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UNDERSTANDING RISK
GLOBAL FORUM 2024

TRADITION • INNOVATION • RESILIENCE

Innovative Approaches to Building
Adaptive Social Protection Systems for
Disaster Risk Reduction
Session Framing

Adaptive Social Protection for Disaster Risk Reduction *From Concepts to Practice*



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Outline

01

What is ASP

02

Why it is needed

03

Evolution of SP and
is it adaptive yet?



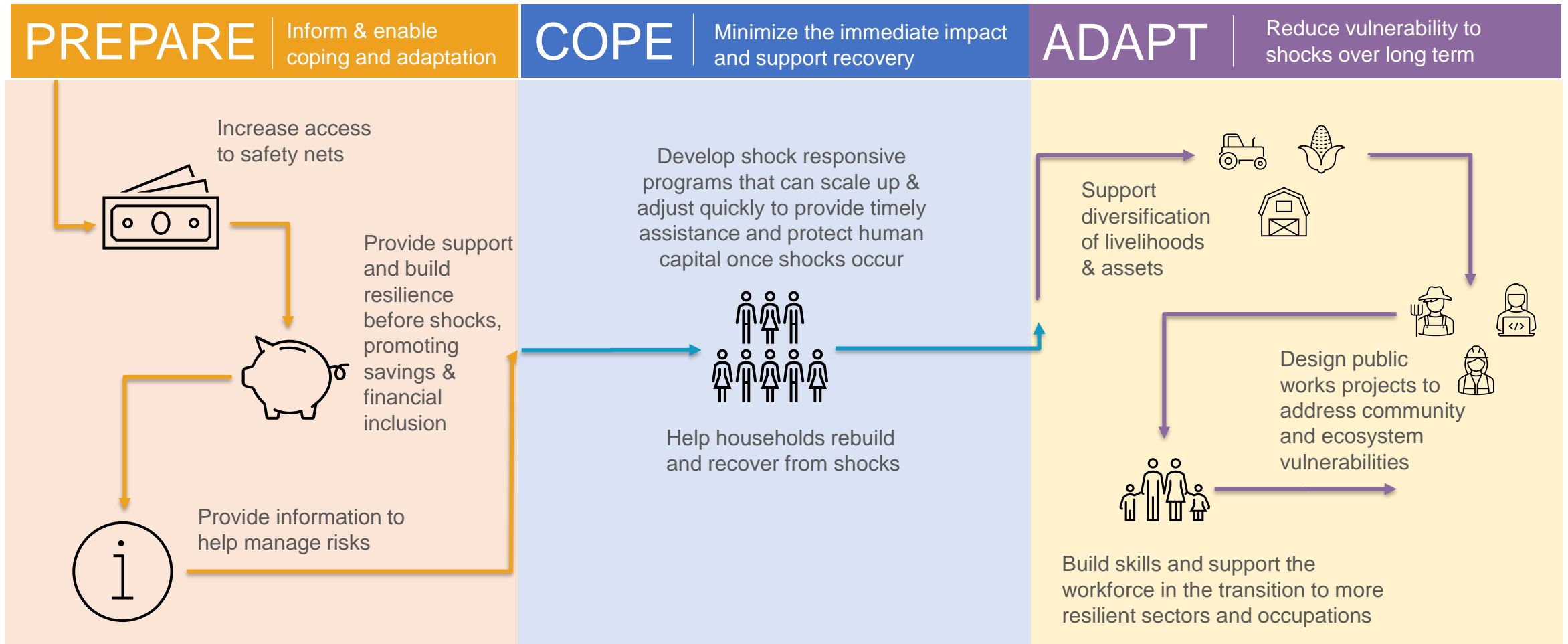
Dominica, 2018.

What is Adaptive Social Protection (ASP)?

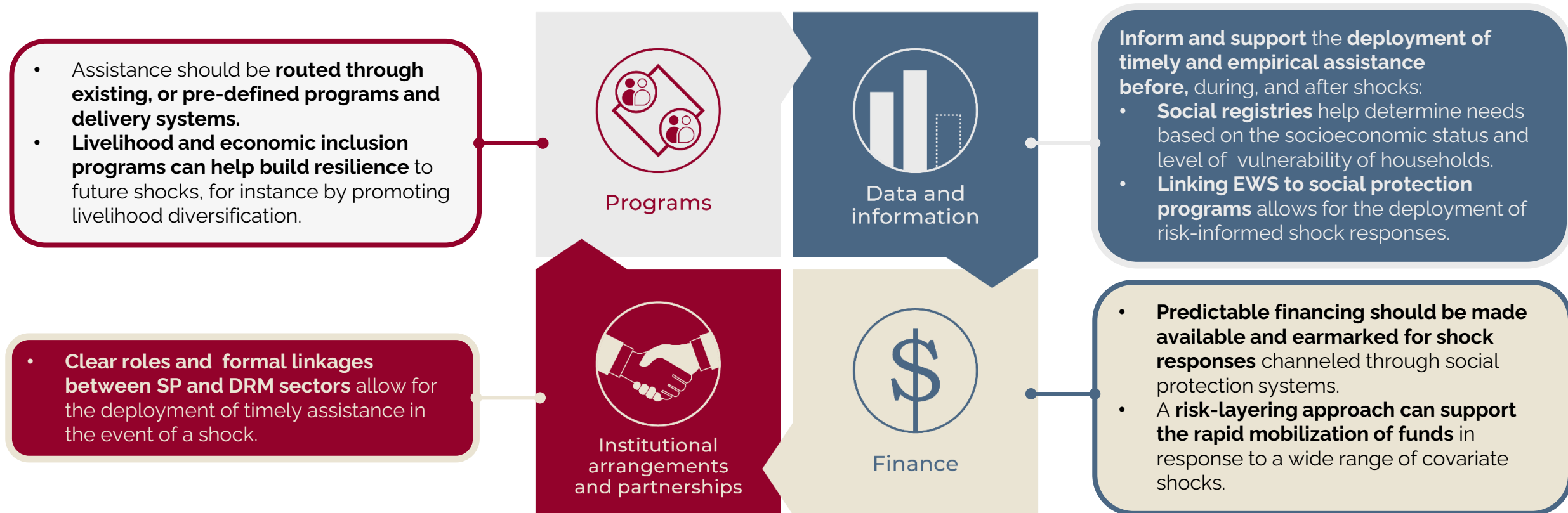
“

*At the World Bank Group, we consider ASP to be a dedicated area of focus within the wider field of social protection, examining and identifying the ways in which social protection systems can be **prepared and enhanced ahead of large covariate shocks** like COVID-19 to build the resilience of poor and vulnerable households—before, during, and after such shocks occur”*

Support the three interlinked capacities: “P+C+A”



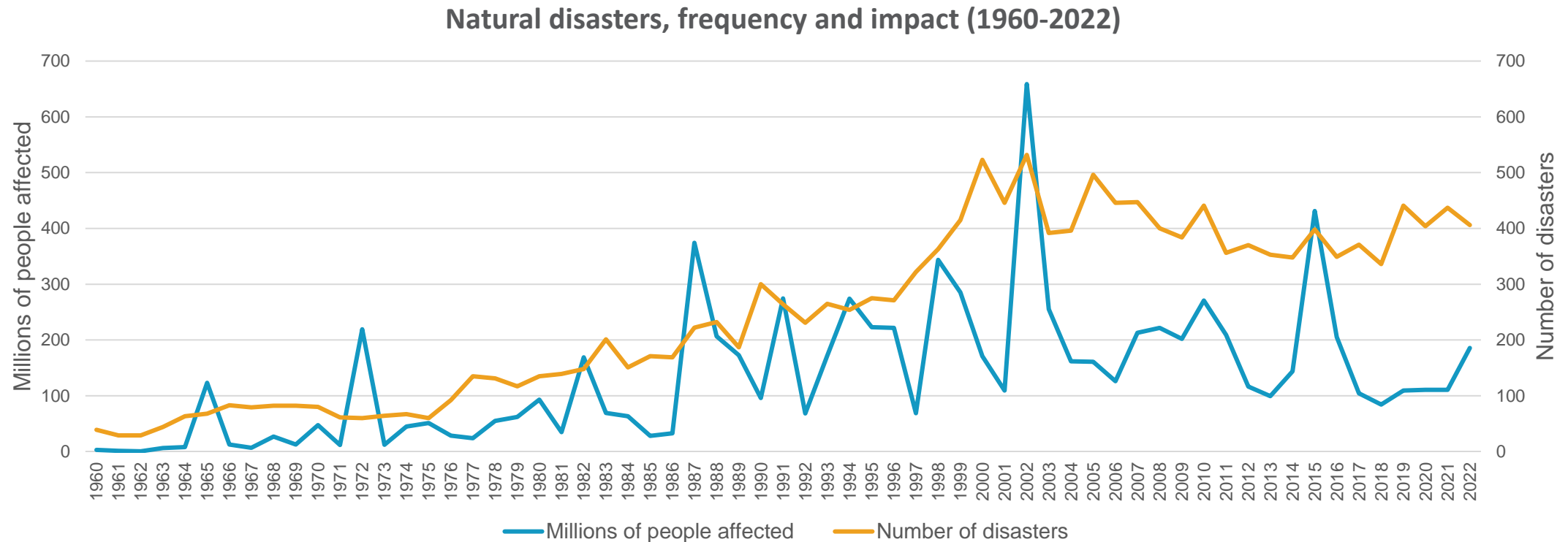
How?: Investing in four building blocks for Adaptive Social Protection



Source: Based on Bowen et al., (2020).

2. But why is it needed?

Increasing frequency and severity of interconnected, 'covariate' shocks....



Disasters are increasing in frequency and severity due to climate change

Disasters represent a significant challenge to public finances and poverty reduction

Without climate-informed development, climate change will push an additional 100 million people into extreme poverty by 2030

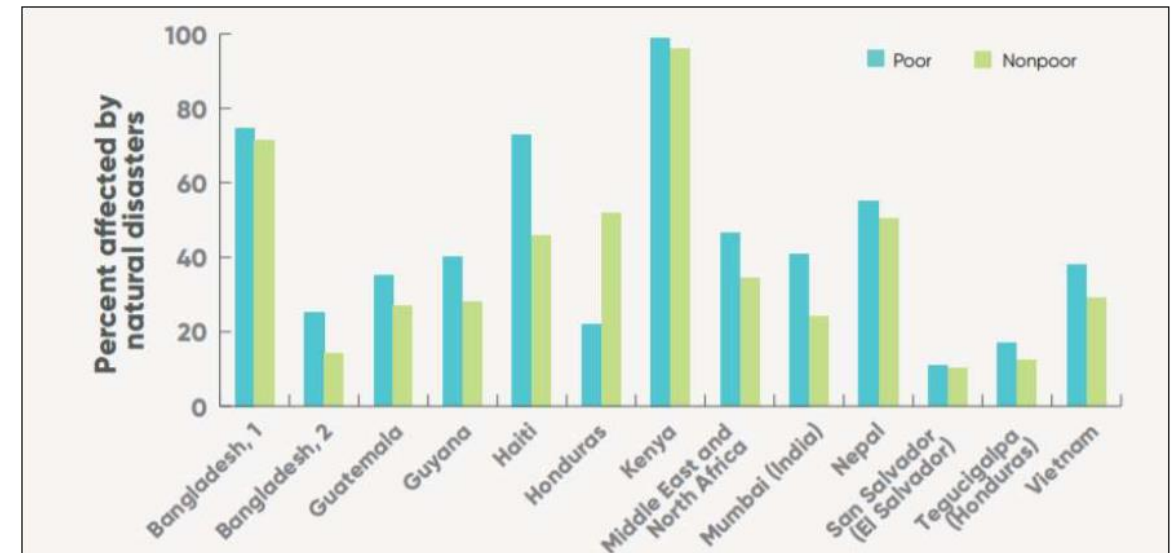
...affecting the poorest and most vulnerable: undermining poverty reduction and development gains

When disasters hit in the past, poor people were more likely to be affected



Source: Data of the Colombian Longitudinal Survey of Wealth, Income, Labor, and Land and the Mexico Family Life Survey.
Notes: Based on probabilities from transition matrices of 2002–05. Stayers correspond to households that remain in the bottom 40, and climbers to households transitioning from the bottom 40 to the top 60.

Source: Baez et al, Figure 4.1



World Bank, Unbreakable, 2017

Overlapping global crises and megatrends are having catastrophic impacts: Shocks are a frequent reality, and can impair progress

In 2020 the **Covid-19 Pandemic** increased the number of extreme poor to **720M people**



Severe food Insecurity may affect over **240M people** until 2027



By 2030, up to **130M more people** may fall into extreme poverty due to **climate change**.



By 2030, **more than half** of the world's extreme poor will live in **FCV countries**



Global mega trends can intensify effects of shocks and require rethinking support for employability, social protection, and jobs for the poor



Green transition

Projections estimate **72M job losses by 2030** due to climate change's direct and indirect impacts. While **transitioning from fossil fuels** could create **30M "green jobs"** by 2030.



Demographic Transitions and Migration

HICs' **65+ population** will rise from **10% in 2022 to 16% by 2050**; **1.1 billion youth** to enter the work force in global south (1/3 in Africa) in **next 10 years** but **only 325 million jobs**.



Changing nature of work

Informality (**60% globally**), automation, AI, migration and rising **platform-based work** (about **12% of the workforce**) call to rethink how we finance social security and support workers.

The rationale for early response



Direct Welfare Benefits

Late response can lead to decreased child nutrition and reduction in income per capita (GDP). Studies showed that the later the response, the more costly the impact for households.



Pre-empt negative coping strategies

Households tend to cope with disasters by selling livestock and productive assets, and reducing food consumption, for example. These responses often have long-term, irreversible and sometimes intergenerational effects.



Reduces the cost of response

According to recent studies, a late humanitarian response costs approximately 7 times that of an early response, and donors could save up to 30% on humanitarian aid spending if investment was provided earlier.

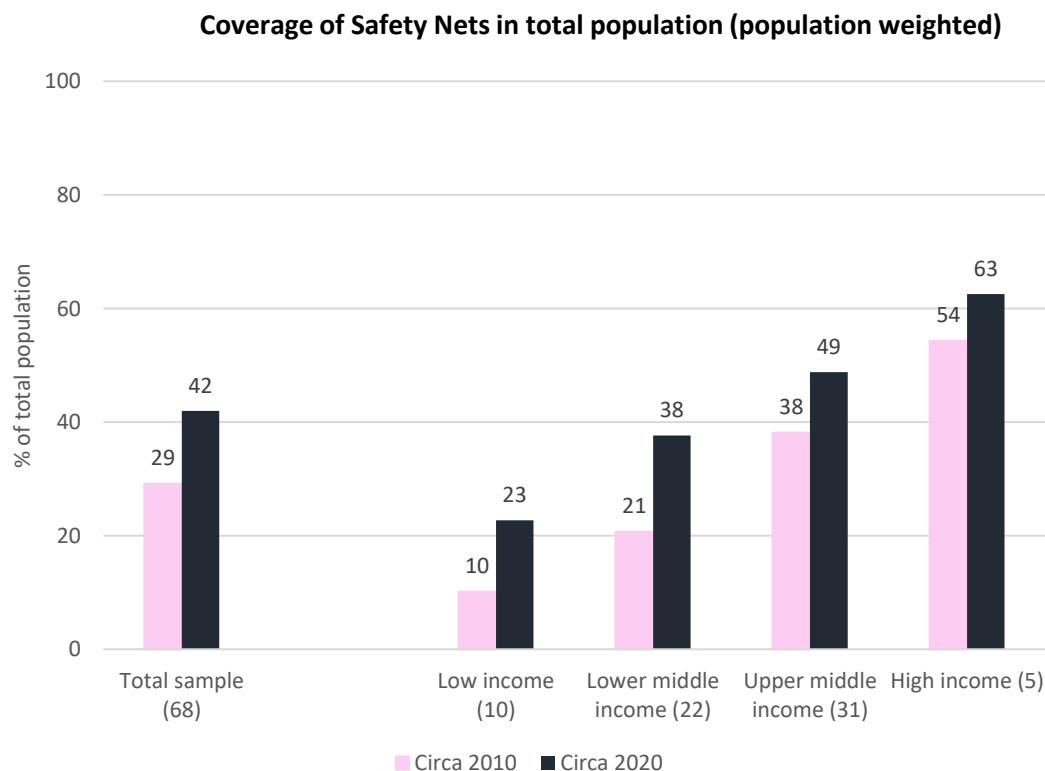


Macro-economic impact

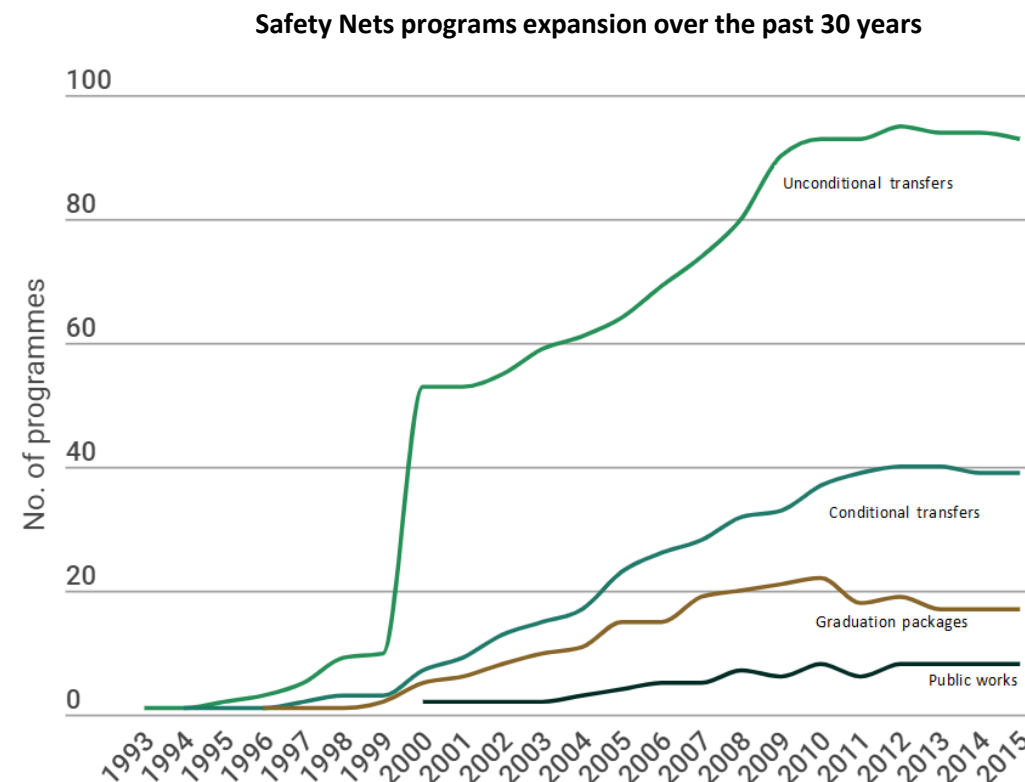
Financing disaster responses means governments have to divert scarce resources away from basic public services undermining national development. The extra costs associated with late response exacerbates this.

3. Evolution of SP, is it adaptive, yet?

Recent growth of global safety nets provides opportunities for reaching the most vulnerable to shocks...

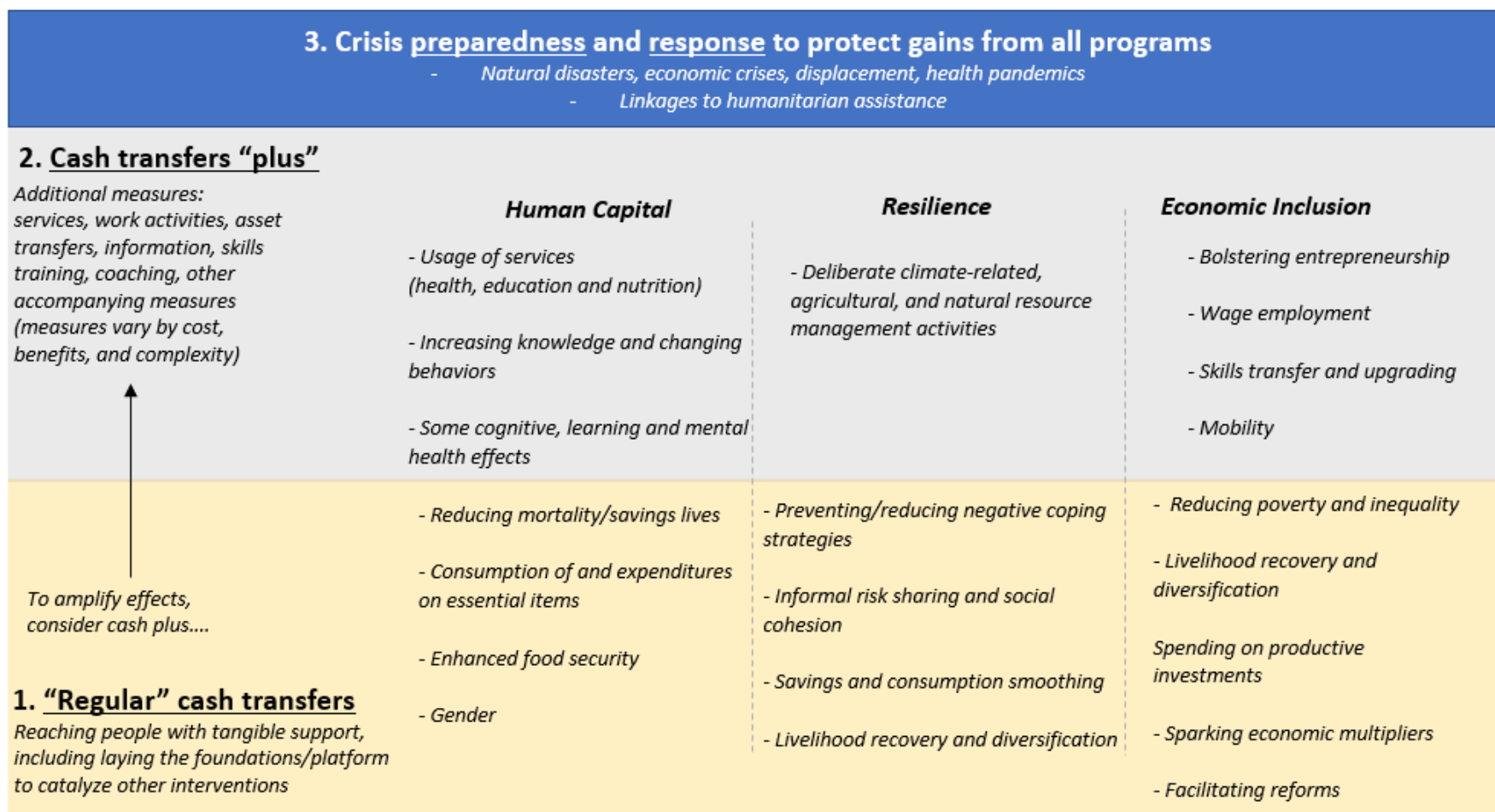


Graphic Source: ASPIRE database - www.worldbank.org/aspire. Results are based on the total sample of 68 countries. China and India excluded.



This expansion was informed by solid evidence...

Social protection is one of the most empirically studied social policies



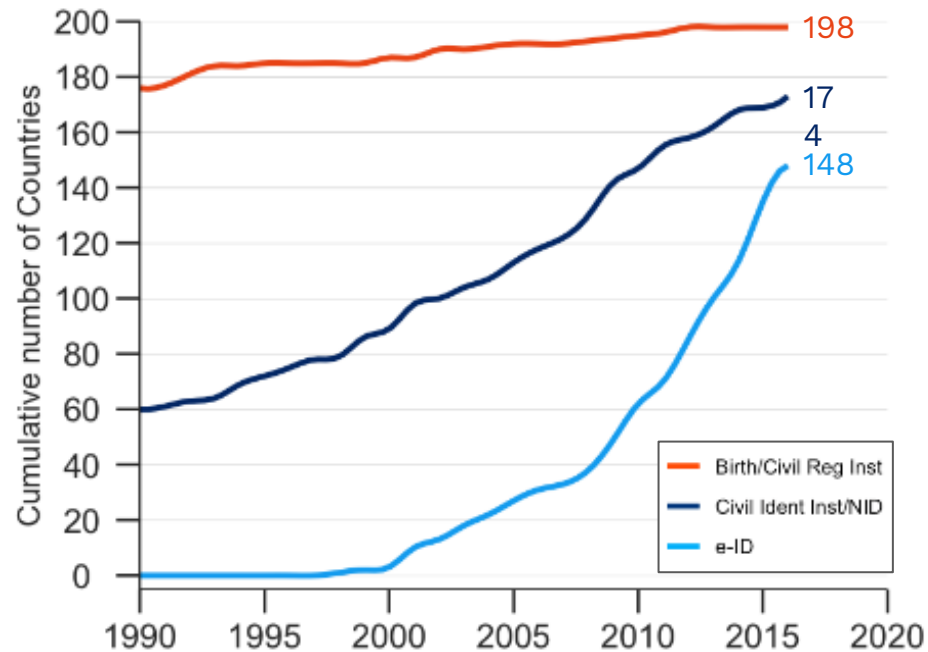
10k+ studies since 2000

54 systematic reviews of systematic reviews

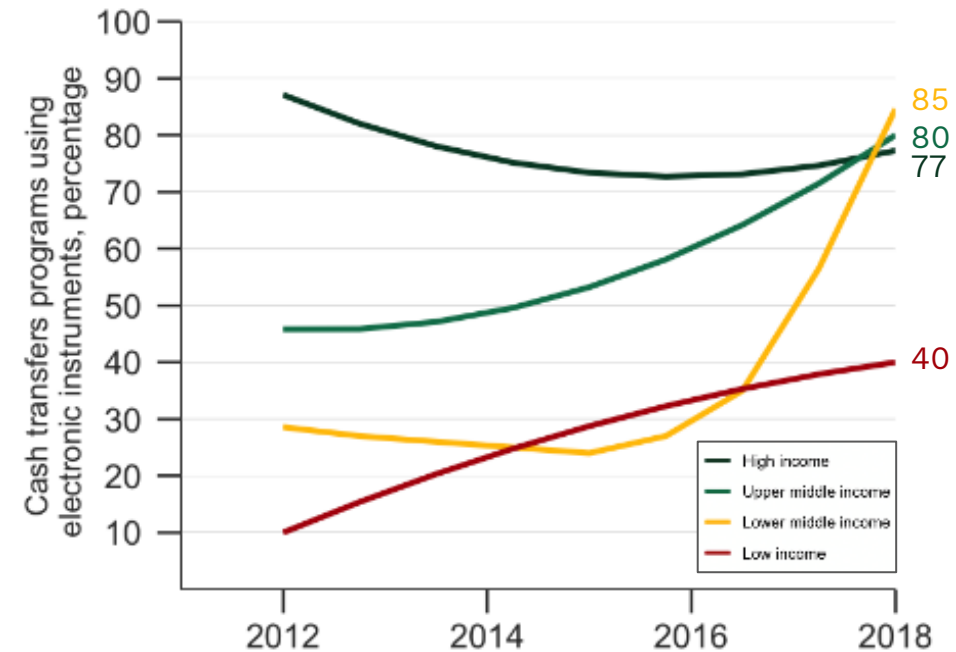
Delivery System investments a key enabler

Paving the way for more inclusion and efficient SP systems

There has been a sharp increase in electronic IDs



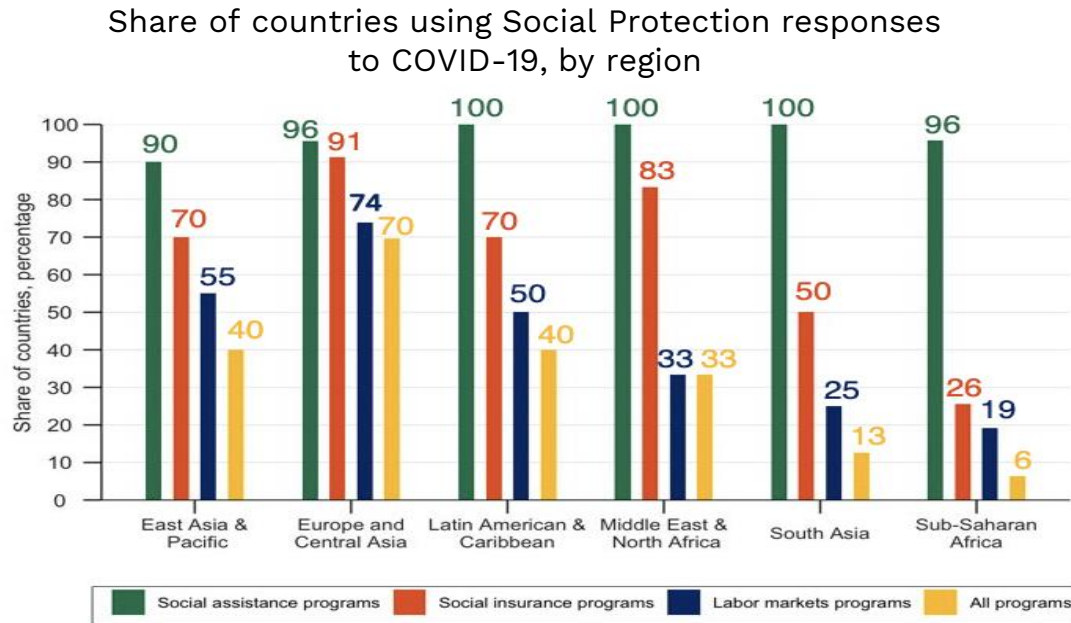
Electronic payments are on the rise with electronic instruments now the most common payment mechanism



SPJ Compass

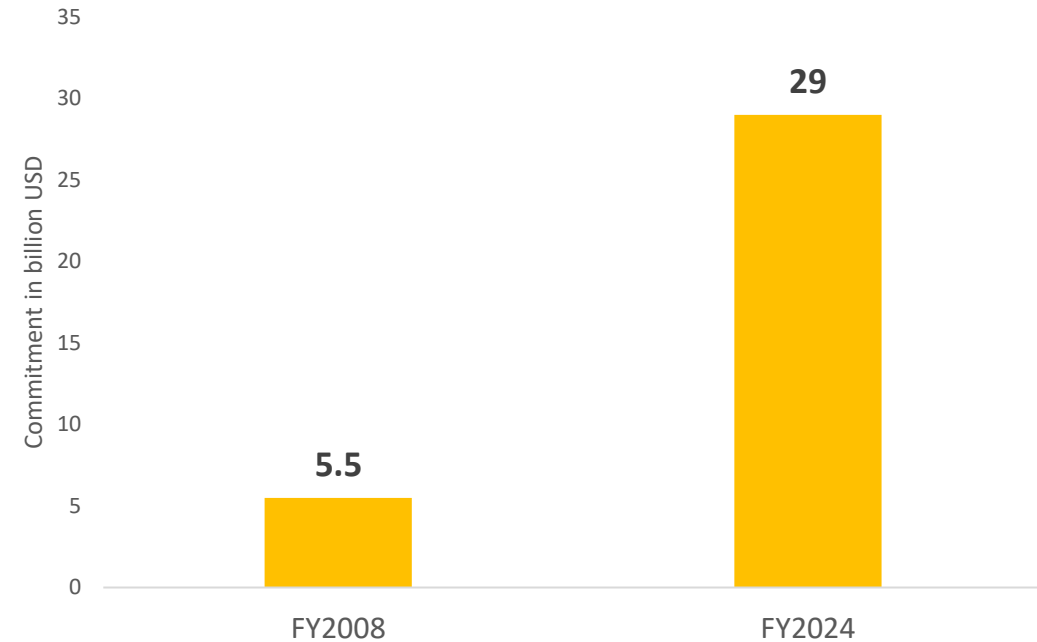
The COVID pandemic was a “stress test” of SP systems resulting in a historic scale-up that didn’t occur by accident: Learning, investments and practices over the past 15 years paid off

~4000 social protection measures in 223 economies

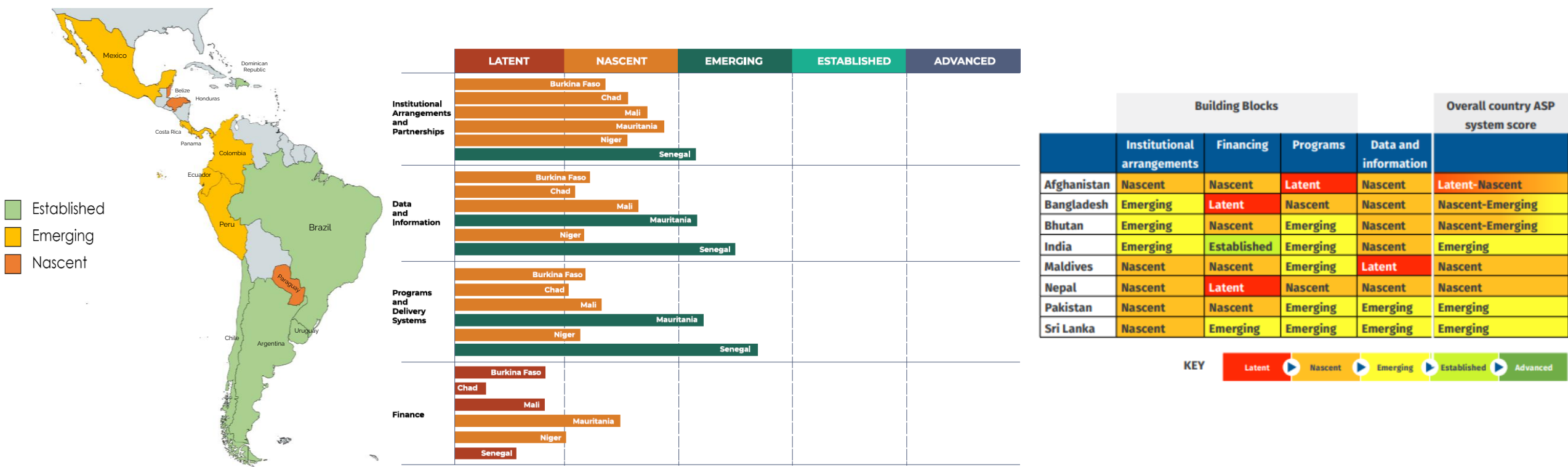


Source: World Bank (2020). Global Social Protection Database.

WB SPJ portfolio grew by 5 times since 2008



Stress Testing ASP Shows more work needs to be done



And countries need to customize ASP to context....



Migration

More robust data and information systems, coupled with legal/policy efforts can enable the effective identification and inclusion of migrants in routine social protection programs and shock responses.



Ageing Population

Considering the ageing population in the region, advancing the ASP agenda can ensure that no one is left behind, including the elderly. ASP systems can adequately cushion vulnerable groups from the repercussions of covariate shocks on their well-being.



Informal Labor Market

Building adaptive targeting mechanisms powered by advanced data analytics and technology can ensure that the needs of people employed in the informal labor market are adequately addressed.



Human Capital

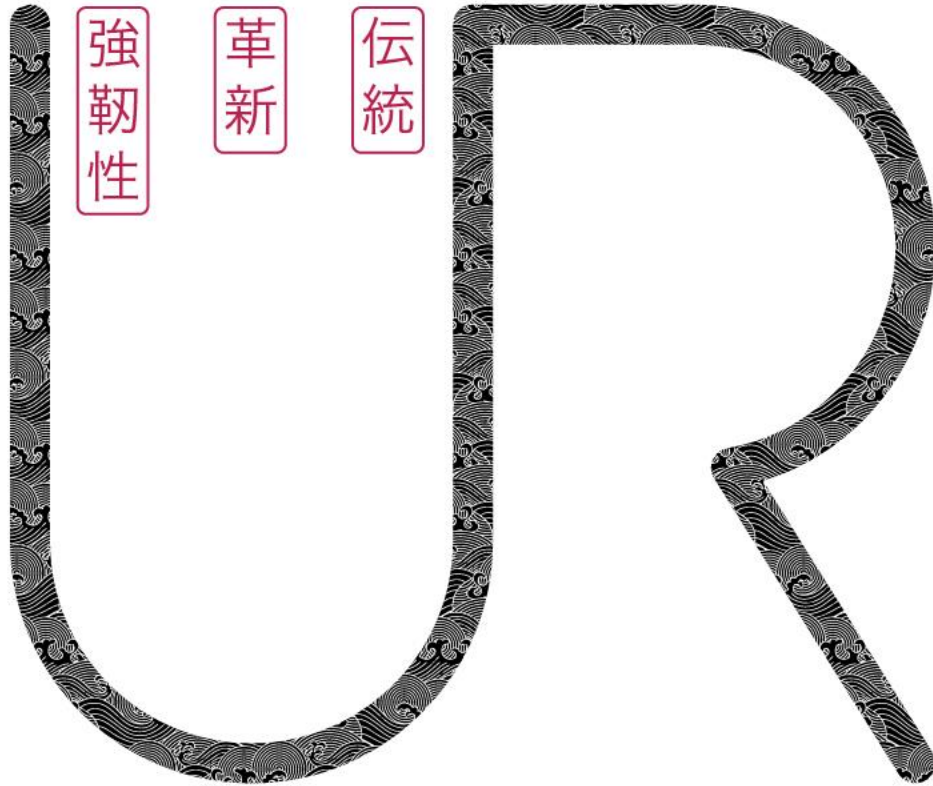
ASP can contribute to human capital development by providing predictive assistance in normal times, while fostering access to other basic services, hence ensuring that all individuals have the resources to reach their full potential throughout their lifetime.

Now – lets hear from our panelists!



From Concepts to Practice





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Thank you !