

GUIDANCE NOTE

Tailoring Adaptive Social Safety Nets to Latin America and the Caribbean



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Why it Matters:

Social safety nets (SSNs) are increasingly relevant to helping households prepare, cope, and adapt to shocks in a climate of increased frequency and severity of disasters. Disasters can impact the income, consumption, and human capital of households. While disasters caused by natural hazards can impact anyone, the poor often bear the brunt of shock impacts, while vulnerable and other disadvantaged populations fall into poverty. When poor people are affected, the share of their wealth lost is two to three times that of the non-poor, largely because of the nature and vulnerability of their assets and livelihoods. The poor also often employ negative coping strategies following disasters, with long-lasting effects on human capital accumulation and income. Where SSNs have good coverage, adequacy, and incidence, they help ensure that the households most likely to be severely impacted by these events are able to smooth their consumption, build human capital, improve their assets and diversify livelihoods - all of which are increasingly critical to better preparedness for shocks and improved ability to cope with, and recover from, their impacts. An increasing number of countries have used their SSNs, primarily cash transfers and in-kind transfers, to respond to household needs following different shocks including disasters caused by weather and geological events, economic crisis and most recently, the economic crisis due to the COVID-19 health pandemic. Latin America and the Caribbean (LAC) exhibits larger coverage and expenditures on SSNs compared to most regions, particularly for cash transfer programs. SSNs in LAC also demonstrate comparatively well-established SSN delivery systems. Given this, there is unlocked potential in LAC to effectively respond to disasters by systematically using SSNs when appropriate. This note presents key lessons and design considerations for LAC countries to better use their SSNs to help individuals and households prepare, cope and adapt to the shocks they face. While this note focuses on disasters caused by natural hazards, the framework and lessons presented here are applicable to other types of emergencies and shocks.

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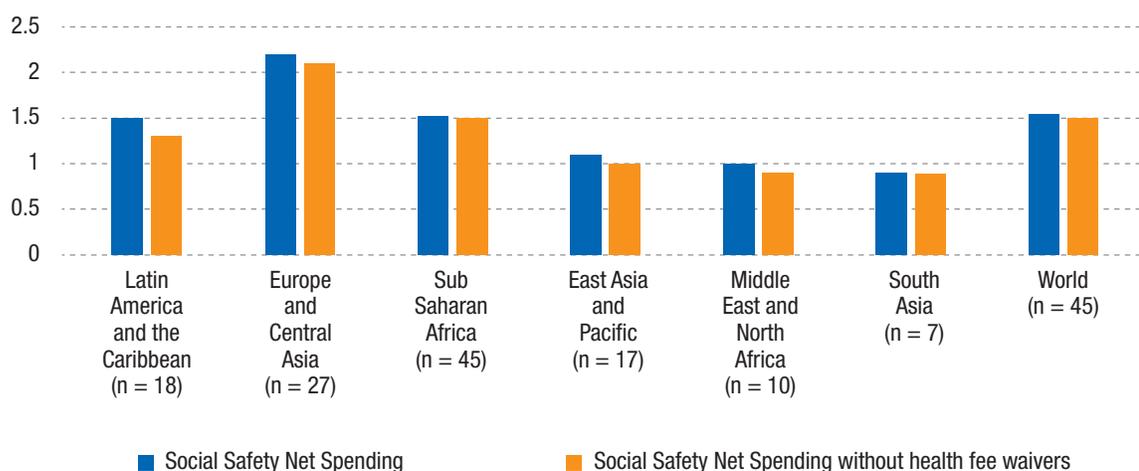
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1. Key Facts

Social safety net (SSNs) programs are noncontributory interventions designed to help individuals and households cope with chronic poverty, destitution, vulnerability and shocks (Grosh et al, 2008). The objective of SSNs vary, and range from consumption smoothing, helping households manage risks, and incentivizing investments in human capital. Examples include conditional cash transfers (CCTs); unconditional cash transfers (UCTs); noncontributory social pensions; in-kind transfers, including school feeding; public works; and fee waivers.

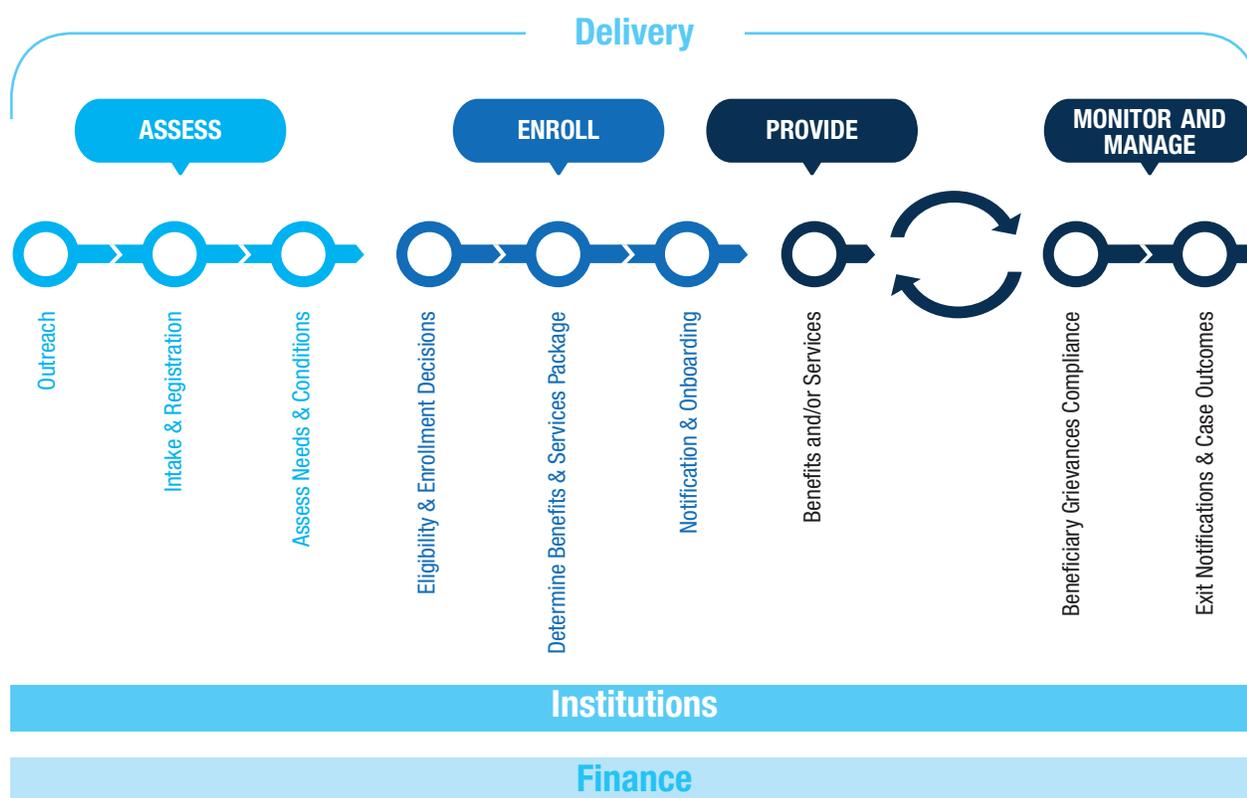
Chart 1: Social safety net spending



Almost every developing country in the world provides at least one SSN program, but SSNs are particularly important in Latin America and the Caribbean (LAC), where the region spends more than any other region except Europe and Central Asia on SSNs (See Chart 1). In terms of coverage, 62.2 percent of the poorest quintile and 37.5 percent of the population are covered by SSNs in LAC. The benefit incidence of all SSNs for the poorest quintile in LAC is 26 percent, second only to East Asia and the Pacific (at 26.5 percent) and higher than all other regions (Atlas of Social Protection Indicators of Resilience and Equity - ASPIRE). In terms of adequacy, CCT programs in LAC pay on average about 21 percent of the average income of the poorest quintile.

Social safety nets require sound delivery systems for effective functioning, i.e. to ensure efficient delivery of benefits to those they are intended to reach in a timely manner. The delivery of several types of SSNs also often requires coordination across social sectors. A World Bank review of the building blocks of Social Protection (SP) systems, identifies three main dimensions of countries SP systems. The first block is *'Institutions'*, including metrics related to government leadership (such as policy setting, legal frameworks, capacity, institutional arrangements, oversight and controls). *'Delivery'* includes business processes and functions related to programs and their related delivery systems (including information systems, citizen interface, and monitoring mechanisms). Finally, *'Financing'* related to the predictability and sustainability of SP financing.

Chart 2: Social Safety Net Delivery Systems

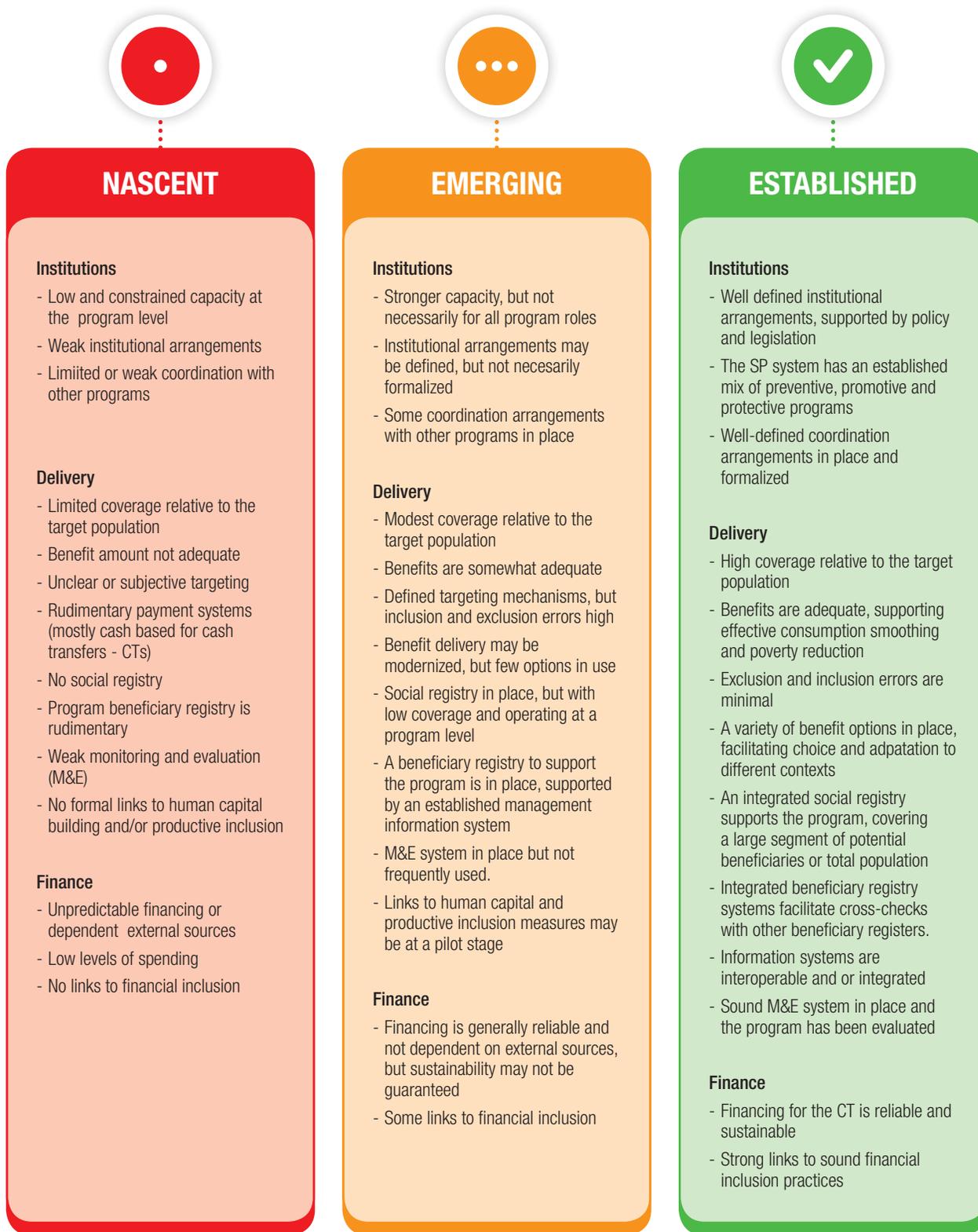


Source: Adapted from the Sourcebook on the Foundations of Social Protection Delivery Systems. Lindert, K. et al. (forthcoming) World Bank.

2. Assessing Social Safety Net Maturity

Despite the importance of SSNs in LAC, program maturity varies across countries and delivery systems are not always well-developed, with some countries still employing rudimentary service delivery for their flagship SSNs. While some LAC countries, including Brazil and Chile are pioneers in the region with first generation CCT programs and robust SP delivery systems that have often been replicated across the world, effective and efficient delivery systems have not been fully realized in many countries. For some countries, lingering impediments include large coverage gaps and low benefit adequacy for flagship transfer programs; rudimentary registries and not fully utilizing information systems to support all implementation phases of delivery; ineffective and subjective mechanisms for outreach and identification of potential beneficiaries; use of rudimentary benefit delivery mechanisms or limited choice in benefit delivery; a lack of documented operational procedures to guide delivery; and weak mechanisms for beneficiary monitoring. Despite this, several countries in the region are making concerted efforts to improve program and system design. This heterogeneity therefore requires nuanced approaches to examining the effectiveness of SSN delivery systems in LAC, and their utility to address disaster risk.

Chart 3: Typology for Assessing SSN Maturity



Source: Adapted from *Towards Adaptive Social Protection Systems in Latin America and the Caribbean: A Synthesis Note on Using Social Protection to Mitigate and Respond to Disaster Risk.* (World Bank)

In order to assess the effectiveness of SSNs and readiness to respond to disaster risks, it is useful to assess the level of maturity of the SSN program's institutional framework, delivery mechanisms and financing arrangements (see Chart 3). Countries with established SSNs have sound delivery systems, strong institutions, and reliable financing. Countries operating at an emerging level of maturity have moved away from nascent systems, but have not yet achieved the maturity and performance of established systems. It is also important to note that a single program could have features at different levels of maturity. For instance, the institutional framework may be well established, but delivery mechanisms still rudimentary or vice versa. Additionally, a country could have a well-established cash transfer program, while in-kind transfer programs still operate at the nascent level. Applying this typology to a country's main SSNs can help countries identify barriers to effective delivery of regular SSNs and assess the utility of SSNs to support Adaptive Social Protection (ASP) objectives.

3. LAC Experiences with Using Social Safety Nets for Adaptive Social Protection Objectives

SSNs provide a range of options for post-disaster support with varied objectives. For instance, countries have used cash transfer programs for a variety of objectives, including for improving food security; temporary housing assistance and rebuilding; recovery of livelihoods and assets; and temporary employment, etc. There is a wealth of experiences in LAC of countries using their cash and in-kind SSNs to respond to the impacts of shocks and to support resilience building. Some examples of these experiences are documented below, including recent experiences from the region in response to the COVID-19 pandemic. Indeed, LAC countries responded quickly and innovatively to address welfare and income impacts resulting from this health pandemic through their SP institutions, programs, and service delivery systems. By early May, 39 LAC countries (including overseas territories) had introduced the most SSN measures to address the crisis compared to other regions, with a total of 137 SSN measures.¹

Cash Transfers:

After Hurricane Maria devastated **Dominica** in 2017, the World Food Program (WFP) and UNICEF piggybacked on the Public Assistance cash transfer program to provide a temporary Joint Emergency Cash Transfer (JECT) to existing beneficiaries and non-beneficiaries who were affected. The response was informed by a Vulnerability Needs Assessment (VNA) carried out after the hurricane. Benefits ranged from US\$50 for households with one child to US\$150 for households with three or more children. The payments were for three months, but in some cases, the benefits were delivered as a one-time payment. (UNICEF, 2018)

Jamaica provided a supplemental transfer of 2,000 Jamaican dollars (US\$28) to 90,000 beneficiaries of the PATH Conditional Cash Transfer (CCT) and 80,000 National Insurance Scheme (NIS) pensioners following Hurricane Dean in 2007 (vertical expansion), and cash grants to non-

The United Nations' Common Cash System

In December of 2018, UN Agencies issued a statement regarding the use of cash transfers for humanitarian purposes, including in the face of disasters caused by natural hazards. The statement reads that UN agencies recognize cash-based assistance as one of the most significant reforms in humanitarian assistance in recent years. UN agencies committed to using a common cash system to better serve affected populations and provide them with decision-making power. The common cash system includes a cash feasibility assessment, coordinated targeting of beneficiaries, a single transfer mechanism, joint post-distribution monitoring, and complaint and feedback mechanisms.

Source: Statement from the Principals of OCHA, UNHCR, WFP and UNICEF on Cash Assistance (2018)

beneficiaries (horizontal expansion) screened through a damage assessment process. Payments were made using PATH's payment delivery mechanism. (World Bank, 2016)

Following the September 2017 earthquakes in **Mexico**, the Government vertically and horizontally expanded the previous PROSPERA CCT program by temporarily increasing the benefit for 3.2 million existing beneficiary households and temporarily enrolling an additional 154,654 affected households in the program.² The CCT's co-responsibilities and recertification for beneficiary families were also temporarily suspended. Lessons from the response also prompted adjustments to PROSPERA's legal framework (Rules of Operations) to better define, and to broaden the scope of, the program's role in disaster response.³

Peru responded to El Niño Costero in 2017 by vertically expanding the Juntos CCT and the social pension, Pension 65, with a US\$60 benefit for all beneficiaries of both programs in emergency districts. This compares to the regular Juntos benefit of US\$30 every month and the Pension 65 benefit of US\$40 every month. An evaluation of the response found that the temporary cash transfers had a positive effect on the wellbeing of poor households affected by the disaster. (Government of Peru, 2019; World Bank, 2019)

Cash Transfer Responses to COVID-19 in LAC

(including CCTs, UCTs, cash-for-work and social pensions)

- **Vertical expansion:** Several countries have topped-up cash transfer benefits, including Anguilla, Argentina, Barbados, Belize (*planned*), Brazil, Colombia, Costa Rica, Dominican Republic, Guatemala, Jamaica, Paraguay, Trinidad and Tobago, and Uruguay.
- **Horizontal expansion:** Countries have expanded coverage of cash transfer programs in Anguilla, Brazil, Dominican Republic (DR), St Kitts and Nevis, and Trinidad and Tobago.
- **Introduction of new cash transfer (one-off or temporary):** New cash transfers have primarily been introduced to (i) support poor and vulnerable not receiving cash benefits (Belize (*planned*), Bolivia, Brazil, Costa Rica, DR, Jamaica, Montserrat, Peru, St Vincent and the Grenadines (SVG)); or (ii) informal and/or formal workers who have lost their jobs or have reduced income due to the crisis (Argentina, Bahamas, Belize, Bermuda, Brazil, Chile, Colombia, Dominica (*planned*), Ecuador, El Salvador, Jamaica, St Maarten, St Lucia, SVG, Trinidad and Tobago, and Turks and Caicos. Anguilla, Barbados, Colombia, Guatemala, Haiti, Paraguay, Peru have also introduced new cash transfers.
- **Adjusting administrative and/or delivery processes:** Countries have adjusted administrative or payment delivery processes to facilitate social distancing (Grenada, Jamaica, Trinidad and Tobago); provided advance payments of cash benefits (Brazil, Colombia, Jamaica, Mexico, Paraguay, Peru); and waived CCT conditions in Guatemala. Countries have also updated their social registries and utilized interoperability with other government administrative information systems to capture new beneficiaries for emergency cash transfers, such as the urban poor, vulnerable populations, and informal sector workers.

Source: Gentilini, U., et al. *Social Protection and Jobs Responses to COVID-19: A Real Time View of Country Measures* (World Bank)

Version 8 - May 8, 2020.

In-Kind Transfers:

Dominican Republic's Economic Kitchens (*Comedores Economicos*) delivers cooked meals at low or no cost to vulnerable persons. Their staff numbers exceed 1,600, and the program's infrastructure includes 36 kitchens established across the country, in addition to 47 mobile kitchens, that are also deployed in times of crises and emergencies. In times of emergencies, the program provides cooked meals, food items and relief packages to affected populations. The program also supports resilience through provision of nutritious meals and a nutrition intervention for children 0-5 in partnership with the World Food Program (WFP). *Comedores Economicos* is under the Presidency's office and over 10 million meals were provided in 2017. (*Comedores Economicos, 2018*)

Honduras responded to drought in the country's Dry Corridor through the country's National School Feeding Program. The program regularly distributes food to over 1.3 million school children in pre-primary and primary schools throughout the country. To respond to drought conditions, Government provided lunches to schools for around 300,000 school children procured from family farms and nutritional support to over 20,856 children under the age of five. The support helped children cope with food shortages at home. Resilience was also supported through parental education to change food consumption practices to mitigate malnutrition. (*Government of Honduras, 2019*)

Jamaica's Central Food Warehouse (CFW) facilitates pre-positioning of emergency relief by storing goods such as non-perishable food items, relief supplies, and toiletries primarily for distribution to needy victims in times of disaster and also for welfare relief on an as-needed basis. The CFW is operated and managed by the Ministry of Labor and Social Security (MLSS) in its role as the ministry responsible for coordinating relief to victims of disaster. Disaster victims in need who are identified by community responders and household assessments are provided with food packages, relief supplies, and toiletries. Lines of credit with local suppliers across the countries are also established ex-ante to facilitate rapid procurement of supplies when disasters strike. CFW also stores donated relief items and provides storage facilities to the Office of Disaster Preparedness and Emergency Management (ODPEM). The CFW therefore facilitates in-kind transfers for

In-Kind Transfer Responses to COVID-19 in LAC

- **Expansion of in-kind transfers (coverage or benefit):** Countries have scaled up provision of in-kind relief to additional categories of households and eligible groups. For instance, Jamaica is providing food and other relief items to persons in quarantine, elderly, and other vulnerable groups. Other countries that have scaled-up in-kind transfers include Antigua and Barbuda, Argentina, Dominican Republic, Montserrat, Paraguay, St Maarten, Trinidad and Tobago, and Uruguay.
- **Introduction of new in-kind benefit (one-off or temporary):** New in-kind benefits including food, utility waivers, and other in-kind relief have been introduced in Barbados, Belize, British Virgin Islands (BVI), Cayman Islands, Colombia, Costa Rica, Grenada Guatemala, Haiti, Honduras, Mexico Montserrat, St Lucia, St Kitts and Nevis and Turks and Caicos.
- **Adjusting administrative and/or delivery processes:** Countries that made in-kind delivery adjustments include, Argentina, Barbados, Belize, Bolivia, Brazil, BVI, Cayman Islands, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Jamaica, St Lucia, and St Kitts and Nevis. The most common response in this category has been adjusting delivery to continue providing school feeding during school closures. Other in-kind adjustments include easing or restricting penalties for failing to pay utilities, mortgages etc. (*Argentina, Barbados, Bolivia, and Brazil*).

Source: Gentilini, U., et al. *Social Protection and Jobs Responses to COVID-19: A Real Time View of Country Measures* (World Bank)
Version 8 - May 8, 2020.

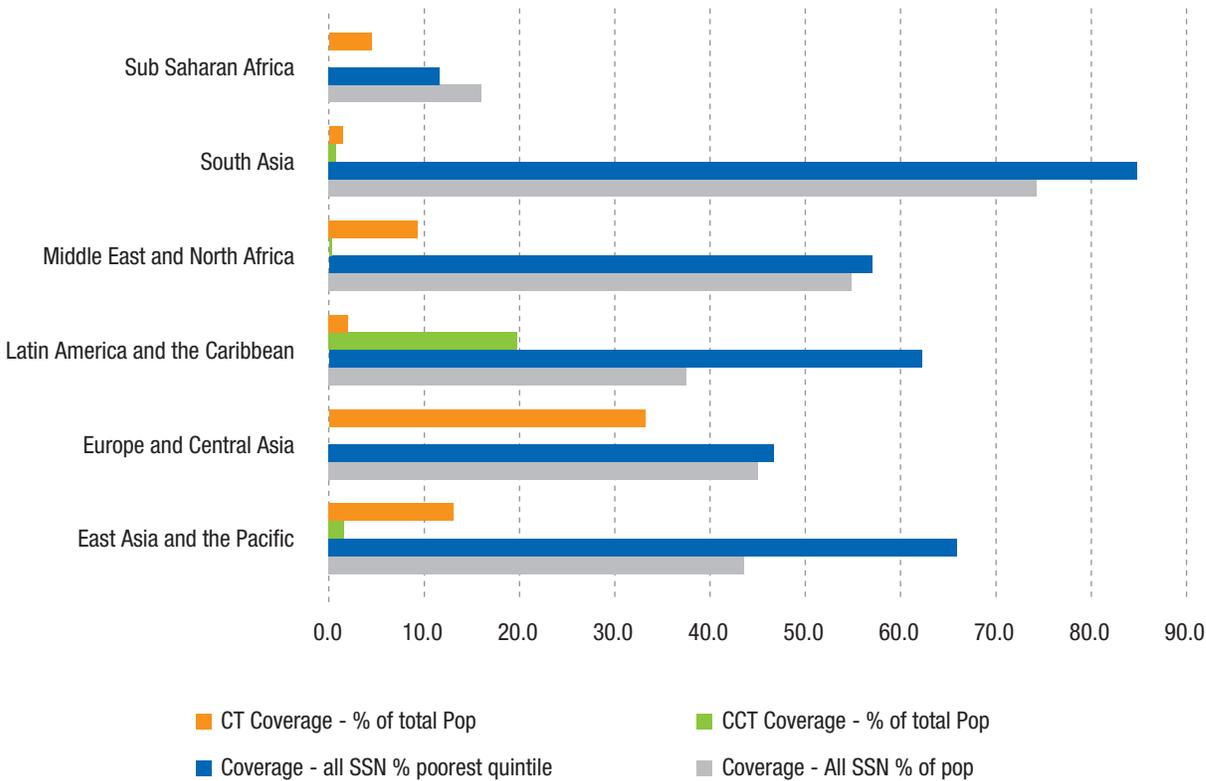
rapid emergency response through the SP system. The CFW benefits from established delivery chain business processes, and plans are in place to improve and digitize CFW's inventory management. (World Bank, 2017)

Mexico's Liconsa and Diconsa stores are critical to the Government's food security objectives.⁴ Liconsa provides milk, while Diconsa provides basic food and other items at affordable prices in rural and high poverty areas. Diconsa has 27,000 fixed and 300 mobile stores across the country, complemented by 302 rural and central warehouses, 3 bulk warehouses, and 4,000 vehicles.⁵ Government also uses the Natural Disaster Fund (FONDEN) to procure supplies to facilitate disaster response through Diconsa. (Government of Mexico)

4. Gaps in the Effective Use of Social Safety Nets for Adaptive Social Protection in LAC

- Coverage gaps and limited adequacy hinder the impact of SSNs on poverty reduction and relevance to disaster response:** Despite comparatively better spending and coverage of SSNs compared to other regions, a significant share of LAC populations and the poor do not have access to SSNs. Overall 40 percent of LAC still receive no Social Protection or Labor benefits; 37.8 percent of the poorest quintile do not receive any SSN benefit; and overall, SSNs provide support to only 37.5 percent of the population (ASPIRE). For some countries, regular benefit sizes are also low, providing limited consumption smoothing for beneficiaries. In a context where SSNs, particularly cash transfer programs, are being viewed as the primary option for rapid expansion to affected households, low coverage will only facilitate immediate expansion to a limited number of households.

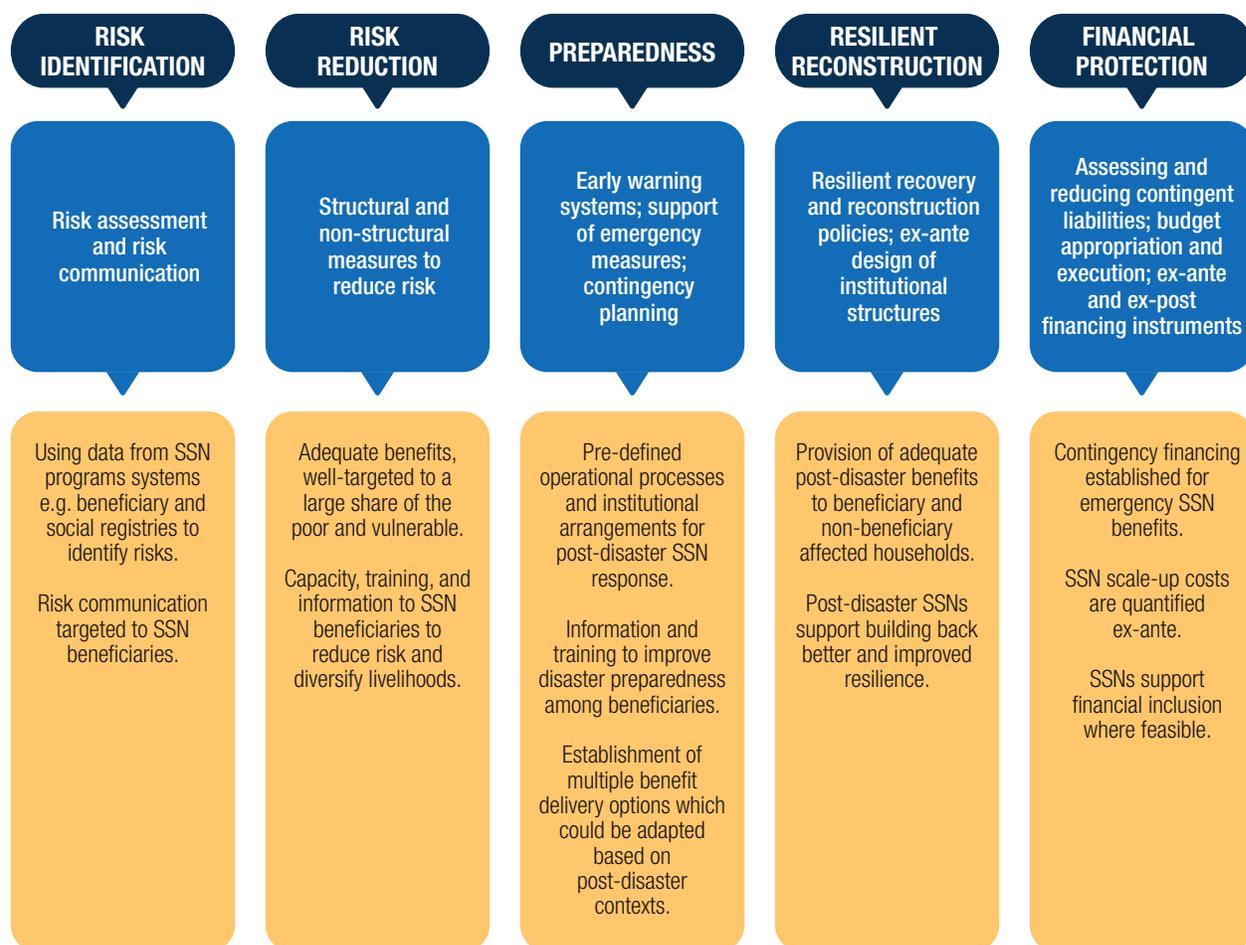
Chart 4: Coverage of Social Safety Nets and Cash Transfers by Region



Source: Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE)

- Adaptability to shocks are not generally incorporated in program rules, legal frameworks and operational processes of SSN programs:*** Not all countries in LAC have clear guiding legal frameworks or strategies governing their SSN programs nor operational manuals or processes clearly documented. Where legal frameworks and operational manuals exist, they often do not clearly define how delivery will be adjusted in times of shocks. Items that require defining in these documents include establishing rules for vertical and horizontal expansion; adjustments in programs rules and conditions during emergency periods; establishing contingency human resource arrangements and defining strategies to ensure continuity of benefits, etc. There are exceptions to these trends, for instance, the recent experience by the Government of Peru with developing an ASP Strategy. The Dominican Republic is also developing an ASP Strategy with World Bank support. Ensuring these operational processes are clearly defined ex-ante will ensure that programs have clear procedures in place to guide response in disaster contexts, which are usually complex operating environments.
- Coordination arrangements with SSN programs and other sectors critical to resilience are often weak:*** Adequate institutional arrangements for adaptive SSN programs involve many actors from across government, as well as outside of government, that are involved in resilience-building and shock response. Countries need to ensure a coherent policy environment that promotes coordination and collaboration among these actors and better enables the delivery of adaptive SSN programs. Critical to this is defining the role of SSN programs (if applicable) in coordination frameworks.
- Delivery systems are not always adaptable for efficient response:*** While many flagship SSNs have sound delivery mechanisms, delivery in some LAC countries are not always equipped for flexible and fast response in post-disaster contexts. For instance, mechanisms for targeting and identifying beneficiaries may be rigid for targeting chronic poverty and not adaptable for identifying households in situations of transient poverty. Payment mechanisms may be rudimentary or where they are advanced, may be limited to a single payment delivery mechanism which does not provide sufficient options for changing benefit delivery mechanisms if existing mechanisms are inoperable in the post-shock context.
- While financing for regular benefits is generally predictable, financing for post-disaster SSNs has often been reactionary.*** While LAC countries generally provide regular benefits from local finances through flagship SSNs, the response for disasters have often been based on ad-hoc budgetary reallocations. This despite the fact that several LAC countries are party to national and regional contingency risk financing arrangements (for instance FONDEN in Mexico, CCRIF in the Caribbean etc.). However, the use of financing from these sources are often discretionary, with no guaranteed use for SSN scale-up. Critical to financing also, is the need to quantify the potential financing needs for scale-up of SSN benefits. Ensuring clear linkages for SSN scale-up to risk financing mechanisms that can provide quick and sufficient liquidity for response and prevent disbursement-related delays in assistance is therefore critical. *More on this topic is discussed in the Guidance Note on Disaster Risk Finance for Adaptive Social Protection.*
- SSNs in LAC have been primarily used for disaster response, but stronger linkages with other Disaster Risk Management (DRM) pillars could be established:*** There have been several experiences with using cash and in-kind transfers for disaster response in LAC. Despite this, the use of these programs and their staff for other objectives such as risk reduction, risk identification, resilient recovery etc. have been limited. Examples of how SSNs can support these objectives are illustrated in Chart 5. Separate guidance notes on information systems and social work further illustrate how SP systems, processes and program staff could support improved resilience of the poor and vulnerable.

Chart 5: Contribution of SSNs programs to the DRM Pillars



Source: Authors' adaption

5. Making Safety Nets More Adaptive to Disaster Risk in LAC

LAC countries have established SSN programs that provide regular cash and in-kind benefits to a range of poor and vulnerable individuals and households. These programs have also been used to support disaster response and are key parts of Governments' agendas for improving resilience and combating poverty. Despite the myriad of experiences with using these programs to respond to shocks, there remains unlocked potential for effectively using these programs to support broader objectives of preparedness, risk reduction, resilience and recovery. The following provides brief guidance on how SSNs can be better adapted for these objectives.

- 1. Ensure effective adequacy and good coverage of regular SSNs:** Ensuring that regular benefits are adequate is essential to ensuring the programs are able to help poor and vulnerable households better smooth their consumption and by extension, be better able to cope with shocks when they occur. This also applies to in-kind transfers. For instance, ensuring that school feeding programs provides good nutritional support to boost health outcomes.

2. When shocks occur, ensure the continuation of benefit delivery: At a minimum, regular social safety net programs, particularly monthly and bi-monthly cash transfers and income support programs, should ensure the continuity of benefits immediately after a disaster. If benefit delivery is interrupted in the aftermath of a shock, these households will likely face a dual burden of destruction of their livelihoods and assets, as well as loss of their main or even only source of income. Some important considerations for ensuring the regular benefits continue to be delivered include:

- Establishing contingency benefit delivery mechanisms if needed
- Protocols for providing benefits to displaced beneficiaries
- Consider providing advance payments or benefits to beneficiaries
- Documenting these and other relevant procedures in operations manuals

3. Decide on the appropriate SSN response: The post-disaster context, costs, and urgency will determine the appropriate mechanism for deciding on the optimal type of SSN support.

Identification of the population in need: Those affected by disasters and shock events include the poor, vulnerable, and other households pushed into poverty. Depending of the scale of the crisis or shock event, the population in need of support may be broader than traditional safety net beneficiary populations. Ensuring that these populations can be identified quickly is important. These could include existing safety net beneficiaries whose data may be in beneficiary registries; poor and vulnerable households and SP program applicants captured in social registries; non-beneficiary households and individuals, whose data may be in separate administrative systems; or other vulnerable and excluded populations not registered in any government system. Mechanisms to identify these populations include post-disaster household assessments (PDHAs) which assess all households affected by a disaster event; beneficiary and social registries, other administrative systems such as tax registries, civil registries, social security systems etc. Best practices on these mechanisms such as ensuring broad coverage of social protection information systems; interoperability with other administrative databases; and design considerations for PDHAs are discussed in separate guidance notes in this series.⁶ For instance, LAC countries with the national level registries and with interoperability arrangements in place were able to provide faster SP response to the COVID-19 pandemic.

Cash vs In-Kind: There has been a recent global shift towards the use of cash transfers for providing post-disaster SSN support, while in-kind transfers are still important particularly in the immediate humanitarian response phase. Cash transfers are an appropriate disaster response if certain basic conditions necessary for implementation are in place, such as an existing program with a well-functioning delivery system (e.g. payments), and functioning markets for goods and services. Evidence regarding the impact of cash transfer programs in disaster contexts, although still thin, indicates that cash transfers help mitigate the effects of the disaster, and that households make appropriate and adequate use of post-disaster cash transfers. In general, evidence shows that households use the cash to buy food and other basic goods, as well as investing in the reconstruction of their livelihoods. Evidence also suggests cash transfers make a significant impact on household consumption, poverty, short-term malnutrition, and food security. For instance, an impact evaluation of Fiji's scale-up of the Poverty Benefit Scheme (PBS) after Tropical Cyclone Winston, found that PBS beneficiaries were more likely to have recovered from the event than comparable households who did not receive additional assistance. This includes recovering from sickness or injury, repairing dwellings and fixing damage to agricultural land, replenishing food stocks, and repairing village infrastructure (Ivaschenko et al, 2017). In Kenya, the Hunger Safety Net Program (HSNP) prevented a 5 percent increase in poverty among beneficiaries following the

2011 drought (Hallegatte et al 2016). To decide if cash transfers are an appropriate response, governments should first conduct a cash feasibility assessment. The assessment should shed light on the capacity of the implementation agency to effectively implement the cash program, particularly if the disaster is large-scale.

Options for Expansion: Policy makers will need to decide who can be provided post-disaster SSN benefits depending on the scale and impacts of a disaster; sources of financing; and delivery context. There are various options available for providing scaled-up SSN support, which could be provided through domestic financing sources, humanitarian sources or a combination of both. Five critical options for expansion and appropriate conditions for their use are outlined in Table 1 below. These include vertically expanding benefit size or duration to existing beneficiaries; horizontally expanding to provide benefits through an existing SSN to non-beneficiaries who were affected by the shock; enabling external agencies such as humanitarian agencies to piggyback on the delivery mechanisms of an existing SSN to deliver benefits; or, introducing a standalone emergency SSN to provide temporary support to affected households (including existing SSN beneficiaries and non-beneficiaries). Where coverage of the safety net is high, vertical expansion provides some comfort that a large segment of the most vulnerable households in the affected area can be provided a temporary benefit. Where coverage is low, horizontal expansion, piggybacking or emergency programming become even more critical.

Table 1: Post-Disaster Expansion Options for SSNs

<p>Design Tweaks</p> 	<p>Adjusting program design of regular programs to adapt to post-shock contexts</p> <p>Ensuring flexibility in delivery and program rules to adapt to post-shock contexts, including but not limited to:</p> <ul style="list-style-type: none"> - Multiple benefit delivery options which can be chosen from depending on the post-shock delivery environment - Processes to waive program rules – e.g. CCT conditions; delaying recertification requirements etc. - Clear communications on the program adjustments and their temporality <p>This method has been used in LAC by Mexico and Trinidad and Tobago</p>
<p>Vertical Expansion</p> 	<p>Increasing the value or duration of benefits for existing beneficiaries</p> <ul style="list-style-type: none"> - Good coverage enables rapid provision of support to affected beneficiaries - Functioning benefit delivery mechanisms and alternative benefit delivery mechanisms are important - Mechanisms to deliver benefits to displaced beneficiaries - Set metrics to determine appropriate amounts and duration of the benefit - Clear communications on the temporality of benefits <p>This method has been used in LAC by Brazil, Chile, Dominica, Honduras, Jamaica, Peru, Mexico etc.</p>

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Horizontal Expansion

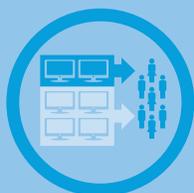


Providing benefits to affected non-beneficiary households or individuals

- Functioning benefit delivery mechanisms which can be applied to a new cohort of beneficiaries
- Clear criteria to determine who will be eligible for support and mechanisms to identify and include them
- Processes to rapidly deliver benefits to this new cohort of beneficiaries
- Set metrics to determine appropriate amounts and duration of the benefit
- Clear communications on the temporality of benefits and exit

This method has been used in LAC by Chile, Colombia, Dominica, El Salvador, Guatemala, Jamaica, Mexico and Nicaragua

Piggybacking



Use of an existing program's infrastructure by an external agency to deliver post-disaster SSN benefits

- Functioning program, optimally with good coverage and sound benefit delivery mechanisms in place
- Inter-institutional arrangements established or pre-defined, to govern use of the program's delivery mechanisms by external agencies
- Set metrics to determine appropriate amounts and duration of the benefit
- Defined exit strategy to de-link the support once the piggybacked support has ended
- Clear communications on the what is being provided, by whom, and which agencies are ultimately responsible

This method has been used in Dominica, Haiti, Honduras, and Nicaragua

Emergency Programming



Introduction of a separate emergency SSN program to provide support to affected households and/or individuals.

- Clearly predefined design and operational processes for the emergency SSN
- Clear eligibility criteria and objectives for the emergency benefit
- Set metrics to determine appropriate amounts and duration of the benefit
- Processes to rapidly deliver benefits to beneficiaries
- Clear communications on the temporality of benefits and exit

This method has been used in LAC by Brazil, Chile, Colombia, Dominica, Ecuador, El Salvador, Guatemala, Jamaica, St Maarten, Mexico, Nicaragua, St Vincent and the Grenadines, and Trinidad and Tobago.

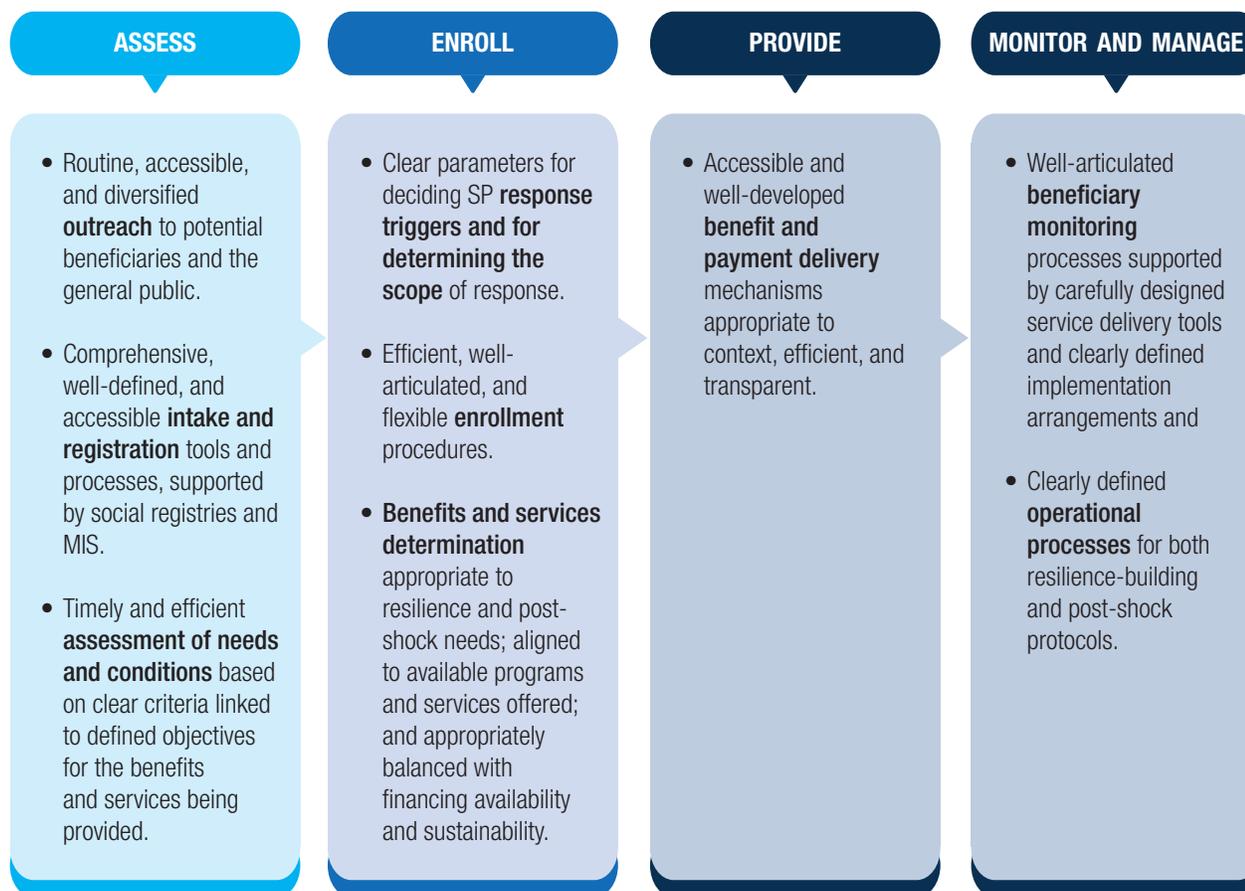
Source: Adapted from Oxford Policy Management, 2016; Authors.

Transfer Considerations: Delivering emergency benefits is not a panacea. If the support provided is not adequate to address the impacts of the event on vulnerability and poverty, it will not facilitate meaningful recovery. There are several important considerations for deciding the appropriate transfer or benefit to be provided, mostly dictated by financing availability.

- **Determine an adequate and appropriate transfer amount or benefit level:** Transfer amounts can directly affect expenditure decisions, behavioral decisions, labor market participation, and school and health service use. It is therefore critical to ensure that the benefit amount established is appropriate to context and that the objective of the transfer is adequate enough to support recovery objectives. Evidence from Sub-Saharan Africa has shown that programs including transfers amounting to over 20 percent of per capita income produce more significant results.
- **Duration and timing of the transfer:** Post-disaster benefits and transfers should ideally be delivered in a timely manner to limit negative coping among affected households. If transfers have specific objectives, they should also be provided within a suitable time frame to facilitate resilient recovery. For instance, if a cash transfer to provide temporary rent support is delivered months after an event, there is a risk that affected households may use negative and harmful methods to secure temporary dwelling. Evidence emerging from evaluations of cash transfer programs also indicate that longer duration of transfers, facilitates improvements in health behaviors, child growth outcomes, higher food expenditure, lower likelihood of early marriage and pregnancy.
- **Frequency of the Transfer:** How often transfers are provided are also important. As a reference, more frequent transfers facilitate consumption smoothing and spending on smaller assets, while less frequent lump-sum payments tend to be associated with increased productive investment. The objective of the benefit provided will help establish the appropriate frequency of the transfer.

4. Adapt SSN delivery processes for post-disaster contexts and improve efficiency of delivery where gaps exist: Post-disaster contexts include situations with limited communications, lack of accessibility, human resource constraints and trauma among beneficiaries, affected populations and program staff. These contexts therefore require nuanced approaches to delivery and adaptations of operational processes. Chart 6 provides some examples of how the delivery chain for SSNs could be adapted to post-disaster contexts. Additionally, if delivery is inefficient for regular program delivery, it will be of limited utility to post disaster response. Improving the efficiency of delivery where gaps exist is also therefore critical to adaptive SSNs.

Chart 6: Delivery Processes for Adaptive SSNs



Source: Adapted from the Sourcebook on the Foundations of Social Protection Delivery Systems. Lindert, K. et al. (forthcoming) World Bank.

5. Improve linkages between the SSN to risk reduction and resilience: Ensuring that SSNs are able to rapidly support emergency response is important, but without strong links to risk reduction and resilience building, the burden on the safety net in post-disaster contexts will be even more severe. In LAC countries, and elsewhere, beneficiaries of SSNs are often those most vulnerable to the impacts of disasters and other covariate shocks. At the same time, SSN programs and their staff are often the agencies that have the most frequent interaction with these individuals and households. Better using the staffing arrangements, program processes and delivery mechanisms of SSN programs to support resilience will therefore help ensure strong contributions to these objectives. Examples include, inter-alia:

- Using beneficiary training or workshops to improve understanding of disaster preparedness;
- Facilitating training and capacity building to diversify livelihoods;
- Providing referrals for support in other sectors to improve resilience (for instance support to improve resilient housing, agriculture grants etc.)
- Supporting financial inclusion and savings where feasible.

6. Improve financing arrangements for emergency SSN response: Finally, it is critical to ensure that contingency financing is quantified and established for continuity of SSN benefits and expansion. Options for improving financing arrangements for adaptive SSNs are discussed in a separate guidance note in this series.

6. Final Messages

LAC countries are pioneers and global leaders in implementing social safety net programs, with comparatively higher SSN spending and coverage. SSNs in LAC, particularly cash transfer programs, also benefit from well-established delivery systems and processes for improved functioning. Despite this, there remain gaps to effectively using SSNs in LAC for poverty reduction and consumption smoothing, with lingering coverage gaps, inadequate benefits, rudimentary delivery, and weak links to resilience building in some countries. Strengthening the use of SSNs to address disaster risk, requires addressing gaps to regular delivery and improving the preparedness and responsiveness of SSNs to respond in times of shocks. This note has provided several recommendations for strengthening the use of SSNs to more effectively help households and individuals adapt, prepare for, and cope with the impact of shocks. Finally, given that SSNs in LAC countries operate at varied levels of maturity, this paper recommends that countries with nascent SSN systems should prioritize expanding coverage of flagship safety net programs and shift from rudimentary to more modern and efficient delivery mechanisms. This will ensure improved outcomes from regular delivery and provide a solid base for vertical expansion and piggybacking. Countries with emerging SSN systems should prioritize closing the lingering gaps to effective performance where they exist and strengthen inter-institutional arrangements across sectors for better coordinated safety net response. These countries should also scale-up efforts to better link the safety net to resilience, productive and financial inclusion. Finally, countries with established SSN systems should ensure that sound contingency mechanisms, coordination arrangements, and contingency financing are in place for post-disaster SSN benefits. These countries ideally should have in place multiple options for post-disaster SSN response that can be deployed depending on impact, need, capacity and financing, including multiple accompanying benefit delivery options. Potential costs for post-disaster SSNs in these contexts should be quantified ex-ante to inform contingency financing for the emergency SSN benefits. Information systems and delivery mechanisms for SSNs in these countries can also contribute to response efforts by other Government sectors and external humanitarian agencies if needed.

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Endnotes

- 1 Gentilini, U., et al. May 8, 2020. *Social Protection and Jobs Responses to COVID-19: A Real Time View of Country Measures - Version 8* (World Bank).
- 2 Martinez, U. 2018. Cash Transfers for Disaster Response. (World Bank)
- 3 *Natural Disasters and Climate Change in Mexico Natural Disasters*. Presentation by Julio Manuel Valera Piedras, Director General of Outreach and Operations, PROSPERA, Mexico at the World Bank's South-South Learning Forum, Frankfurt Germany, 2017.
- 4 Liconsa and Diconsa were previously under the purview of Ministry of Social Development but are currently under the purview of Ministry of Agriculture. However, they continue to function as before.
- 5 <https://www.gob.mx/diconsa/que-hacemos>
- 6 Please refer to the following accompanying guidance notes: '*Making Social Protection Information Systems Adaptive*' and '*Post-Disaster Household Assessments (PDHAs) and Eligibility Determination for Post-Disaster Social Protection Benefits*'

