

Highlight

Developing and strengthening social protection systems is at the core of the UNICEF Social Protection Strategic Framework and World Bank Social Protection and Labor Strategy. This note outlines common ground in this commitment and calls on other stakeholders to engage collaboratively in the systems agenda.

Common Ground

UNICEF and World Bank Approaches to Building Social Protection Systems¹

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Key Messages

- Developing and strengthening social protection systems is at the core of the UNICEF Social Protection Strategic Framework and World Bank Social Protection and Labor Strategy. This note outlines common ground in this commitment and calls on other stakeholders to engage collaboratively in the systems agenda.
- Social protection systems provide a coordinated portfolio of interventions to address different dimensions of poverty and deprivation, aiming to reduce vulnerability across the life-cycle and ensure cumulative benefits across generations.
- There are numerous challenges, risks and costs involved in taking a systems approach, including challenges of political economy and differing donor views and practice, the risks of excessive centralization, and potential costs of transactions and limited transparency.
- The movement towards more integrated systems is a gradual and contextual process. In operationalizing this agenda, it is useful to consider different levels of systems coordination: policy, program, and administrative.
- There is no one-size-fits-all in terms of operationalization of systems. Pathways will differ according to country contexts, capacity, and needs; and approaches need to be country-led.
- UNICEF and the World Bank acknowledge the critical importance of donor coordination, and call for partner agencies to be part of the solution in order to:
 - Work together to present coherent support to countries;
 - Maximize synergies and common agendas, recognizing different organizations' value-added;
 - Jointly support sustainable, scalable, evidence-based interventions;
 - Enhance and share analytical work on systems development;
 - Promote South-South learning and cooperation for knowledge sharing and capacity building.



THE WORLD BANK

The recently released UNICEF Social Protection Strategic Framework and the World Bank Social Protection and Labor strategy call for taking a systems approach to social protection as a way to help countries, communities, families and children enhance resilience, equity and opportunity.

This note outlines common ground in the World Bank and UNICEF approaches to building social protection systems, using a focus on children to illustrate the premise and promise of a systems approach. It is part of a broader commitment by both agencies to increase collaboration across different stakeholders—governments, development partners, and others—in developing and strengthening social protection systems and expanding their coverage.

The rationale for a systems approach to social protection

Central to a systems approach is a focus on coordination and harmonization in order to address the fragmentation that limits the effectiveness and impact of social protection policies and programs. Although much of the systems discussion is currently based more on theoretical grounds than on empirical evidence, there are, in principle, a number of benefits to moving toward a systems-oriented approach to social protection.

What are the goals of a systems approach? A systems approach to social protection aims to provide a coordinated and harmonized response to the multi-dimensional vulnerabilities across a life cycle. Such an approach has the potential to **build resilience, enhance equity and coverage** by addressing heterogeneous needs, as well as to **promote opportunity** by building and protecting human capital, skills, and productivity. In addition to contributing to these goals, a systems approach also aims to improve the efficiency and sustainability of social protection programs.

What is meant by a systems approach? Adopting a systems approach in social protection may take different forms and pathways. In general terms, it comprises a portfolio of interventions, which address social and economic vulnerabilities using both short-term interventions to address temporary shocks and longer-term approaches to address structural vulnerabilities and chronic poverty. Systems should be grounded in established institutional arrangements, with clear assignment of responsibilities and use of common administrative tools in order to provide channels for effective cross-program management. As social protection systems evolve, the development of multi-sector approaches and coordination can also increasingly address multiple and compounding risks and vulnerabilities. Social protection systems aim to be synchronized across a network of interventions and policies, equitable in the distribution of resources, and transparent and accountable in their governance.

Risks, challenges, and costs

Although a systems approach has potential benefits, it may also involve a number of risks, challenges, and costs. At the forefront of challenges are political economy issues that can make it difficult to move toward increased coordination, even where a strong mandate exists. Before investing financial and institutional resources along with political capital, it is important to take into account the political and institutional factors that need to be aligned for such an effort to be successful and sustainable in any given country. Donors often play a role in supporting or undermining a coherent policy environment. Institutional capacity and country characteristics are also critical, highlighting the need for approaches to be tailored to national contexts.

There are also risks to a systems approach. Excessive centralization can lead to errors being propagated across programs that have common points of entry, and risks stifling creativity and responsiveness. There may also be fewer checks and balances, as well as information asymmetries.

Finally, there are costs to coordination, notably transaction costs to managing complex cross-program arrangements. There may also be costs and tradeoffs involved if systems crowd out effective private and informal arrangements. Many of these risks, however, can be minimized through careful design and clear understanding of country context.

A child lens for social protection systems

The rationale for a systems approach is further enhanced when assessed through a child lens. A systems approach is particularly relevant for children, given the need for a set of multi-sector interventions to address the evolving, compounding and multiple dimensions of child poverty, deprivation, and exclusion across the life cycle.

Providing a set of coordinated interventions, social protection systems are well suited to respond to the dynamic nature of risk and vulnerability faced by children which is compounded over time if not addressed. Social protection can serve as an effective catalyst for a range of multi-sector investments needed to address children's multiple needs, including investments in child protection, education, cognitive development, nutrition and health. A systems approach also speaks to the flexibility needed to respond during critical periods in a child's development, and to the need to invest early to gain efficiencies given that early childhood investments generate high rates of return.

A systems approach also supports the establishment of cohesive national mandates to coordinate the range of actors and interventions necessary to secure effective investments in

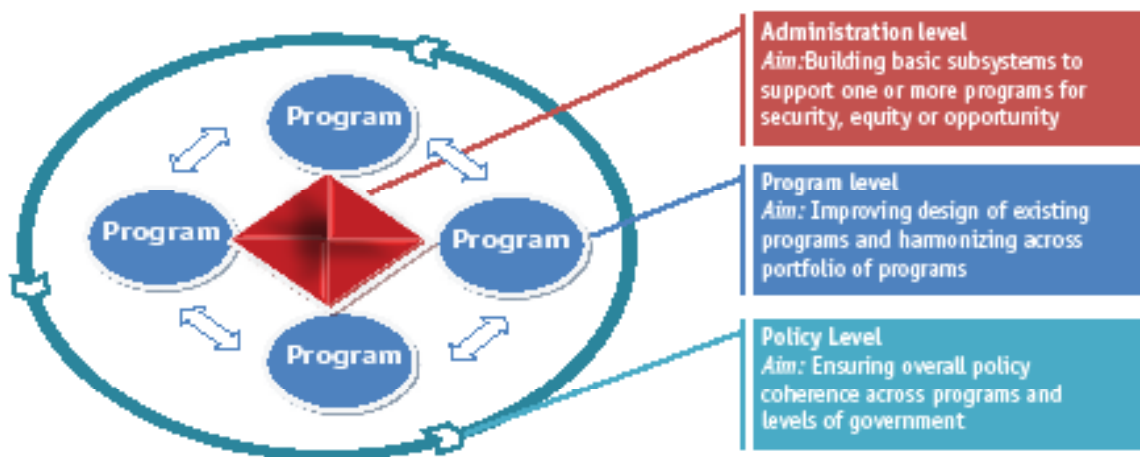
children and generate the associated public goods. Furthermore, the foundations of equity and equality of opportunity are established during childhood and can be strengthened by social protection systems that help ensure access to critical investments among children from low-income settings or socially excluded populations. Finally, a systems approach provides responses that recognize the intergenerational and compounding nature of vulnerabilities, as children do not

only experience age-specific deprivations but also share those that affect their families and communities.

In sum, social protection systems ensure that individual instruments interact with and support one another in reducing vulnerability across the life-cycle. This is important for managing risk effectively, expanding coverage, and providing predictable benefits.

Operationalizing a systems approach to social protection

Figure 1: Three Levels of a Social Protection System



Source: Robalino, Rawlings, and Walker (2012)

Beyond the theory and rationale for moving toward a systems approach to social protection, there is a need to collaborate on supporting operational aspects. The movement towards a more integrated system is a gradual process and it is necessary to consider different levels: policy, program, and administrative levels.²

The policy level defines a long-term vision and ensures policy coherence within social protection and in relation to broader objectives. This is the highest and most strategic level of engagement. It is here that the objectives and functions of social protection systems are defined in the context of national goals and priorities, and assessed given fiscal and administrative capacity.

The program level is focused on integrating, harmonizing, or coordinating programs. This second level of engagement is driven by initiatives aiming to improve the performance of programs within a given function (such as child protection) or to enhance coordination across programs to better exploit interactions (such as training policies to build skills and move young people from assistance into more productive opportunities).

The administrative level focuses on developing the “nuts and bolts” tools that facilitate the core business processes of social protection programs. These include, for instance, beneficiary identification systems and registries, targeting schemes, monitoring and evaluation arrangements, and contracting and payment arrangements for providers. The setup of these tools or building blocks can serve as an entry point for the operationalization of social protection systems.

Social protection systems must also be developed relative to the existence of other programs and policies, notably in the social sectors to effectively address multidimensional vulnerabilities. In addition, multi-sector (horizontal) coordination often also involves ensuring that social protection is coupled with effective supply-side investments in health, education, child protection, and nutrition, to achieve its objectives.

When properly coordinated, social protection can serve as a catalyst for expanding access to services and thus contribute to enhance equitable sector outcomes. There is also a need to consider how to best approach vertical coordination across national and local government stakeholders, as well as other existing arrangements, including private and non-formal arrangements such as community-based groups.

Pathways toward building stronger systems

Social protection systems will take many forms, with portfolios of programs tailored to the demands of different country contexts. There is no one-size-fits-all approach. Instead policies, programs, and administrative systems will need to be adapted to countries' different institutional contexts and to the demands of particular regions and groups within countries. Initial conditions set the context for how pathways can evolve and there is much to be learned from knowledge sharing across countries in setting goals and managing transitions toward stronger systems.

Regardless of country context, there are a number of areas to consider in building stronger and more effective systems including the importance of institutional capacity, financial resources, and political leadership. These need to be assessed and solutions tailored accordingly.

Furthermore, there is also a need for analytical work, both to better understand the need for social protection and to shape effective responses to risk and vulnerability. On the demand side, continued improvements are needed to assess the dynamics of risk and vulnerability. This calls not only for understanding micro-determinants of households and community resilience, but also for better knowledge of how these are driven by macro elements including climate change and economic shocks such as volatility in food and fuel prices.

The World Bank, UNICEF, national government agencies, and many others are investing in assessment tools to inform the design, performance, and impacts of a systems approach. This includes developing a new approach to program evaluation to focus on assessing initiatives that aim to merge, bridge, or coordinate programs. It also calls for monitoring-based inventories of the performance of existing social protection interventions, as well as modeling tools to understand the impacts of different reform options. Each of these analytical tools calls for improving the availability, quality, and use of micro-data; notably from household surveys, administrative records, and evaluations. In most countries today, these data are of poor quality and often not produced regularly enough to serve as useful sources of information for informing policy and program decisions.

Looking forward

This note presents an initial discussion on the common understanding behind the development and strengthening of social protection systems—a focus that is needed to address existing fragmentation and limited coverage problems across regions. At the core of UNICEF's and the World Bank's recently released strategies is a call to focus on integrated social protection systems as a promising approach to addressing the multiple and compounding vulnerabilities of children, families, and communities.

UNICEF and the World Bank are committed to contributing to the emerging global social protection agenda, working in partnership with each other and different stakeholders—government, partner agencies, civil society—to help build nationally led social protection systems. Given the multi-sectoral nature of social protection and the existing fragmentation in approaches, these partnerships are essential in supporting the development and strengthening of social protection systems.

In this process, UNICEF and the World Bank acknowledge the critical importance of donor coordination, and call for partner agencies to be part of the solution: working together to present coherent support to countries; maximizing synergies and common agendas while recognizing the value-added of different organizations; aiming at sustainable and scalable interventions; enhancing analytical work to further the understanding of systems development; promoting South-South learning and cooperation for knowledge sharing and capacity building at all levels and thus address/surpass the inherent institutional and financial challenges countries face when harmonizing systems.

¹This note was prepared by Laura Rawlings at the Human Development Network, World Bank, and Sheila Murthy and Natalia Winder at the Social Policy and Economic Analysis Unit, UNICEF. The authors would like to thank Ifath Sharif, Qaiser Khan, Cem Mete, Mattias Lundberg and Anush Bezhanyan at the World Bank; and Jeffrey O'Malley, Jennifer Yablonski, Gaspar Fajth, Mariana Stirbu, Roberto Benes, Qimti Paienjton, Enrique Delamonica, and Rachel Yates at UNICEF; for their valuable insights and review.

²See Robalino, D., L. Rawlings, and I. Walker, "Building Social Protection and Labor Systems: Concepts and Operational Implications", Background paper for the World Bank 2012-2022 Social Protection and Labor Strategy, Social Protection and Labor Discussion Paper Series No. 1202, World Bank, March 2012.

