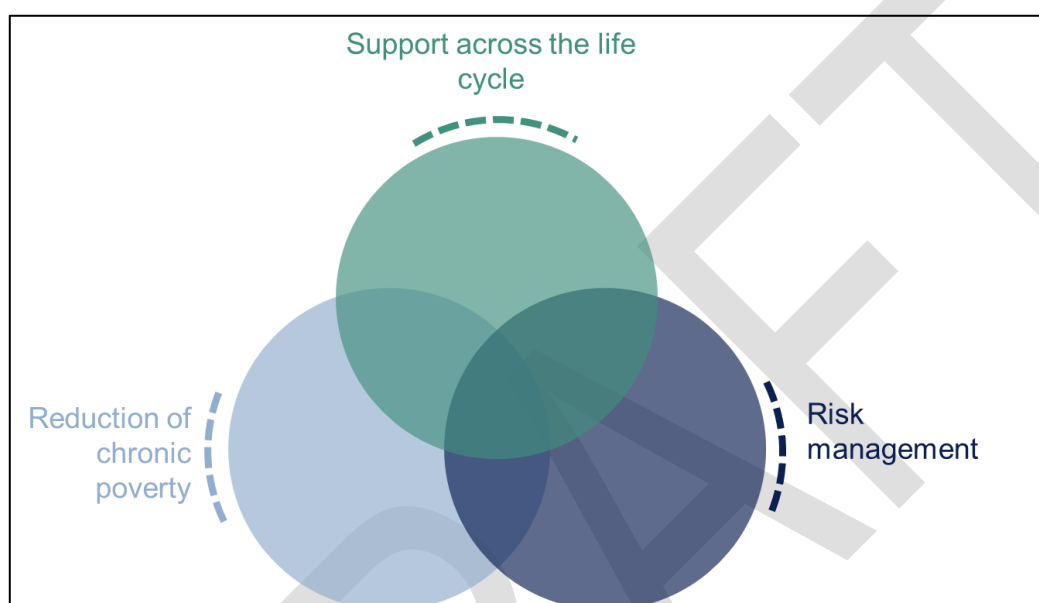


Source: OPM (2015) and Barca (2017)

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

LAC social protection systems have been developed for objectives different from supporting civil emergency 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 2: Objectives of social protection systems



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 has played important roles in emergency response in LAC. However, systems and programmes have been mostly used ‘as they were’ or slightly adapted after the shocks – **overall planning and preparedness has been limited** (Beazley *et al.*, 2016).

More mature social protection systems 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 level 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, limited political traction and tax-payer support, are more constrained when it comes to responding to emergencies.

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

Most experiences of social protection in LAC responding to shocks have involved responses to economic shocks, with most examples stemming from the 2008/09 global financial crisis. 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, dealt with by ministries of agriculture, for example.

Most economic shocks could be classified as slow-onset 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, economic shocks are also likely to affect the capacity to respond (e.g. via a concomitant fall in tax revenue). Some programmes have automatic stabilisers like, for example, the adjustment of benefits to consumer price indexes or minimum wages, which would allow for a timely response. However, in other cases responses have been delayed precisely due to the lack of preparedness and the difficulty in establishing when the crises led to emergencies.

Regarding natural disasters, sudden-onset shocks commonly attract more attention as well as the support from governments and the international community. It is for this reason that most experiences in the use of social protection in response to disasters involved sudden-onset shocks (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. 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’ (OCHA, 2011). Drought is the most common example but other slow-onset shocks are 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 so far has been to address slow-onset shocks only once they have reached a state of emergency and are then treated 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 gets increasingly 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 inter-institutional 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 of dry tropical forest in Central America⁹ (Solórzano, 2017).¹⁰

⁹ 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.

¹⁰ CONRED’s mandate is currently being revised.

3.1.2 By type of response

Unlike the dominant approach in other regions of the developing world, in LAC it is governments that tend to lead and fund the response to shocks, mainly through civil protection, with Haiti being an exception. In the cases where social protection played an active role in the response, this role consisted of, first, ‘top-ups’ (vertical expansions) and, second, scale-ups (horizontal expansions) of government-run social protection schemes.



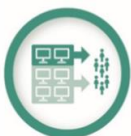
Vertical Expansion

When responding through the social protection system, topping up benefits to existing recipients is often the ‘go-to’ measure because it is fast and reasonably administratively inexpensive to put in place. In some cases, like in Mexico’s *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 Ecuador, 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 an understanding of seasonality can help to plan initial periods for continued assistance.



Horizontal Expansion

Horizontal expansion is often required, to one degree or another, and this imposes an important challenge on three fronts: targeting, delivery, and communication with beneficiaries. Vertical expansion benefits only those already in a programme and often the population affected by a shock is not entirely the same as that which is supported by social protection schemes (see Figure 1); as a result, horizontal expansion is likely to be required. However, expanding to new population groups 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 could lead to social tensions.



Piggybacking

Although less popular, there are experiences of humanitarian actors and non-governmental organisations (NGOs) responding through existing government social protection systems (the ‘piggybacking’ type of response in our framework), or aligning parts of their intervention to an existing or future government programme (referred as ‘shadow alignment’). These strategies allow humanitarian actors and NGOs not only to respond to urgent needs but also to strengthen government systems. Moreover, from the government perspective, these response strategies could help them align international humanitarian assistance to the national response strategy. 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). In the case of Haiti, the fact that humanitarian actors and NGOs play strong roles in the responses and the absence of strong government social protection systems constrains the possibility of piggybacking; however, it does create an opportunity for the shadow alignment kind of response (OPM, 2017).

The piggybacking strategy also consists on the government setting up its own response by piggybacking on systems and processes of the social protection system. In some cases, this strategy may lead to the use of all the systems and processes of a single programme, which in practice is a kind of horizontal expansion but with a programme with a new name and defined temporality. This strategy seeks to avoid the confusions to which the horizontal expansions are exposed, where in the same program coexist permanent or long-term beneficiaries with other temporary (during the response and recovery period). In Ecuador, the government used the

processes and platforms of the non-contributory social protection system to respond to the 2016 earthquake, but it was not a horizontal expansion of existing programmes but a new humanitarian response programme based on existing capacity (Beazley, 2017a).

Box 2: Ecuador's response to the 2016 earthquake through the social protection system

Ecuador was hit by an earthquake on 16 April 2016 with a magnitude of 7.8. At least 671 people were killed, more than 1 million were affected, around 50,000 dwellings were permanently or severely damaged, and almost 10,000 displaced people had to be hosted in official shelters.

The response involved a number of sectors, including social protection. *Ministerio de Inclusión Económica y Social* (MIES) administrative infrastructure to deliver social assistance support was used by the government and partners like WFP to support the affected population. A mix of strategies was implemented:

- **Vertical expansion** – beneficiaries of non-contributory schemes who were affected by the earthquake received additional and temporary benefits.
- **Horizontal expansion** – the non-contributory social protection system expanded its coverage, reaching new beneficiaries on a temporary basis.
- **Piggybacking** – WFP channelled its humanitarian response through government social protection systems. After the earthquake, the government signed a memorandum of understanding with WFP, which provided a total of US\$ 8.1 million, among other assistance, to support the cash response.

The cash assistance was effective and innovative but not so timely due to a combination of factors. MIES provided the cash assistance to affected families through the *Bono de Acogida, Alquiler y Alimentación* (Bono AAA) and *Bono de Alimentación Rural* programmes, as described below.

Bono AAA

Requirements

- Only families registered in *Registro Único de Damnificados* (RUD)¹¹ were eligible.
- Families had to apply and sign an agreement with the foster family or the tenant.

Benefits

- Foster families receiving affected families were entitled to US\$ 135 per month for six months plus US\$ 15 for utilities – *Bono de Acogida* (foster care allowance).
- Tenants receiving affected families were entitled to US\$ 135 per month for six months – *Bono de Alquiler* (rental allowance).
- Affected families renting or with a foster family were entitled to US\$ 100 per month for three months – *Bono de Alimentación* (food allowance).

Bono de Alimentación Rural (rural food allowance)

Requirements

- Only families registered in RUD were eligible.

Benefits

- Eligible families were entitled to US\$ 100 per month for three months.

Around 42,000 affected families were supported with cash transfers. As reported by MIES on 29 March 2017, approximately half received the *Bono de Alimentación* and the other half the *Bono de Alimentación Rural*.

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.

Source: Beazley (2017a)

¹¹ Registry of affected households.

3.1.3 By type of social protection scheme

When using the social protection system to respond to emergencies, countries 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, or school meals.

While in one country the most effective response could imply expanding one programme, in another it could mean expanding a different one or even not involving the social protection sector at all.

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. 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 3: 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 (\$1.2–\$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 (LEARN) 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** 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 need, many consider cash transfers more dignified than receiving goods in kind, as 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 reactivate 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 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, for example, additional rations of food or the provision of meals during school holidays) 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. However, school meals reach only households with school-age children who are attending school and hence will not reach all the affected families. That said, there are ways of providing support to those who are not attending school: 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.¹² 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, while the challenges in terms of logistics, signing agreements between different actors and the large-scale procurement of food stuffs, storage and transport, should not be underestimated, even in the case of a functioning school meals programme (Bastagli, 2014).

¹² 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.

Whereas employment-related social protection programmes are a key component of social protection systems outside the region (in India, Ethiopia and South Africa, among many others), in LAC they are mostly set up for emergency response. Countries like Argentina, Chile, El Salvador, Mexico, Peru and Uruguay, among others, have implemented labour-intensive public works programmes (PWPs) 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.

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

Food and fuel subsidies have been frequently created or expanded in response to economic shocks (Coady *et al.*, 2015). They are typically implemented to protect the population from international price increases, and they are often perceived as temporary. However, governments can find it politically challenging to eliminate subsidies even after the decrease of international prices. These transfers have traditionally taken the form of supply-subsidies 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 to users/consumers with the objective of targeting the transfers to those 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.

Most responses to disasters involve in-kind transfers. However, this support is more frequently provided by the civil protection sector than through an expansion of existing social protection schemes. As in other cases, this type of response depends not only on the type and magnitude of the shock but also on the capacity of existing social protection schemes that transfer in-kind support to expand rapidly. In the Dominican Republic, for example, the 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 supporting the emergency response in Haiti, in case it is required.

Finally, there are only a handful of experiences 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 spending¹³ and less administrative capacity than other types like cash transfers or school meals.

¹³ See World Bank (2015).

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 system, delivery system, and coordination and financing.**

3.2.1 Targeting and data management systems

In this subsection we cover two important aspects related to the identification of beneficiaries: targeting mechanisms and data management.

Targeting mechanisms



Targeting

Social protection targeting mechanisms have been largely designed with the objective of reaching the chronic poor and rely on the use of administrative registries and 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 few countries with developed social protection targeting mechanisms for emergency response. One example of this key preparatory activity is Chile's *Ficha Básica de Emergencia* (FIBE), which 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.

Few programmes have targeting protocols that can be temporarily revised or rules and requirements that are softened in response to shocks. An exception is the Colombian programme *Familias en Acción*, with operational manuals that spell out emergency-related programme adjustments and related implications for implementation. This includes defining the role of the programme within the framework of a disaster response plan or legislation, and linking it to the network of institutions involved in disaster response and contingency financing, as well as the specific regulation and procedures for particular programme adaptations, such as the waiving of conditionality (Bastagli, 2014). Programme targeting rules, created for objectives different from emergency response, may diminish their shock-responsive impact. For example, the Mexican conditional cash transfer programme *Prospera* 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 has since acknowledged this problem and the current operational guidelines consider the removal of conditionalities in the event that a state of emergency is declared.

Data management

Social registries, increasingly popular in the region and elsewhere, are not typically designed to identify the population exposed to shocks, although this does not mean that

they cannot provide useful data for emergency response (Barca, 2017). 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, which is explored further in Box 6.

Not only does the kind of data collected affect the usefulness of registries in emergency response, but also how data is collected. 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.

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).

3.2.2 Delivery systems



Delivery

The experiences reviewed in this study suggest **there has been little planning in relation to adapting *ex ante* 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 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 4). 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 (like in Ecuador for example – see Beazley, 2017a).

Box 4: 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).

Source: O'Brien *et al.* (2013), Proyecto Capital (2017), Smith *et al.* (2011) and 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 *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.¹⁴

¹⁴ 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.).

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 recently signed between *Prospera* and Civil Protection in Mexico, which aims to support civil protection actions by providing information and training to beneficiaries.

National emergency response strategies tend to establish coordination mechanisms at various levels, such as the so-called Emergency Operations Centers. The degree of participation of the social protection sector in these coordination mechanisms differs from the country to country, although some recent experiences have shown that these mechanism can be challenged by medium and large-scale emergencies, particularly at local level (see cases studies).

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

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 limited. Coordination between these two sectors is also sometimes limited, as their objectives, agendas, times and incentives are sometimes in conflict. There are also international actors whose support is in the form of technical assistance and can sometimes play an important role in creating bridges between different actors.

Financing

According to the research findings, there is a lack of experiences in the development of instruments to finance shock-responsive social protection. 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 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 entailed mostly 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).

Beyond the social protection sector there are, however, some experiences in the use of financing instruments such as regional insurance, private reinsurance, and international aid:

- **The Caribbean region has established the first catastrophe insurance facility in the world and it has shown some positive results.** The Caribbean Catastrophic Risk Insurance Facility (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.*). This sort of instrument might provide very interesting lessons for the region and potentially could also be used to scale up social protection (see Box 5). For example, the CCRIF paid US\$ 20 million and US\$ 7.7 million after Hurricane Matthew in 2016 and the 2010 earthquake (OPM, 2017).
- **Mexico became the first middle-income country (MIC) to transfer part of its public sector natural catastrophe risk to the international reinsurance and capital markets.** In 2006, FONDEN issued a US\$ 160 million catastrophe bond to transfer Mexico's earthquake risk to the international capital markets. Even so, it has been suggested that building additional reserves might be cheaper for the governments than using reinsurance or international capital markets (Hallegatte *et al.*, 2016).¹⁵
- **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.**¹⁶ It is not uncommon that a country's capacity to respond to disasters is exceeded and in such circumstances foreign aid is essential. However, in general, the amount of financial aid available to MICs, including those in LAC, is quite low. Despite the fact that these countries requested the majority of humanitarian appeals in 2015, aid is only a small proportion of GDP (Scott, 2015). Increases in financial aid are larger for more severe disasters and for low-income countries with limited disaster management capacities (Hallegatte *et al.*, 2016). The role of aid in MICs is significantly different to that in the least developed countries, which are often highly dependent on aid flows. Development assistance in these countries is focused on helping mobilise domestic resources and alternative forms of financing, investing in key areas to stimulate growth, and reducing inequality (Scott, 2015).
- **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).

¹⁵ The current structure of FONDEN is focused toward response measures not disaster risk reduction and prevention. In order to make catastrophe bonds more linked to disaster risk reduction, they should be designed to fund the incremental costs of adding risk reduction measures to reconstruction efforts, which currently insurance companies refuse to pay (Kellett *et al.*, 2014).

¹⁶ 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, as informed by MIES.

Box 5: The Caribbean Catastrophe Risk Insurance Facility

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. In 2015, CCRIF signed a memorandum of understanding with COSEFIN – the Council of Ministers of Finance of Central America, Panama and the Dominican Republic – to enable Central American countries to formally join the facility.

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. Since it began in 2007, CCRIF SPC has made payouts of over US\$ 100 million to 12 of its 17 member countries with all payments occurring within 14 days of the shock (CCRIF SPC, 2017).

Country members of the facility: Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, St. Kitts and Nevis, Saint Lucia, 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/

Table 1: What factors enable social protection systems to be more responsive to shocks?

Overall	<ul style="list-style-type: none"> - System maturity, entailing stronger systems, processes and administrative capacity, greater coverage, a wider variety of services and higher level of integration - Political desire to make the social protection system more responsive and to alter programme objectives and regulations in the event of a crisis (e.g. waive conditionality) - Staff trained on emergency protocols and procedures
Targeting mechanisms and data management	<ul style="list-style-type: none"> - Strong management information systems and administrative records with useful information on large segments of population (i.e. social registries) - Contingency plans for rapid scale-ups, e.g. for registering new beneficiaries - Greater integration of information systems and robust data-collection processes - Protocols in place to temporarily revise, soften or waive conditionalities and rules - Social protection coverage linked to early warning and vulnerability indicators (e.g. all households in vulnerable locations pre-registered) - Pre-developed post-disaster assessment surveys including questions to enable social protection targeting
Delivery systems	<ul style="list-style-type: none"> - Disaster-proofed delivery and contingency mechanisms for alternative processes (e.g. in case of power failure) - Pre-enrolment of non-beneficiary households for potential horizontal expansion - E-payment systems in place (can enable reaching affected households rapidly) - Large outreach of the banking system, mobile financial services, etc.
Coordination and financing	<ul style="list-style-type: none"> - Strong national response strategy and mechanisms for inter-institutional coordination in place (including memoranda of understanding, joint strategies, etc.), established at very high and at strategic level, in order to guarantee their transversality and implementation. - Mechanisms for the exchange and sharing of data and tools between different actors, including those of the international cooperation (e.g. vulnerability maps, early warning systems, social registries, etc.). - Financial mechanisms in place, with clear administrative procedures that allow timely access to the resources necessary to support the emergency response

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

In this section we provide overall policy recommendations 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, the political will for policy reform, 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 development of specific roadmaps.

4.1 System response

Use and adapt the social protection mechanisms or programmes that are more established, that have wider coverage and 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.

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 3). These modalities can also be provided together, though. 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 Ecuador earthquake, 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 to ensure markets are able to be re-established as quickly as possible.

Consider the use of other social protection schemes with large coverage, such as the contributory programmes, school meals and public works, which 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 (McCord, 2013a).

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.

Whenever possible, humanitarian actors should consider options for responding through government social protection systems. In some cases, though 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.

4.2 System preparedness

Invest in strengthening the social protection system. In order to play a role in emergency response, social protection systems and programmes need to be relatively effective at delivering their core mandates. Only once this is achieved can they play an effective role in emergency response.

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.

Do not overburden incipient social protection systems. Despite how promising the shock-responsive social protection agenda is, 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, it should not be overburdened.

Adapt and equip the social protection system to respond to shocks. To play an effective 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. Below we present some policy recommendations in this regard.

Promote a new mind-set 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 created for poverty reduction and/or 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 the first phase of 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 sudden-onset and large shocks.

Gradually make the social protection system part of an integral response. Social protection systems can contribute to a holistic response to shocks. It is not about replacing the roles of the civil protection sector or others but rather about complementing them, based on a holistic approach integrating 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.

Based on the overall response strategy, **develop scenarios and contingency plans for the social protection response to different shocks.** The role of social protection should also be determined by the policy response objectives.

4.2.1 Targeting systems

Targeting mechanisms

The preparedness and adaptation of existing targeting mechanisms – as well as possibly the creation of new ones – is of paramount importance for an effective 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

magnitude of the shock, collecting data during the emergency is cumbersome and results in delays in the provision of the support.

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.

Programmes could also collect additional data that would allow them to assess the vulnerability of beneficiaries to shocks. However, further research and evidence is required in relation to measuring this vulnerability at household level and without imposing an additional burden on programmes.

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. In Kenya, for example, a vegetation condition index automatically triggers the expansion of the cash transfer programme known as the Hunger Safety Net Programme.

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 is achieved using the registry to a large extent. 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.

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 requires proper training.

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 would be important to manage people's expectations in order to avoid disappointment and also avoiding that temporary scale-ups become permanent, thus risking the financial sustainability of programmes.

Data management

Consider investing in the interoperability of databases and the integration of systems for information management to enable both vertical and horizontal expansions. 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).

Social registries, popular in the region, could be used or adapted in order 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 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 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 should include operationally useful information for both current and potential beneficiaries and contain data that are useful and relevant in regard to assessing contextual vulnerabilities after a shock. There is already one experience in the region in this regard that was mentioned above, i.e. the Dominican Republic's IVAAC. Such an approach may be easier to achieve in relation to recurrent shocks.

Incorporate in existing post-disaster assessment surveys questions to enable social protection targeting. Despite making the social registry more 'emergency friendly', it is very likely that there will still be a need for post-shock data collection. No matter how good the registry is, there is always a chance that some affected households are not included or that the information available is not enough to decide who to support. Moreover, shocks may change the demographic composition of households, requiring additional data collection. However, in some countries other sectors, like for example civil protection, already have available surveys to assess the levels of impact in the aftermath of shocks. Furthermore, when camps are informally or formally established, registrations of the displaced usually take place. As a preparatory measure, social protection could liaise with the sector in charge of the shock assessments and include questions that enable social protection targeting to be improved. Furthermore, emergency protocols could include immediate inclusion of additional individuals/households based on pre-established criteria and then compared with such post-disaster data collection to add further beneficiaries, depending on the scope and nature of the disaster.

4.2.2 Delivery systems

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 stronger 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 (for instance as a take-home transfer in addition to the in-school meal for the students).

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.

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 to avoid confusion and disappointment among those who are registered but who receive no benefits.

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 4).

4.2.3 Coordination and 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.

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.

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.

Box 6: Linking social protection and civil protection in the Dominican Republic

In the Dominican Republic, the social registry *Sistema Único de Beneficiarios* (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 from the United Nations Development Programme (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)

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.

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.

Organise joint social and civil protection training and conferences. The lack of coordination between the two sectors is rooted, to some extent, in a limited understanding about what the other sector does. Greater knowledge will create new opportunities for collaboration. In this sense, joint training, simulations and conferences and learning from international experiences in the coordination between social and civil protection can promote stronger coordination and integration, as well as strengthening institutional complementarity in order to achieve stronger and more sustainable impacts.

It is recommended to explore financing strategies such as contingency funds, regional insurance schemes and private reinsurance. 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 country context.

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 Plan¹⁷ and is committed to the principles of the Grand Bargain¹⁸ 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 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 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

¹⁷ WFP (2017a).

¹⁸ 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.

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 can allow WFP to increase both 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 WFP direct assistance.
- **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 Solórzano (2017) on shadow alignment in Guatemala and OPM (2017) on the Haiti case). 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.
- **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 advance 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, 2017). 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 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. Furthermore, it is critical 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 2: Recommendations for governments and for WFP

Category	Recommendations for national governments	Recommendations for WFP
System response		
	1. Use and adapt the social protection mechanisms or programmes that are more established, that 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
	2. 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
	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, schools meals and PWP	- WFP to develop a toolkit to support governments to rapidly assess how to respond through the social protection system
	5. 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
System preparedness		
	6. 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
	7. 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	- 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

Targeting (i) Targeting mechanisms	8. Develop contingency plans and adapt systems for horizontal 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
	9. Adaptation of IT platforms and registration processes so that programmes can manage the new caseload	- WFP to use its IT expertise and platforms such as SCOPE19 among other tools to support government counterparts
	10. Programmes could collect additional data that would allow them to assess the vulnerability of beneficiaries to shocks	- WFP to provide support in household assessment tools in order to ensure adequate information is collected to be able to inform horizontal expansion approaches
	11. Protocols for both horizontal and vertical expansions could be linked to early warning indicators	<ul style="list-style-type: none"> - WFP to provide technical assistance to governments in developing protocols - 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
	12. 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"> - WFP and partners may support the government to assess whether this is feasible and cost-effective and, if so, pilot and evaluate this experience - WFP to utilise its Integrated Context Analysis methodology to support the identification of priority locations for such efforts
	13. Staff expected to perform activities different from their usual tasks, like for example emergency response targeting, should be trained accordingly	- WFP can utilise its vulnerability analysis and emergency preparedness capacities to support governments. Developing and conducting simulations is one example
	14. The temporary nature of benefits and changes to programme rules should be properly communicated to the population	- WFP to support communication strategies

¹⁹ WFP's digital beneficiary and transfer management platform

(ii) Data management	15. 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
	16. 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
	17. Incorporate in existing post-disaster assessment surveys questions to enable social protection targeting	- WFP to support governments with the revision of existing assessment surveys and their links with social protection targeting
	18. Consider including in social registries operationally useful information for to 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
Delivery	19. 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
	20. 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 Integrated Context Analysis methodology to support the identification of priority locations for such efforts
	21. 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
Coordination and financing	22. Social protection can piggyback on civil protection tools such as vulnerability maps or early warning indicators	- WFP to use and share its methodologies, facilitate sharing international experiences, methodologies and best practices on social protection and civil protection coordination - Contribute technical expertise and serve as a convener of international expertise and governments throughout the region - Support contingency planning as well as simulations designed to test these plans
	23. Civil protection can piggyback on social protection tools like social registries	
	24. Social protection can develop its contingency plans with the support of civil protection and participate in the development/improvement of national response strategies	

	25. Social protection programmes can be used as vehicles to share civil protection information	
	26. Organise joint social and civil protection training and conferences, strengthening their institutional complementarity, in order to achieve stronger and more sustainable impacts.	
	27. Explore strategies for financing emergency responses, including the expansion of social protection schemes, such as contingency funds, regional insurance schemes and private reinsurance	

5 Conclusion

Despite the growth of social protection systems in the region in recent decades, most of these systems have been conceived not as ways of managing disaster risk but as instruments for reducing chronic poverty and/or providing support across the life cycle. Nonetheless, social protection has played important roles in emergency response in the region (and beyond), although systems and programmes have been mostly used ‘as they were’ or slightly adapted after the shocks, with overall limited preparedness actions.

Most experiences of social protection in LAC responding to shocks have involved responses to economic shocks. However, social protection systems can also contribute to a holistic response to disasters and shocks of all natures. Such an option is not about replacing the role provided by the civil protection sector or other actors but rather about complementing them based on a well-rounded approach integrating the different sectors.

To play this role, 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. Only once this is achieved can they play an effective role in emergency response. Despite how promising the shock-responsive social protection agenda is, 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.

More mature social protection systems are typically able to play more important and effective roles in emergency response 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 create greater opportunities for piggybacking. More incipient social protection systems are more constrained when it comes to responding to emergencies. However, it is important to remember that it is not in fact necessary to have an effective social protection system as a whole; in some cases, an effective programme or even an effective process or operational system could be enough to respond through the social sector.

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 schemes, 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, schools meals and public works, have also been used in the region, although less frequently.

In practice, 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. Despite an increased awareness of the importance of this coordination and certain initiatives, like inter-ministerial committees, this is still an incipient area.

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') of government-run social protection schemes. The responses can be combined and sequenced, in order 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. In some cases, though not always, it may be effective for humanitarian actors like WFP to make use of some existing government systems ('piggybacking') or align parts of their intervention to a government programme ('shadow alignment'). There are some experiences in the region that show the potential of these strategies. These responses allow humanitarian actors and NGOs not only to respond to urgent needs but also to strengthen government systems.

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. Further research is needed, however, particularly in relation to the linkages between shock-responsive social protection and resilience.

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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.

Nepal

The evaluation conducted by OPM found that the emergency cash transfer programme (ECTP) 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 ECTP 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 ECTP 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 ECTP, 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 (OPM, forthcoming).

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 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).

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. WFP topped up existing food assistance managed by the government (72,000 shock-affected individuals), delivered through the three existing government social safety net programmes. 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 Systems, 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).

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 as of 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).

Source: O'Brien *et al.* (2017), OPM (forthcoming), Smith and Barca (2017) and WFP (2017b).