Strengthening Social Protection for Disaster Resilience in Latin America and the Caribbean

Framing the Issues

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Presentation Overview

1. Shocks and their impacts
2. Developments in Social Protection
3. Roadmap toward more Adaptive Social Protection
1. Shocks and their impacts
We see sustained poverty reduction on aggregate.
But shocks hinder the ability of the poor to escape poverty

Source: Baez et al, Figure 4.1
Shocks are a frequent reality, and can impair progress.
Global Changes can Intensify Effects of Shocks

URBANIZATION

GLOBALIZATION

CLIMATE CHANGE
Severe Weather Shocks Grow more Frequent and Extreme

- An increase in the annual frequency of adverse natural events globally by 250%
- The number of affected people globally has increased by 185%.
- On average, disasters have impacted 140 million people annually during the last decade.
- The economic losses associated with disasters estimated to be around US$70.3 billion in 2015*
Several Types of Natural Disasters Are Geographically Clustered in Latin America and the Caribbean


Baez et al, 2017
With high costs for LAC...

- **Peru – El Nino Floods, 2017**: Over 164 dead and US$9 billion needed for recovery
- **Mexico - Earthquakes, Hurricanes, and Tropical Storms, 2017**: 471 fatalities; more than 12 million people affected and US$2.5 billion in damage and losses.
- **Dominica - Hurricane Maria, 2017**: 259% of GDP in damages and losses
- **Central America**: An increase in hurricane intensity causes GDP losses between 0.9-1.6% of GDP and increases extreme poverty by 1.5%
- **Caribbean**: At least one Caribbean country expected to be hit by a major hurricane every year
How do shocks affect households?

- Disproportionate impact on the poor
  - Fragile dwellings
  - Vulnerable livelihoods and assets
  - Subsistence consumption
- Pushing non-vulnerable and non-poor into poverty
- Long-term negative impacts on human development outcomes
- Significant impacts on children – nutrition, early childhood development, education
Shocks affect the Poor More Often

Incidence of shocks by quintile, Peru

Incidence of shocks by quintile in Colombia
And the poor lose more of their assets when hit by a disaster.
Disasters cause important losses in welfare

• Ecuadorian children affected by 97-98 El Nino floods while in utero were shorter and had lower cognitive test scores 7 years later (Rosales 2014)

• Nicaraguan children affected by Hurricane Mitch in 1998, one of the most powerful hurricanes in the tropical Atlantic basin in the 20th century, were four times more likely to become undernourished in the aftermath of the disaster (Báez and Santos 2007).

• School attendance fell by almost 7 percent among children in households that were more heavily hit by two consecutive earthquakes that struck El Salvador in 2001 (Santos 2007).

• In Guatemala, Storm Stan increased the probability of child labor by more than 7 percent in areas hit by the storm (Bustelo 2011)
Adaptive Social Protection: The Goal

1. BUILD HOUSEHOLD RESILIENCE, EX ANTE

2. RESPONSE: PROTECT WELLBEING, EX POST

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2. Developments in Social Protection
Social Protection

Resilience

Equity

Opportunity

- Social Safety Nets
- Labor and Jobs
- Social Insurance
- Social Services
- Delivery Systems

Programs/Systems

Cash Transfers
- Public Works
- School Feeding
- Productive Inclusion
- Skills Building
- Job Search
- Health Insurance
- Pensions
- Unemployment Insurance

Latin America and the Caribbean Forum:
Strengthening Social Protection for Disaster Resilience
An Expanding Global Social Protection Footprint

Number of new cash transfer programs launched in Africa
Social Assistance in LAC: A Diverse Set of Programs
A Strong Record of SP in LAC: Coverage and Spending

Coverage of Social Protection and Labor

Latin America and the Caribbean (n = 20)
Europe and Central Asia (n = 27)
East Asia and Pacific (n = 45)
Middle East and North Africa (n = 7)
Sub Saharan Africa (n = 31)
South Asia (n = 7)
World (n = 124)

Social Assistance Spending - % of GDP

Latin America and the Caribbean (n = 18)
Europe and Central Asia (n = 45)
Sub Saharan Africa (n = 17)
East Asia and Pacific (n = 10)
Middle East and North Africa (n = 7)
South Asia (n = 7)
World (n = 124)

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A Strong Record of SP in LAC:
Established Social Registries in Several Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Coverage (Red)</th>
<th>Coverage (Blue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan NSER</td>
<td>87%</td>
<td>87%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Philippines Lita nanan</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Chile RSH</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Colombia SIBBEN</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Turkey ISAS</td>
<td>50%</td>
<td>40%</td>
</tr>
<tr>
<td>Mexico SIFOEZ</td>
<td>42%</td>
<td>40%</td>
</tr>
<tr>
<td>Brazil Cadastro Unico</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Indonesia UDB</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Georgia TSA Registry</td>
<td>36%</td>
<td>30%</td>
</tr>
<tr>
<td>Montenegro SWIS</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Senegal RNU</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Yemen SWF Registry</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Djibouti RUSI</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Macedonia CMBIS</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Mauritius SRM</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Azerbaijan VEMTAS</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>China Dibao Registry</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Sierra Leone SPRINT</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Mali RSI</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Leite

The chart shows the percentage of the population included in the social registry, circa 2015-2017. The red bars represent primarily on-demand registration systems, while the blue bars indicate en masse registration waves (census sweeps). Colombia uses both methods.
Recent Interest in Resilience through Productive Inclusion

• Targets the extreme poor
• Package of interventions
• Promotes sustainable exit from poverty
• Encouraging evidence of impacts emerging
Productive Inclusion: small but growing

What is the scale of the graduation approach?

- Reach to date:
  - 3.1 million households
  - 14 million people

- Reach by 2030 (current projections):
  - 12.3 million households
  - 53.5 million people

99 programs across 43 countries

Countries with government engagement
Countries with no government engagement
Interest in Resilience
the new Disaster Risk Management – SP collaborations

• An increasing list of countries taking action of many sorts.
• A great deal of S-S learning
• In support the World Bank is supporting countries, learning and knowledge
BUT – Gaps remain for SP to effectively support DRM objectives

- Coverage gaps
- Rigid delivery systems
- Difficult operating environments
- Low institutional capacity
- Limited links to resilience building
- Information constraints – beyond poverty
- High fiscal burden
- Weak inter-sector coordination

SP for chronic poverty

Adaptive SP
3. Roadmap toward more Adaptive Social Protection
Roadmap toward more Adaptive Social Protection

GOVERNMENT LEADERSHIP

DEFINING INSTITUTIONAL ARRANGEMENTS
Within and across government
With non-government partners

ADAPTIVE INSTRUMENTS

EXTERNAL

INTERNAL

ADAPTIVE INFORMATION
ADAPTIVE PROGRAMS
ADAPTIVE FINANCE

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More Adaptive Social Protection Instruments

Adaptive information: understanding risk and vulnerability

DATA AND ANALYSIS
- Poverty analysis
- Risk profiling and forecasting
- Household vulnerability analysis

OPERATIONAL INFORMATION SYSTEMS
- Social registry
- Containing or linked to spatial data, vulnerability data, Early Warning Systems
A More Adaptive Social Protection Instruments

Adaptive Programs: building resilience, responsive to changed needs

△ Dynamic Delivery Chain
- Appropriate range/mix of programs
- Strategies for rapid assessment and enrolment
- Flexible program rules and procedures
- Defining triggers and setting criteria in advance
- Flexibility in benefits package
- Robust processes and systems for post shock implementation
SP-Related Benefits, Services, and Actors Across the Disaster Continuum

As quoted in Shockwaves, 2016
Adaptive Finance: accessible financing to cover anticipated costs

- Multiyear allocation for SP programming
- Post shock financing strategy in place
- Reserve fund
- Contingent credit
- Insurance
- Budget reallocation
- Donor finance
- Humanitarian resources
Defining Institutional Arrangements

A multitude of actors: planning and coordination

“INTERNAL” INSTITUTIONAL ARRANGEMENTS (GOVERNMENT)

“EXTERNAL” INSTITUTIONAL ARRANGEMENTS (NON-GOVERNMENT)

Partner coordination: with humanitarian and donor agencies

Horizontal coordination: Across line departments

Vertical coordination: From central, regional and local levels

INSTITUTIONAL CAPACITY SCALE – INTERNAL VS. EXTERNAL

HIGHER CAPACITY COUNTRIES
(predominantly internal)

LOWER CAPACITY COUNTRIES
(predominantly external)
Defining Institutional Arrangements

A MULTITUDE OF ACTORS – THE CASE OF DOMINICA HURRICANE MARIA

Internal
- Office of the Prime Minister
- Central Government
- Local Government Councils

Across Sectors
- Ministry of Finance
- Ministry of Social Services
- Ministry of Health
- Ministry of Commerce
- Ministry of Public Works
- Ministry of Housing
- National Emergency Management Office
- Ministry of Agriculture
- Ministry of Tourism
- Ministry of National Security

External
- UN OCHA, UNDP, PAHO
- UNICEF, WFP, FAO, IOM
- World Bank, Caribbean Dev. Bank,
- DFID, IsraAID, Venezuela, USAID, ECHO (EU)
- Red Cross, Engineers Without Borders, Food for the Poor, Samaritans Purse
- Clinton Foundation, Digicel, Diaspora etc.

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Defining Institutional Arrangements

Outsourced or internalized adaptive building blocks?

COUNTRY A.

- INFORMATION
- DELIVERY PROCESSES
- FINANCE

COUNTRY B.

- INFORMATION
- DELIVERY PROCESSES
- FINANCE
Government Leadership

- Own risks;
- Set objectives;
- Define national strategy(-ies) and legislation;
- Establish the agenda for external actors and partners;
- Address political economy.

INVESTING IN A MORE ADAPTIVE SOCIAL PROTECTION SYSTEM

DEFINING INSTITUTIONAL ARRANGEMENTS

INTERNAL

EXTERNAL

ADAPTIVE INFORMATION

ADAPTIVE PROGRAMS

ADAPTIVE FINANCE

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ASP Across the Disaster Continuum

**Social Protection activities**

**Risk Reduction & Readiness**
- Address coverage gaps
- Build household resilience
- Prepare SP Systems – registries, MIS, payments etc.
- Establish post-disaster program protocols
- Identify financing mechanisms for scale-up

**Response**
- Assess risks and vulnerabilities
- Trigger emergency protocols for programs
- Provide emergency safety nets and humanitarian aid
- Provide shelter support
- Provide psychosocial support

**Short-Medium Term Recovery**
- Resume regular program operations
- Begin phasing-out of temporary beneficiaries
- Provide referrals for related recovery support (agriculture, housing, etc)
- Accompaniment and case management to affected households in need of additional support

**Long Term Recovery and Reconstruction**
- Resume regular program operations
- Phase out temporary beneficiaries
- Continue referrals for recovery support
- Continue to build resilience of the poor and vulnerable
- Improve program and system design based on lessons learned

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**Focus**

- Normal activities

**Emergency Response & Relief**
- Ceased or changed

**Restoration – Repair – Replacement – Improvement**
- Returned & functioning
- Returned & functioning at pre-disaster levels or greater
- Improved & developed
Learning from LAC – ASP in Action and Beyond

- Using SP information tools to support risk assessment and response in the Dominican Republic and Chile
- El Salvador and Ecuador’s Emergency Cash Transfers
- Productive inclusion in Colombia and Peru
- Building resilience through in-kind transfers and social services in Honduras and Jamaica
- Using risk financing to support adaptive social protection in Mexico and the Caribbean
- Government leadership, policy and coordination of ASP in Peru, Colombia, Guatemala, St Lucia, and Trinidad and Tobago.
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THANK YOU!
Gains from building back stronger, better, faster, and more inclusively would be large

- If successfully achieved, building back stronger, faster, and more inclusively would reduce global well-being losses by 31.2% (from US$555 billion to US$382 billion).
- Reductions in well-being losses in LAC countries range from 78% in Antigua and Barbuda, 72% in Guatemala, 61% in Peru, and 38% in Jamaica.