

Is Covid-19 a Game Changer for Social Protection?

Some emerging facts and reflections

Ugo Gentilini

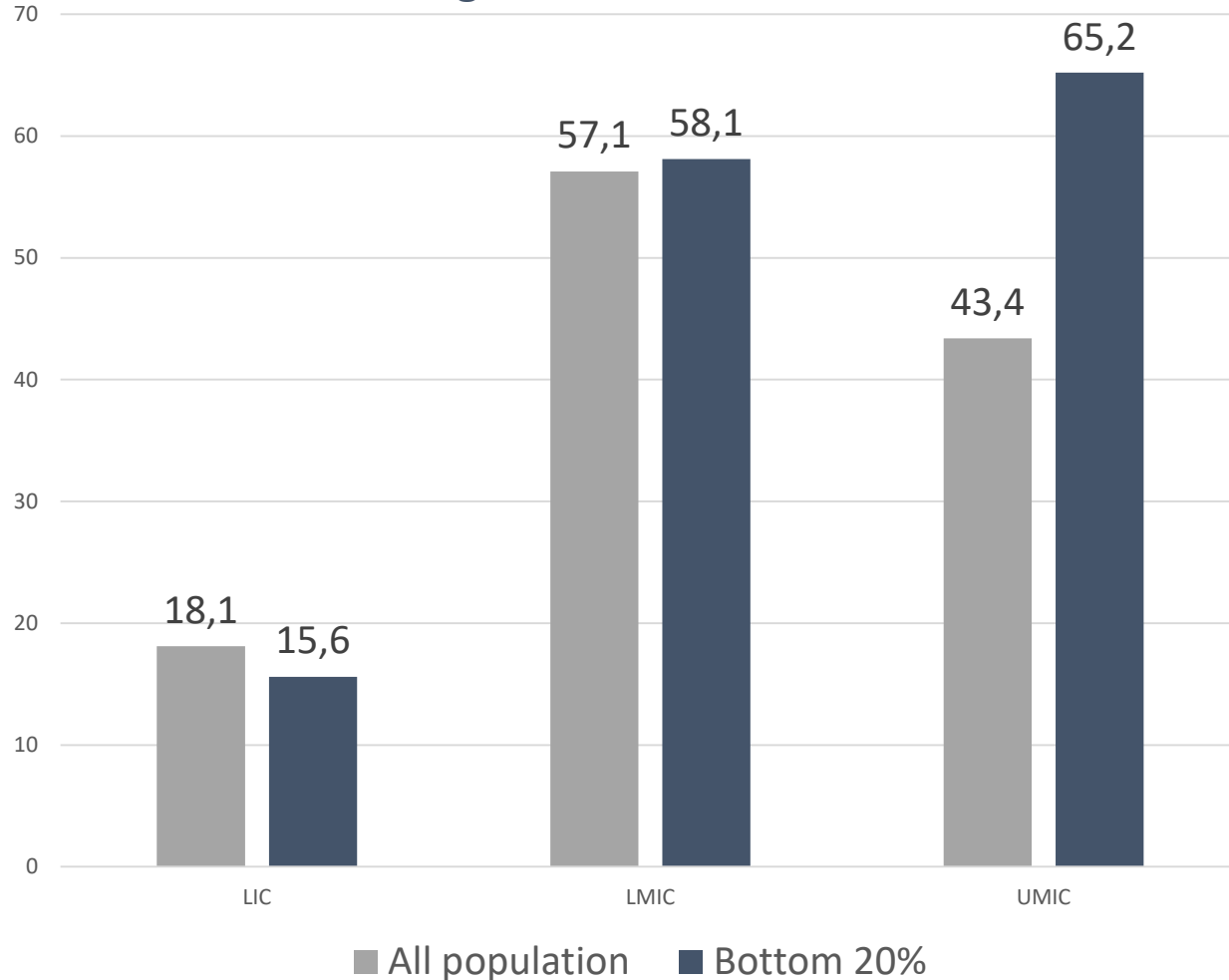
Global Lead for Social Assistance, World Bank

HSE Covid19 seminar series

December 17, 2020

The world as we knew it...

Coverage of social assistance, %



1.5%

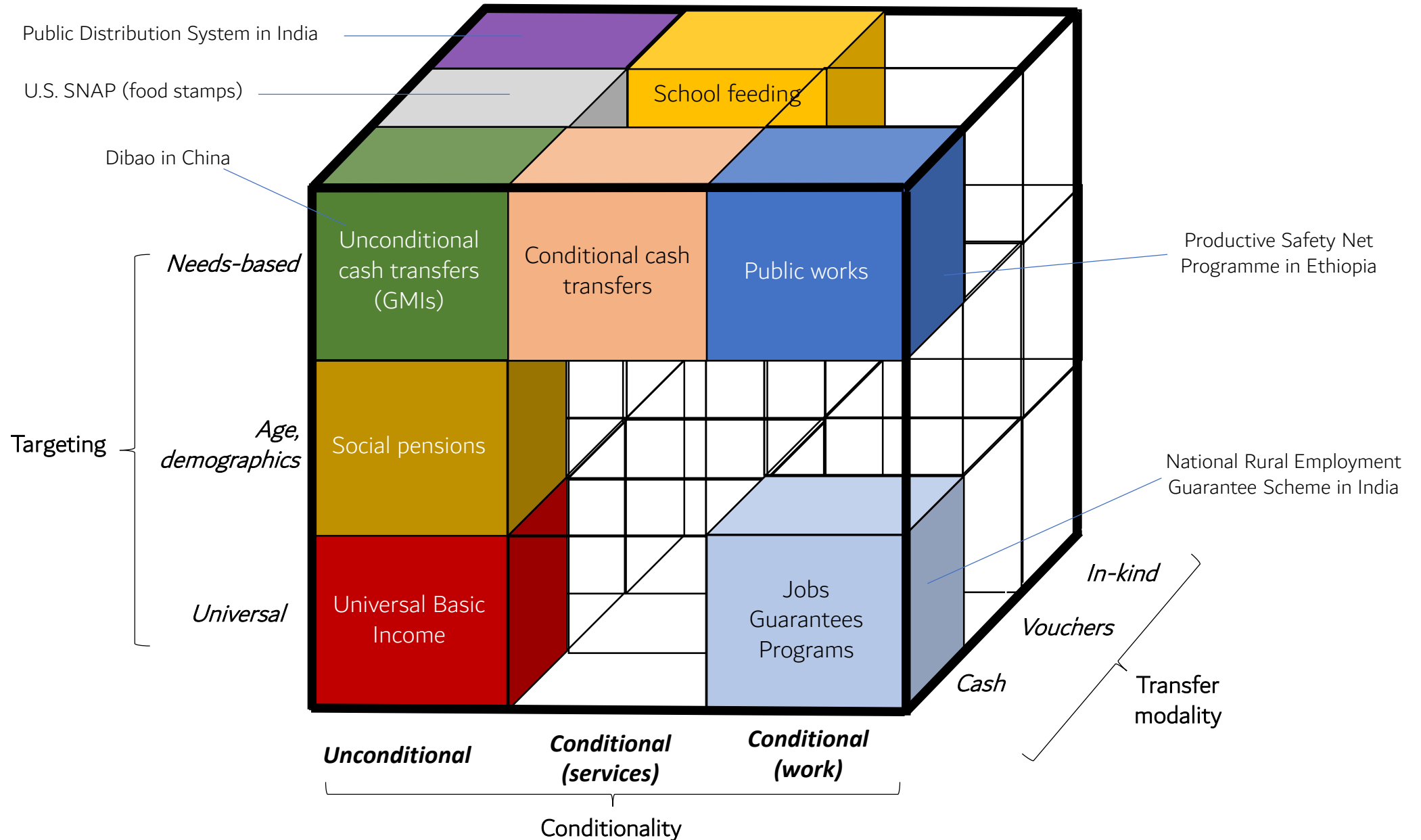
Spending on safety nets
as % of GDP

26

Share of social assistance
transfers in income/cons
of the poor (<\$1.9/day)

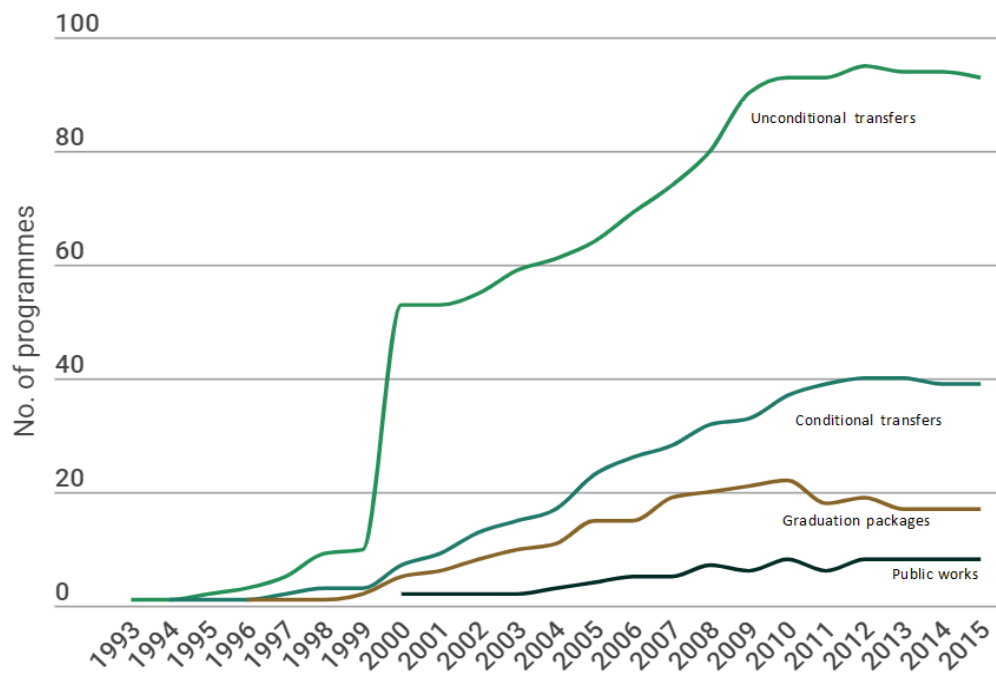
26

Many forms of social assistance...

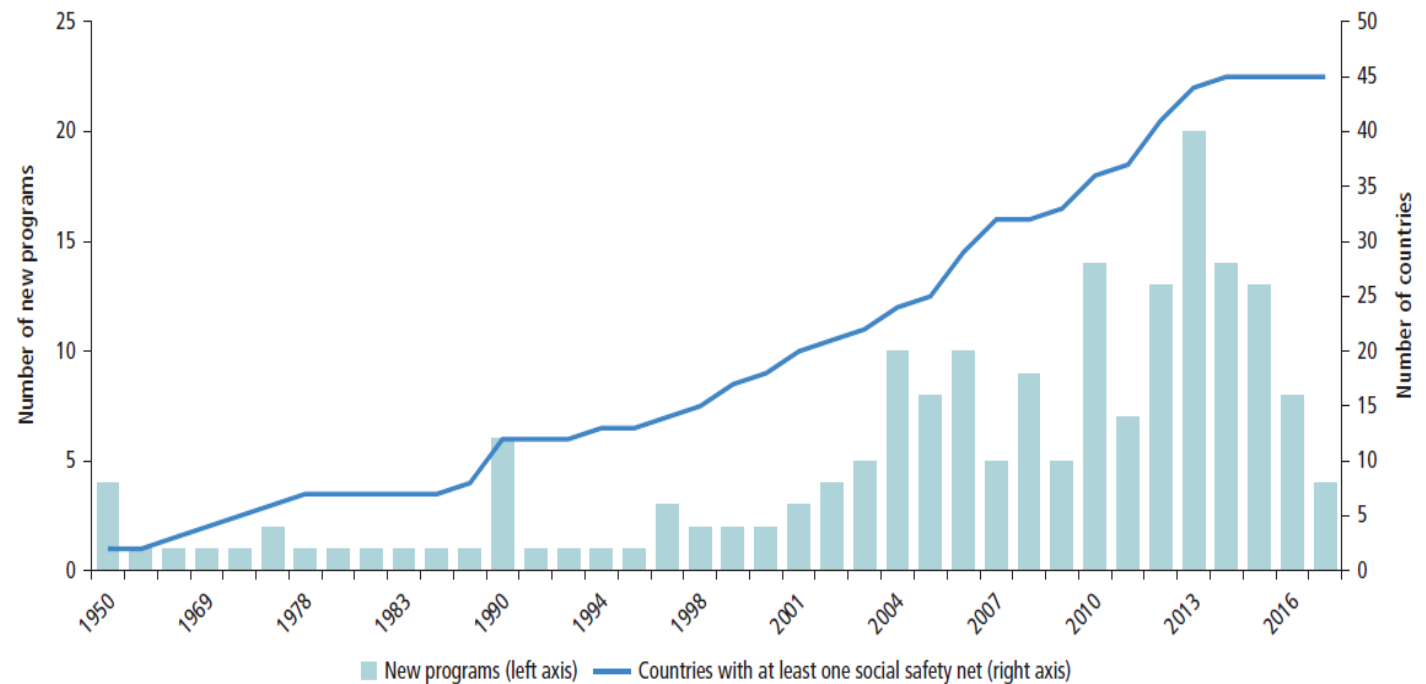


Significant expansion in practice...

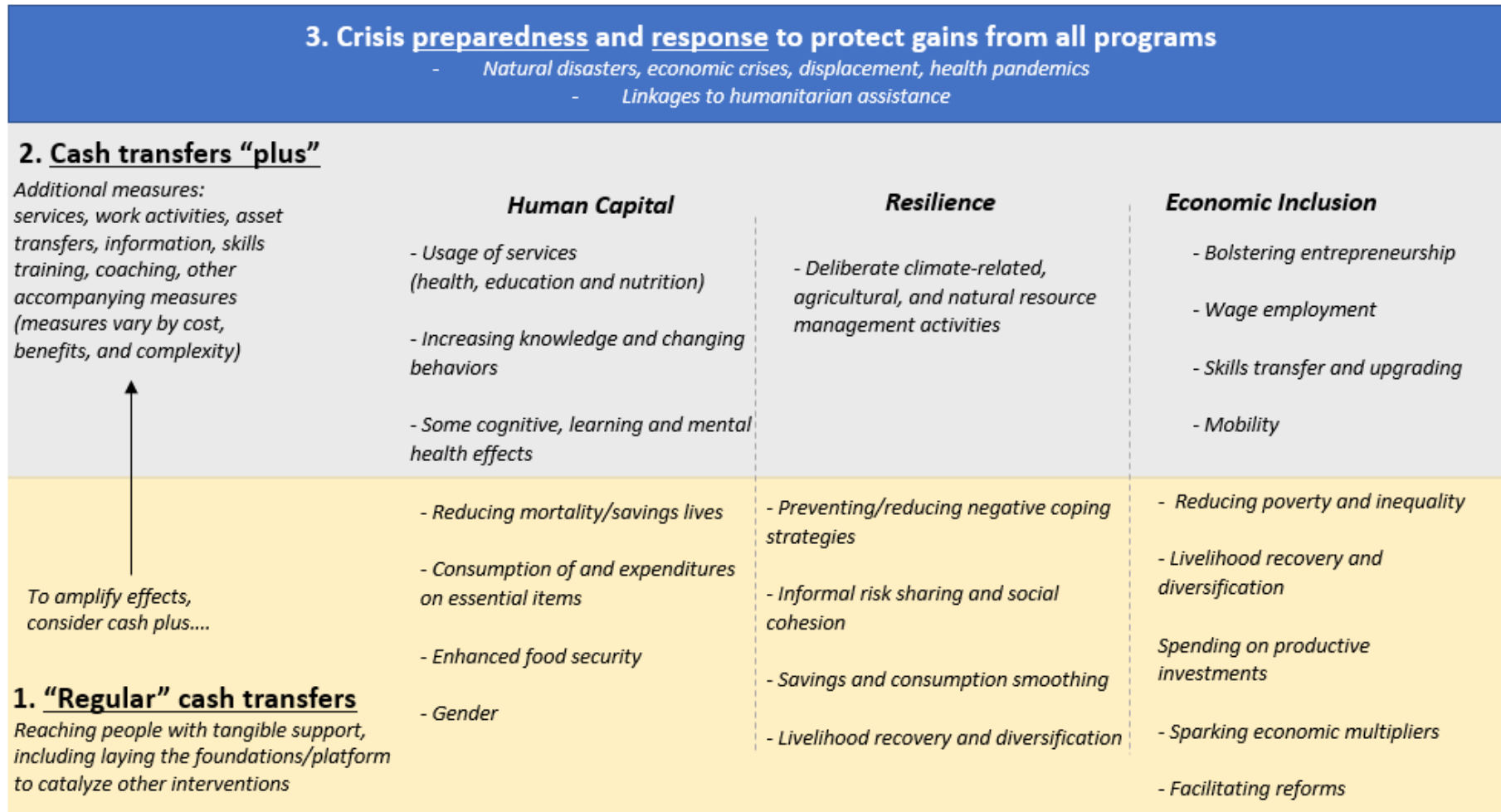
Globally...



... and Sub-Saharan Africa

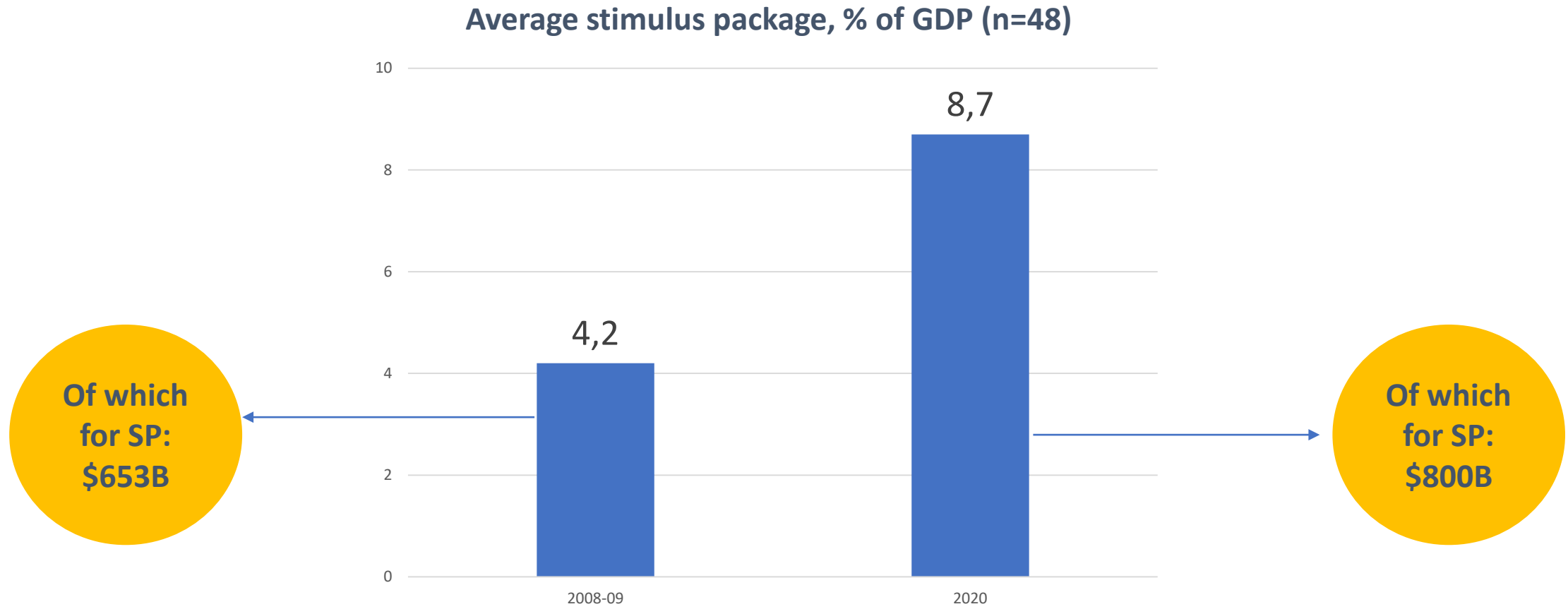


... informed by solid evidence



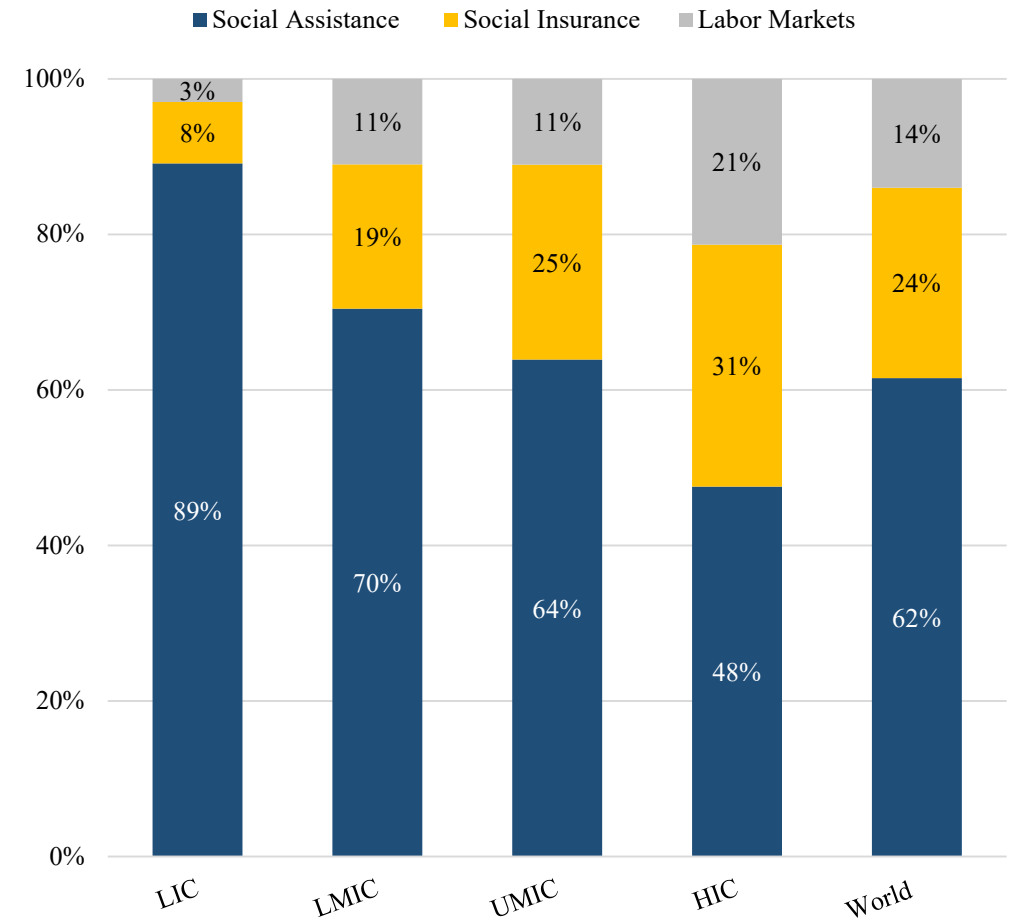
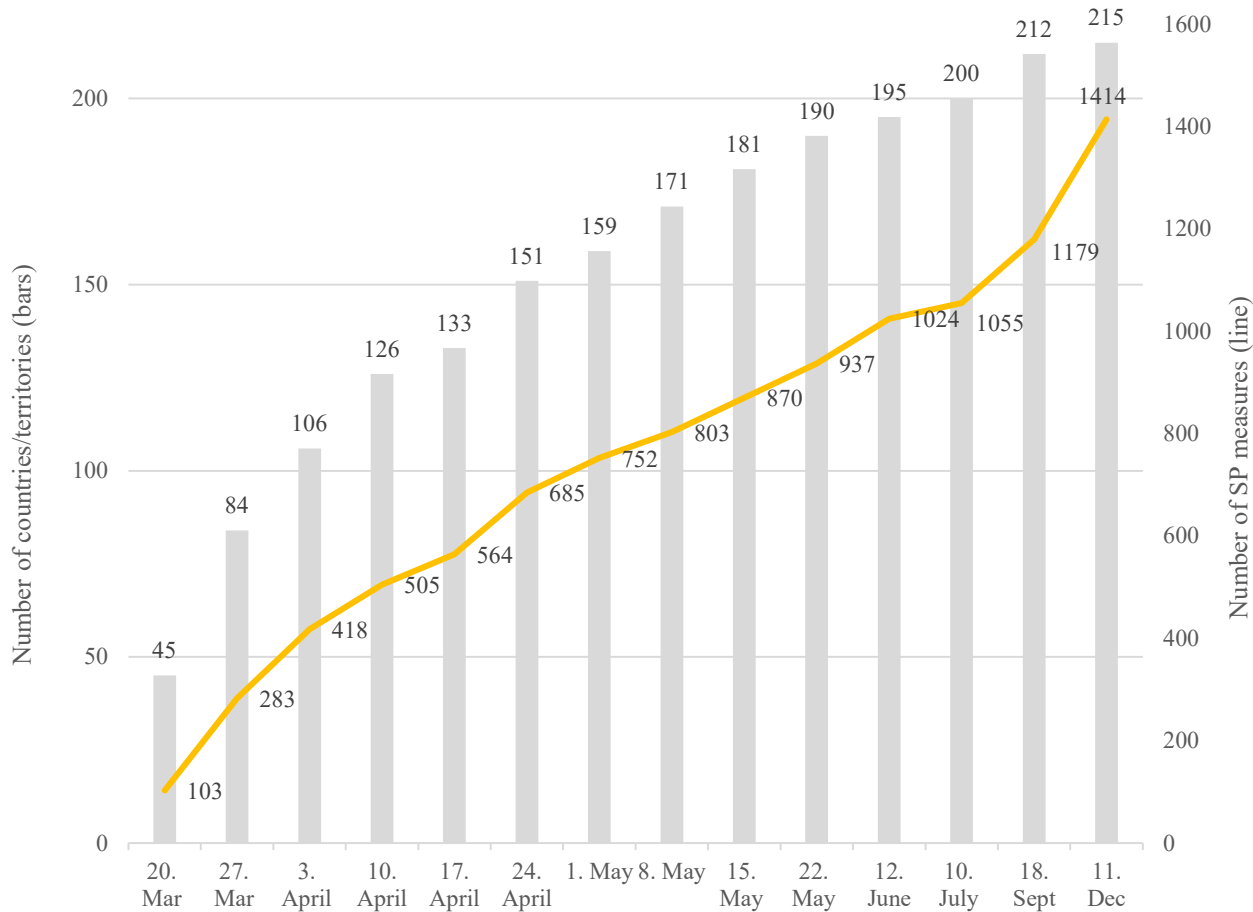
- 10k+ studies since 2000
- 54 systematic reviews of systematic reviews

Then an unprecedented Covid-19 scale-up...



Source: Almenfi et al 2020; Gentilini et al 2020. Note: 2008-09 = 18 months; 2020= 6 months

Then an unprecedented Covid-19 scale-up...



Response composition

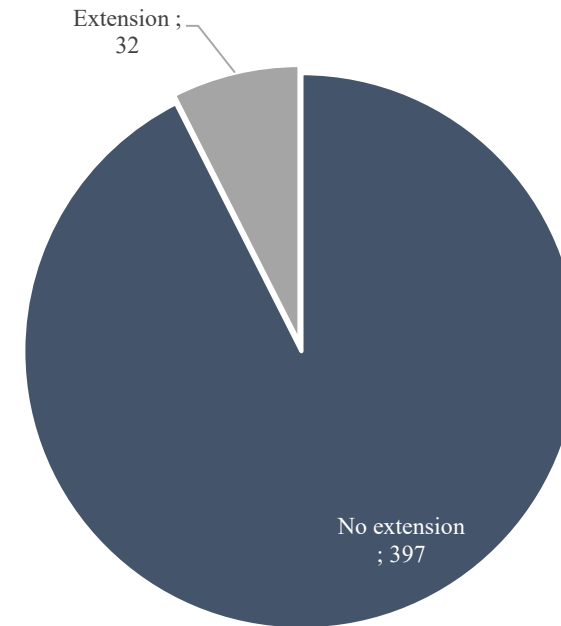
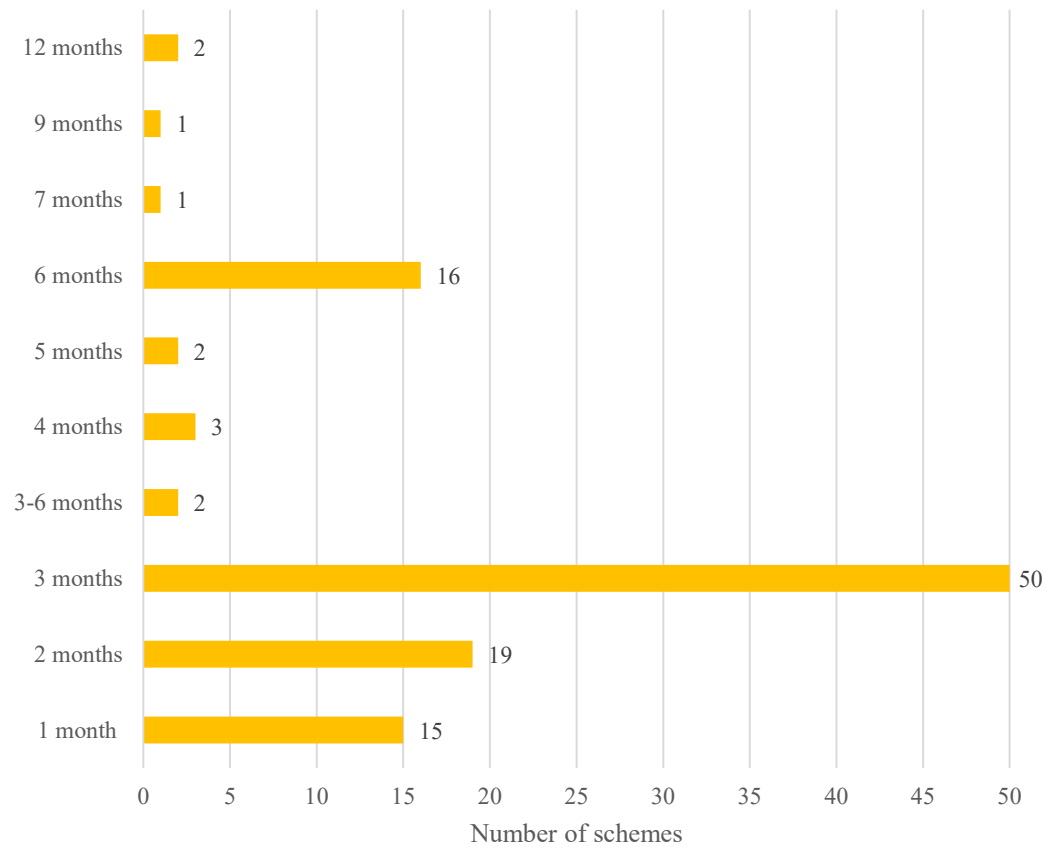
Social assistance program	N. of measures	N. of countries
Cash transfers (conditional and unconditional)	429	164
Social pensions	29	24
Sub-total (all cash-based measures)	458	158
In-kind food/voucher schemes	177	101
School feeding	30	23
Sub-total (all in-kind measures)	207	96
Utility/financial obligation support (waiver/postponement)	183	105
Cash for Work	22	15
Total SA measures	870	193

Social insurance program	N. of measures	N. of countries
Paid sick support	85	61
Healthcare insurance support	24	21
Pension	57	37
Social security contribution waiver/subsidy	77	61
Unemployment benefit	103	73
Total SI programs	346	136

Labor markets program type	N. of measures	N. of countries
Wage subsidy	122	93
Activation (training) measures	29	24
Labor market regulations	34	28
Shorter work time	13	11
Total LM programs	198	107

Response features

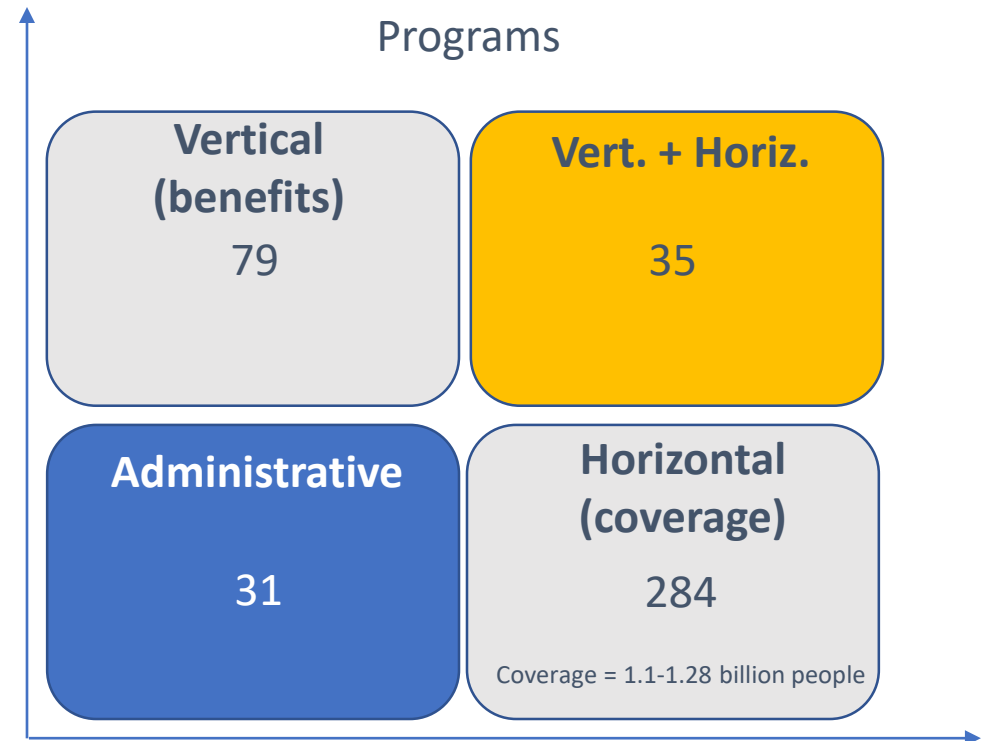
Duration and extension



Response features

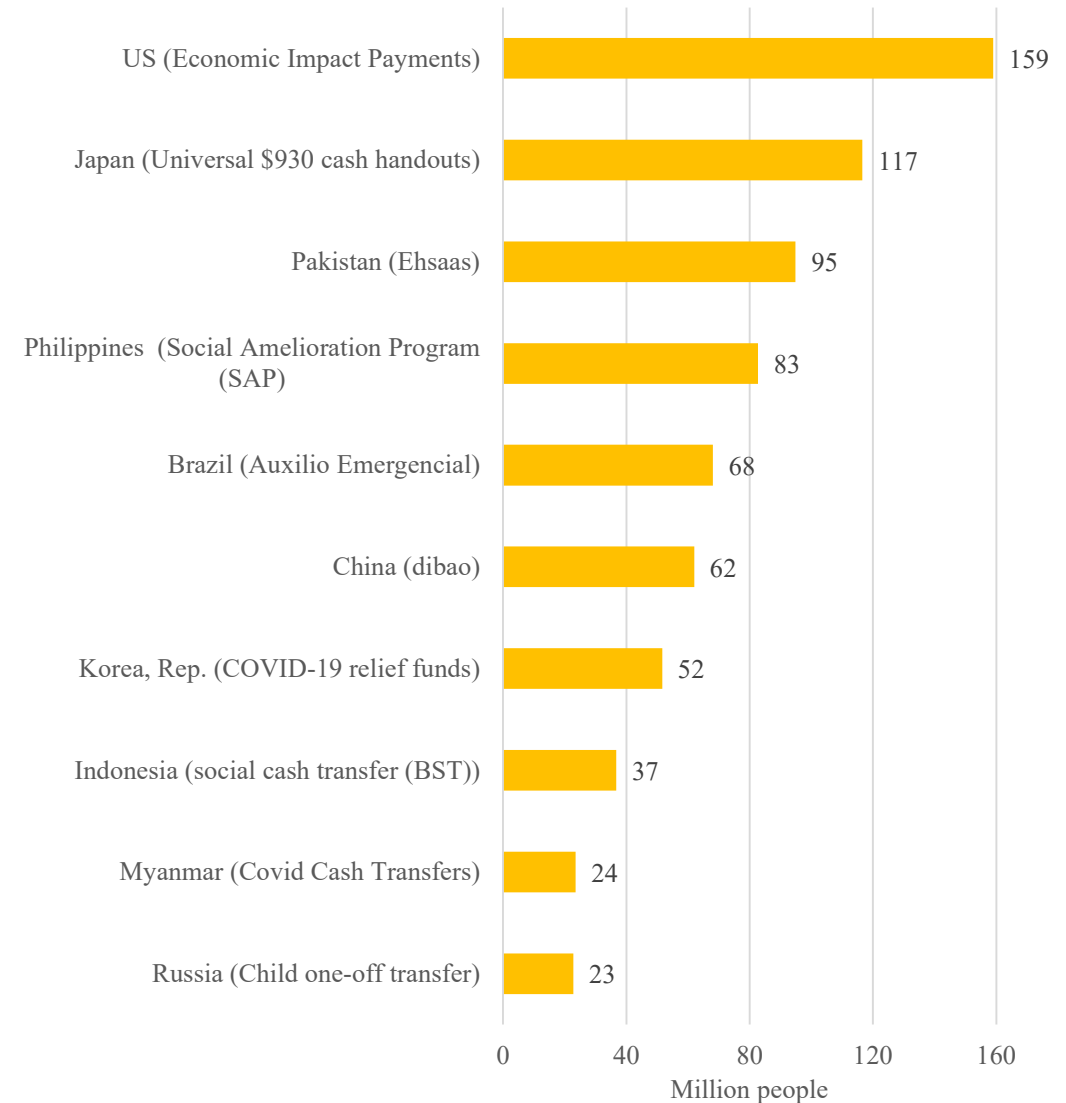
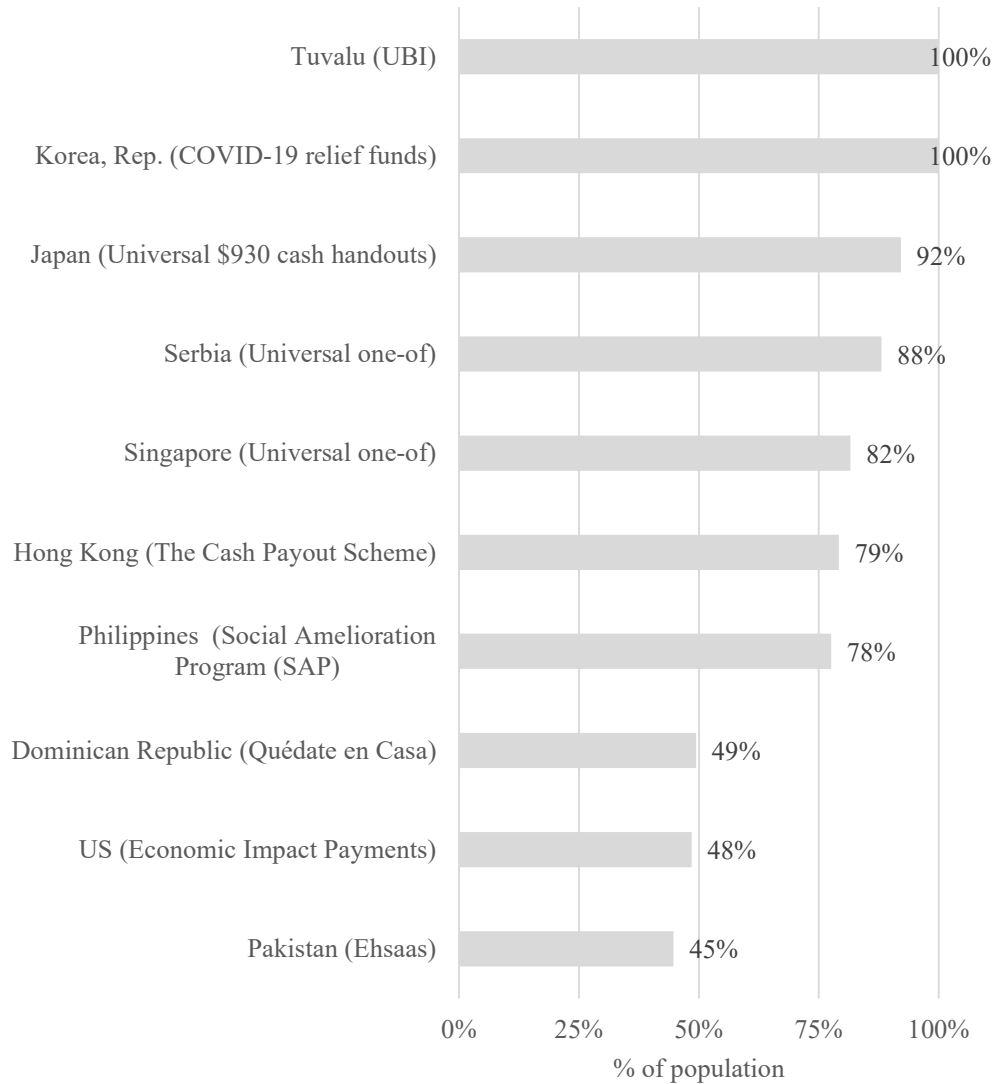
Adaptations

Total	Cash transfers		All social assistance	
Measure function	N. of programs	N. of countries	N. of programs	N. of countries
Vertical	79	45	95	56
Existing programs	42	33	52	39
Additional payment	37	26	43	31
Horizontal	284	134	662	180
Existing programs	12	10	28	21
New programs	272	133	634	180
one-off (targeted)	124	63	141	69
one-of (universal)	6	6	6	6
multiple payments (universal)	1	1	1	1
multiple payments (targeted)	141	96	486	171
Vertical and horizontal expansion	35	25	43	29
Administrative adaptations only	31	24	70	48
Admin simplification	24	19	55	40
Advanced payment	7	7	15	11
Total	429	164	870	193

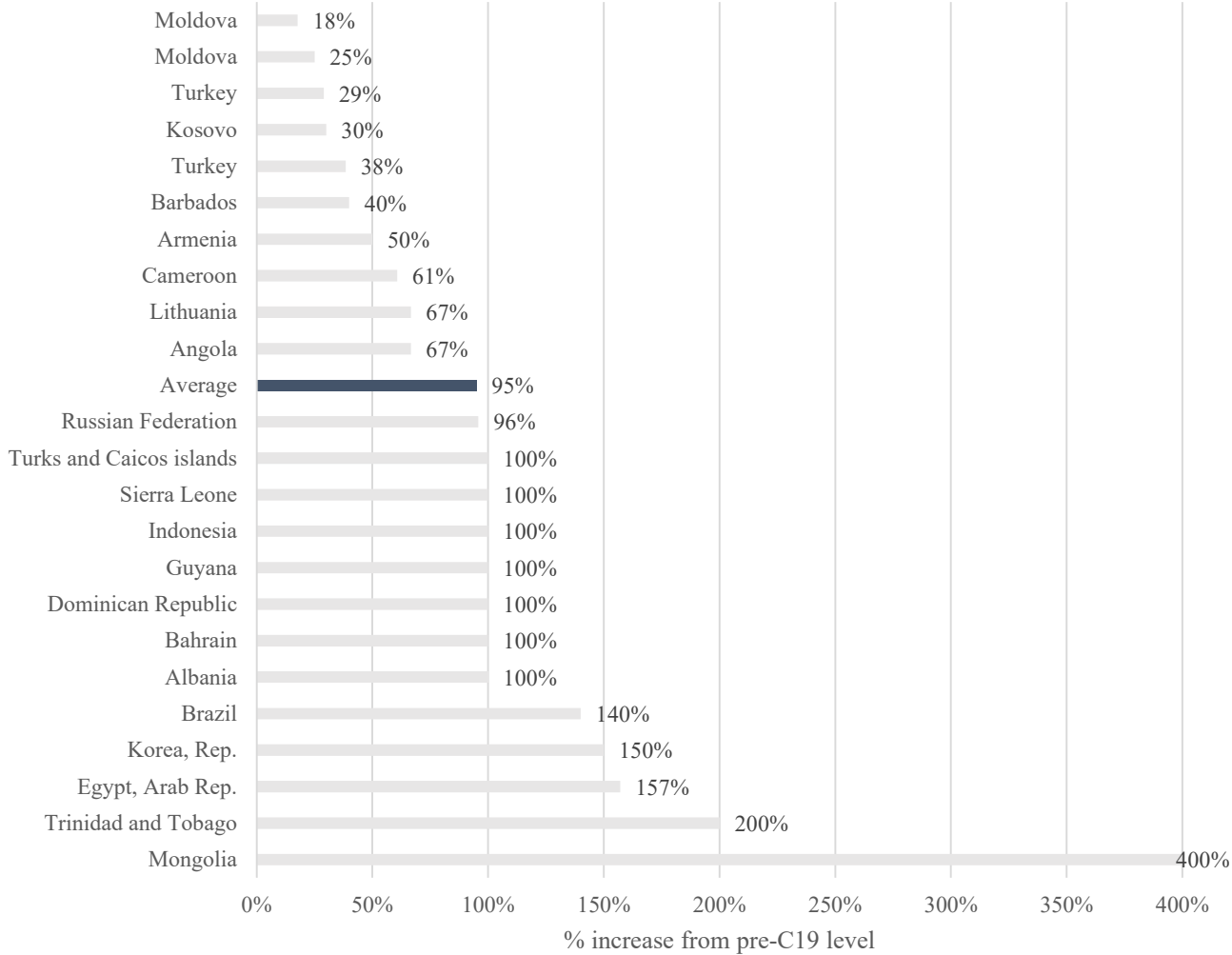


Response features

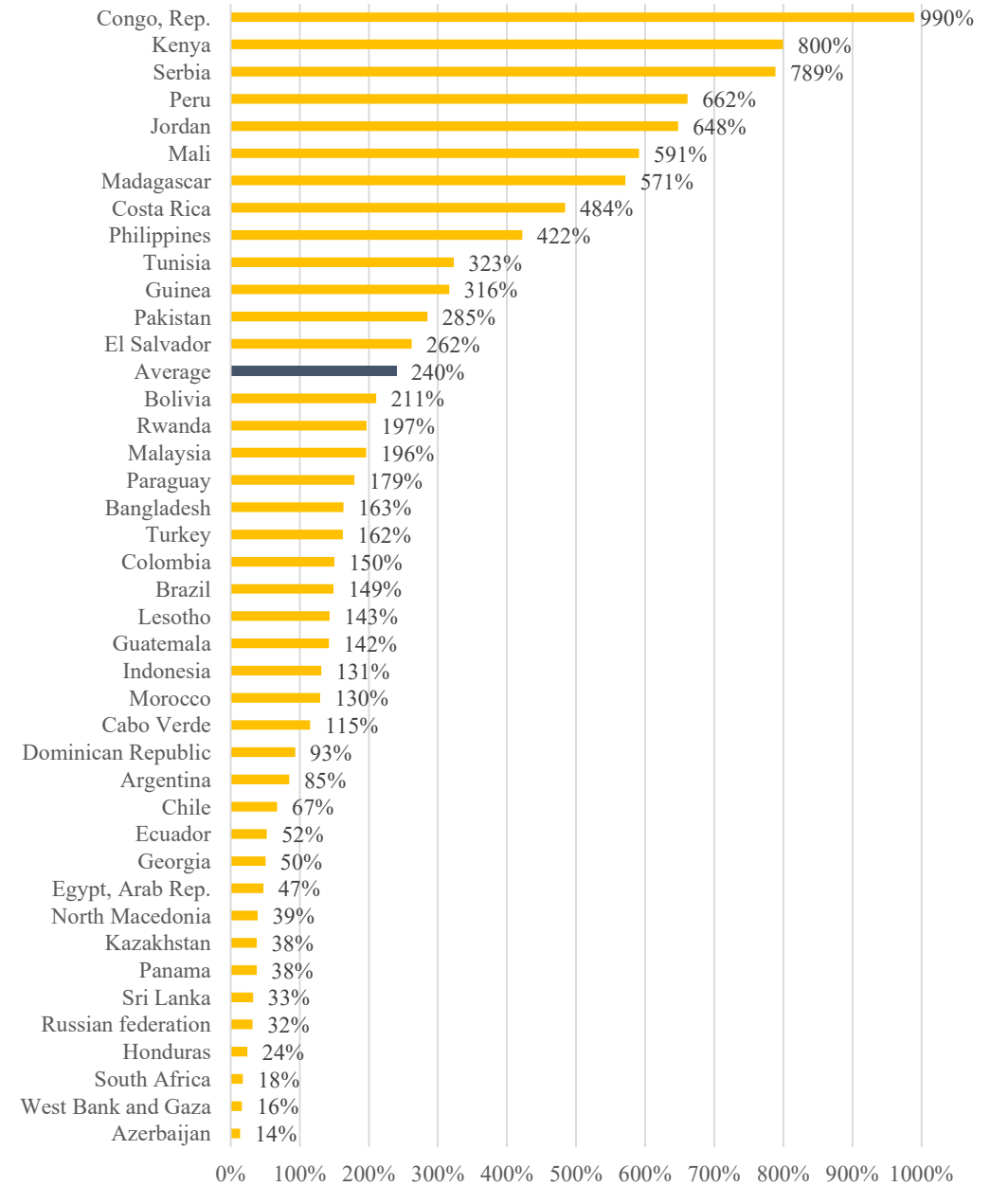
Top-10 coverage



Size of cash transfers relative to pre-Covid19 levels

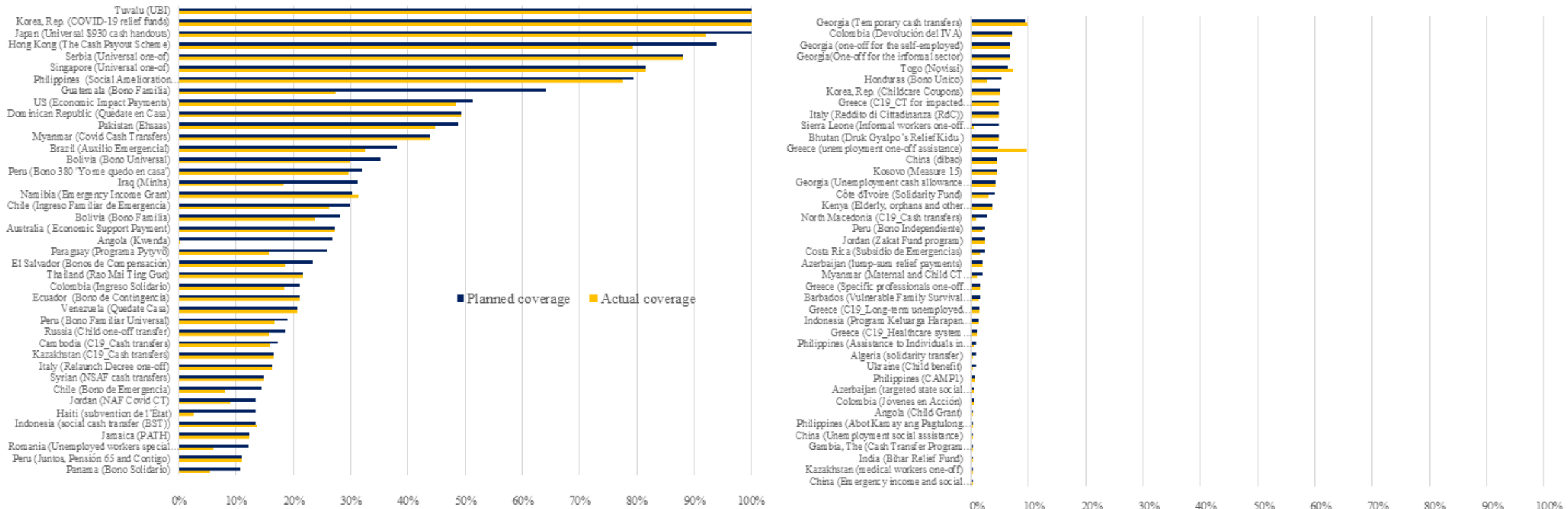


Cash transfers scale up rates relative to pre-Covid19 levels



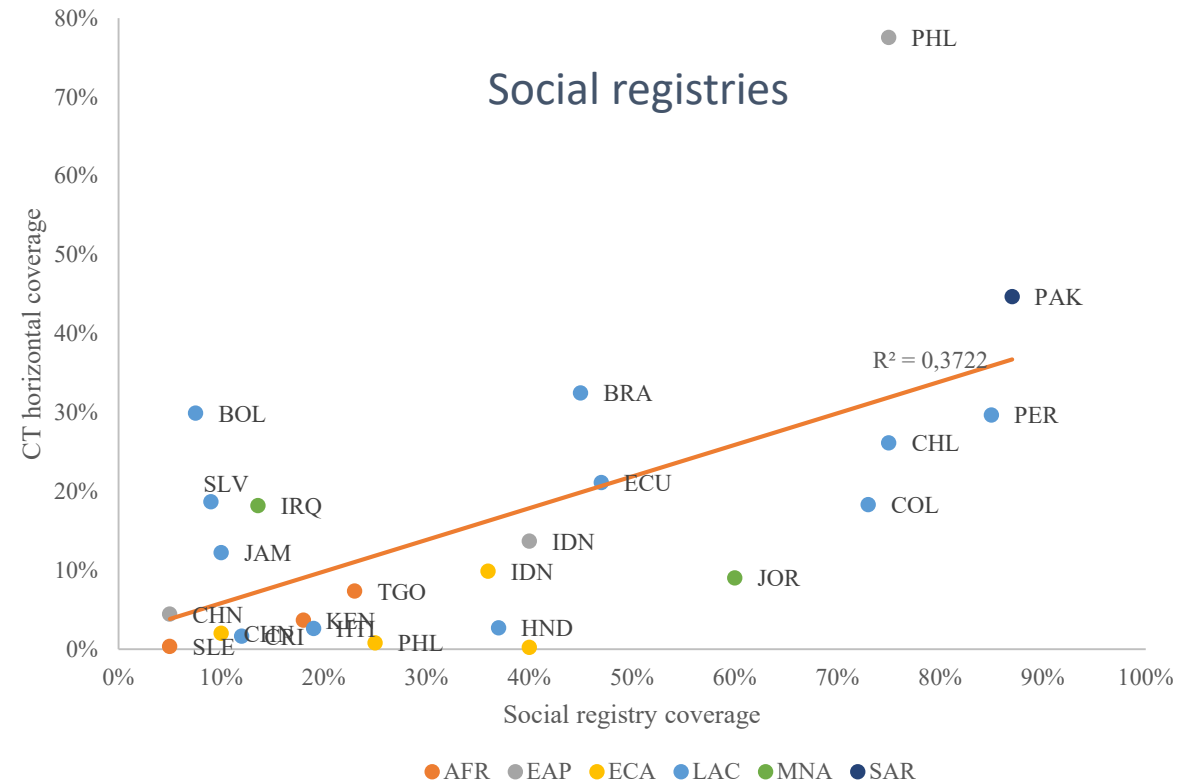
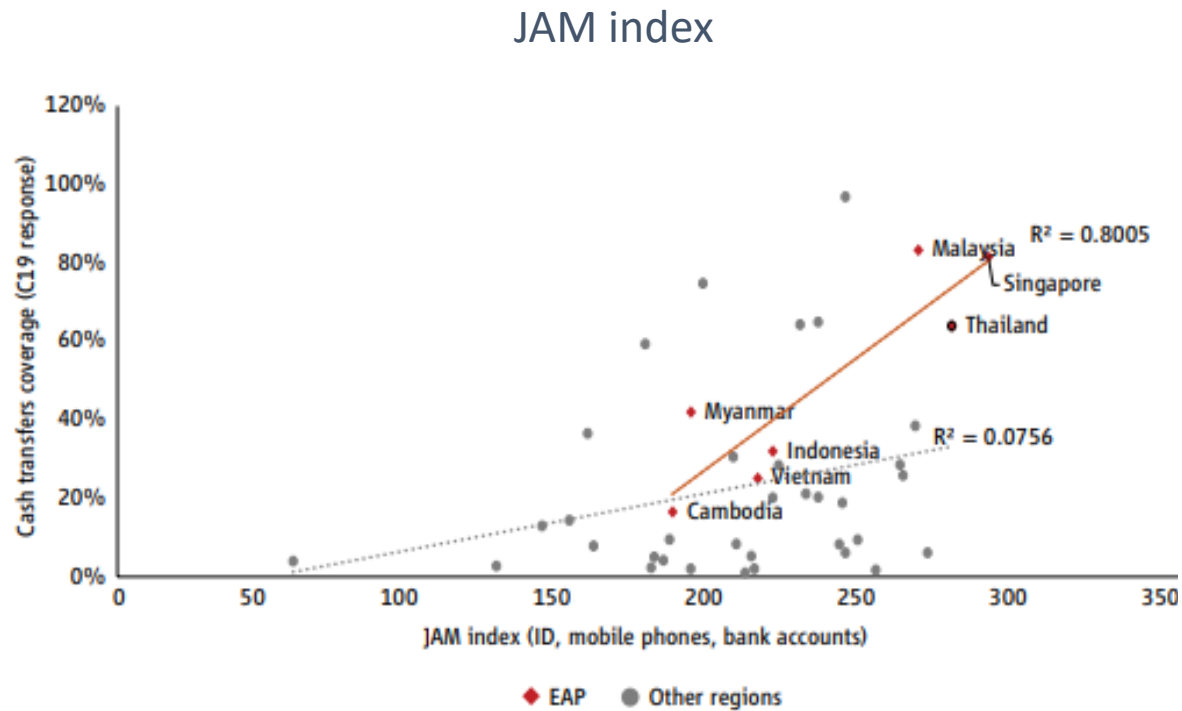
Implementation progress

Planned vs actual coverage at program level
(2.3 percentage points difference, n=82)



Implementation progress

Delivery capabilities



Implementation progress

Countries with traditional social registries with high population coverage used these exclusively.



Challenges

- Not up to date forcing to supplement beneficiary rolls with other methods.
- Not designed to capture information relevant to this economic shock.

Countries with partial coverage or no social registry : added on-line applications to supplement or substitute.

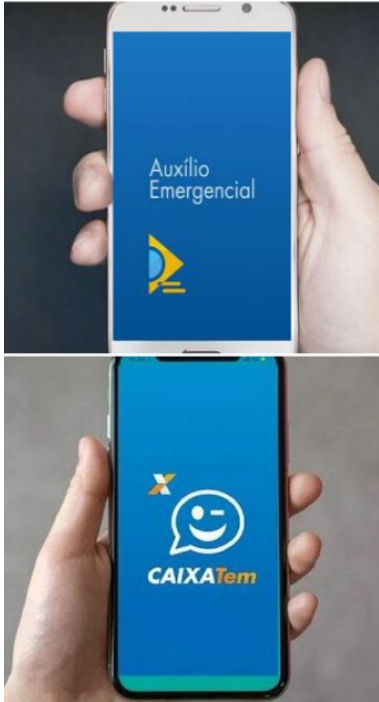


Challenges

- Technical problems due to volume
- Exclusion risk for digitally challenged populations

Country	Social registry based-expansion	New applications	Cross-checks with administrative databases
Argentina		✓	✓
Brazil	✓	✓	✓
Chile	✓		✓
Colombia	✓		✓
Ecuador	✓		✓
Egypt	✓	✓	✓
Indonesia	✓	✓	✓
Jordan		✓	✓
Namibia		✓	✓
Pakistan	✓		✓
Peru	✓		✓
Philippines		✓	
S. Africa		✓	✓
Thailand		✓	✓
Togo		✓	
Tunisia	✓	✓	✓

Implementation progress



Several countries are moving to digital G2P payments

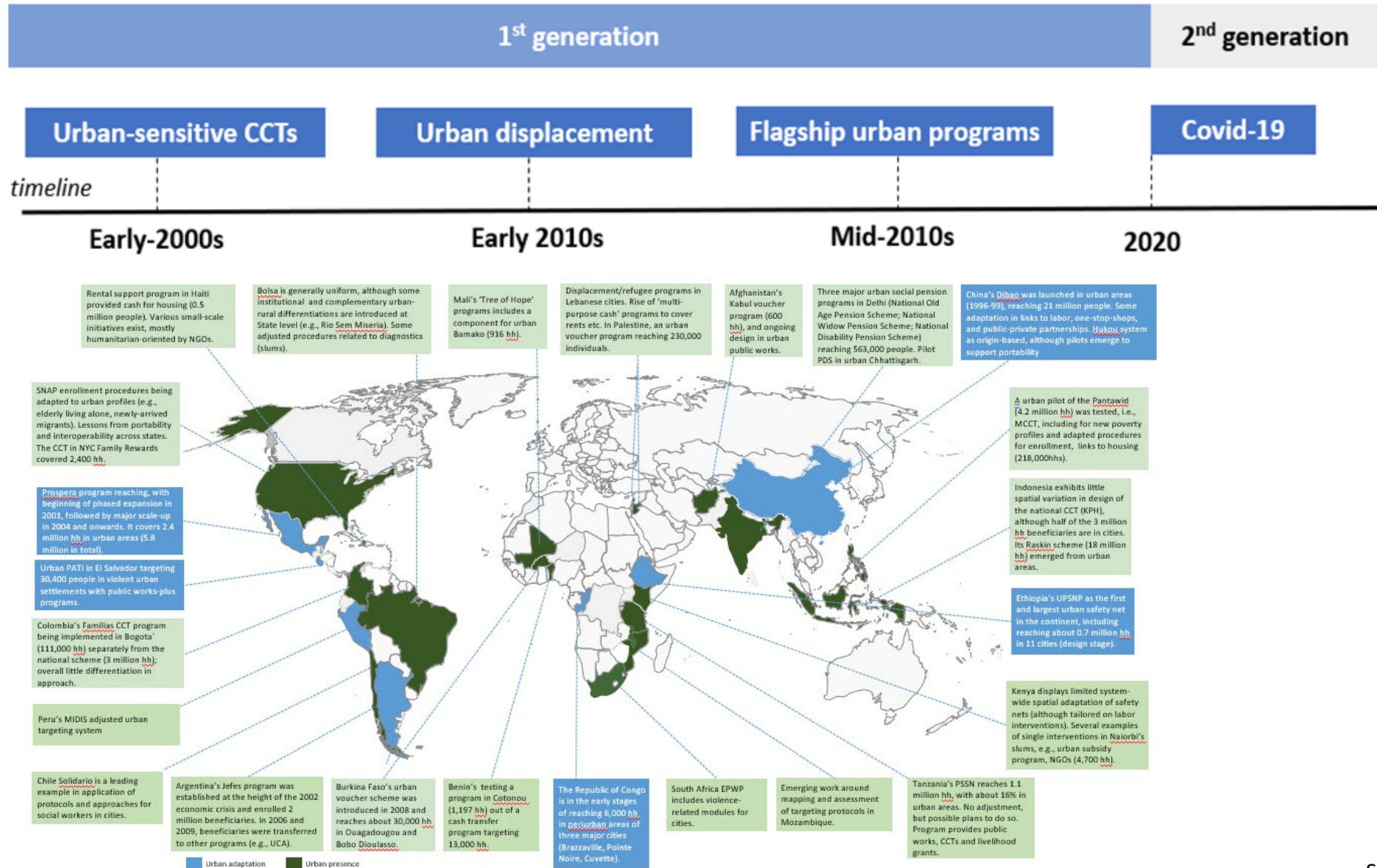
- **Millions of individuals are being financially included** through the rapid opening of e-wallets and mobile money accounts.
 - **Online beneficiary registration** to cash transfer programs has provided an opportunity to rapidly open accounts.
- **Tokens and unique-code based payments** have been a short-term digital solution that can open a path to account-based digital payments.

Countries will need to address challenges and risks faced in implementation to realize digital payments' benefits

- **Interoperability**
- **Cash-out network** availability and liquidity risks
- **Electronic payment acceptance**
- **Consumer protection**, financial literacy and adequate financial products (including fees and transaction limits)

Country	Number of targeted beneficiaries	Digital payment method employed				
		Accounts at Financial Institutions	E-wallets	Prepaid cards	Unique-Code based payments	Withdrawal using biometrics
Argentina	9 million households	✓			✓	
Bangladesh	5 million households		✓			
Bangladesh	4 million beneficiaries	✓				
Brazil	67.2 million beneficiaries	✓		✓		
Colombia	2.6 million households	✓	✓			
Costa Rica	553,374 households	✓				
Guatemala	1.6 million households				✓	
Jordan	200,000 households		✓			
Namibia	747,281 households		✓			
Pakistan	14,405,900 beneficiaries					✓
Peru	6.8 million households	✓	✓		✓	
South Africa	Over 3 million households	✓			✓	
Togo	577,048 households		✓			

(Re)opening of an urban agenda?



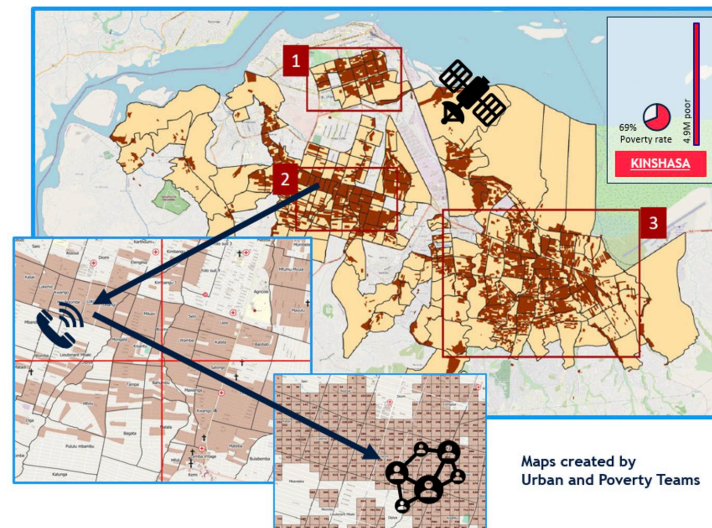
(Re)opening of an urban agenda?

Adaptations

- Beneficiary outreach, selection and enrollment
- Management information systems
- Payments
- Institutional arrangements
- Service linkages

... with lessons around

- Design and implementation
- Partnerships, institutions and political economy
- Strategic framing
- Evidence and learning



GOVERNMENT OF SIERRA LEONE
NATIONAL COMMISSION FOR SOCIAL ACTION (NaCSA)

COVID-19 EMERGENCY CASH TRANSFER (ECT) PILOT

1. PROGRAM OBJECTIVES
The Covid-19 ECT protects and supports the wellbeing of households that are expected to be especially vulnerable to the impacts of COVID-19.

2. BENEFIT SIZE
One-off payment of SLL 1,309,000

3. ELIGIBILITY CRITERIA

- Households with informal sector workers and those working in micro and small enterprises in Freetown, Bo, Kenema, Makeni and Portloko.
- The programme targets 29,000 beneficiary households.

5. SELECTION PROCESS

- City Councils, Ministry of Labor and Social Security, Traders Associations, Employers Federation, Microfinance Institutions and other organized market groups have provided lists of informal sector workers for consideration.
- Households on the list will be selected based on results from the light proxy means testing.

6. HOW WILL THE CASH TRANSFERS BE DELIVERED TO BENEFICIARIES?
The Cash will be delivered by Rokel Commercial Bank (RCB) through e-payment platform.

DO NOT OFFER BRIBE

For complaints on corruption or other matters Please contact NaCSA district staff, ACC community monitors or call ACC toll free at 515.

Kindly note that the Covid-19 Ep Fet Pa/SSN is different from ECT in terms of objective, payment size, targeted groups and geographical coverage.

AS PART OF SOCIAL SAFETY NET (SSN) PROJECT FUNDED BY THE WORLD BANK

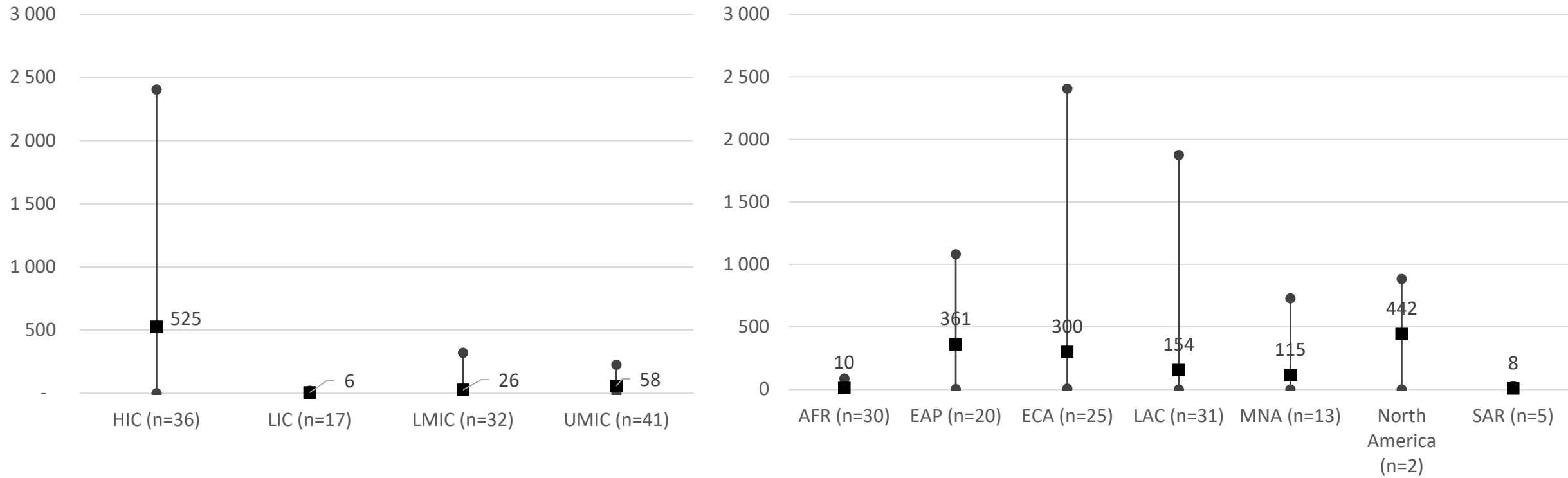
IN PARTNERSHIP WITH NaCSA, ACC, RCB, UNICEF, and other partners.

Financing

Countries	Social assistance	Social insurance	Labor markets	Total spending (USD)	Spending pc (average \$/capita)
LIC (n=17)	1,761,646,540	-	-	1,761,646,540	6
LMIC (n=32)	57,214,178,275	1,050,126,211	1,359,579,479	59,623,883,965	26
UMIC (n=41)	79,773,160,873	96,441,546,378	8,525,643,802	184,740,351,054	58
HIC (n=36)	515,372,159,621	17,128,599,265	22,007,957,639	554,508,716,525	525
AFR (n=30)	6,101,310,527	86,207	2,259,131,859	8,360,528,593	10
EAP (n=20)	194,260,932,026	85,827,239,269	25,613,918,532	305,702,089,827	361
ECA (n=25)	80,571,821,306	14,890,117,422	2,419,802,007	97,881,740,735	300
LAC (n=31)	38,490,348,436	13,033,828,956	486,407,407	52,010,584,799	154
MENA (n=13)	9,148,330,685	864,000,000	1,113,921,114	11,126,251,799	115
N. America (n=2)	290,005,000,000	5,000,000	-	290,010,000,000	442
SAR (n=5)	35,543,402,329	-	-	35,543,402,329	8
Total (126)	654,121,145,309	114,620,271,855	31,893,180,919	800,634,598,083	176

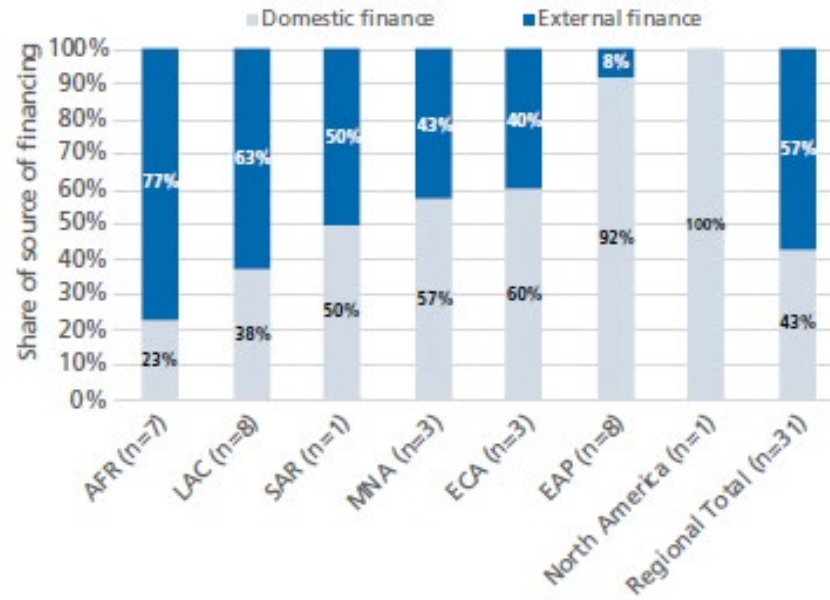
Financing

Average per-capita spending (USD) (n=48)



Financing

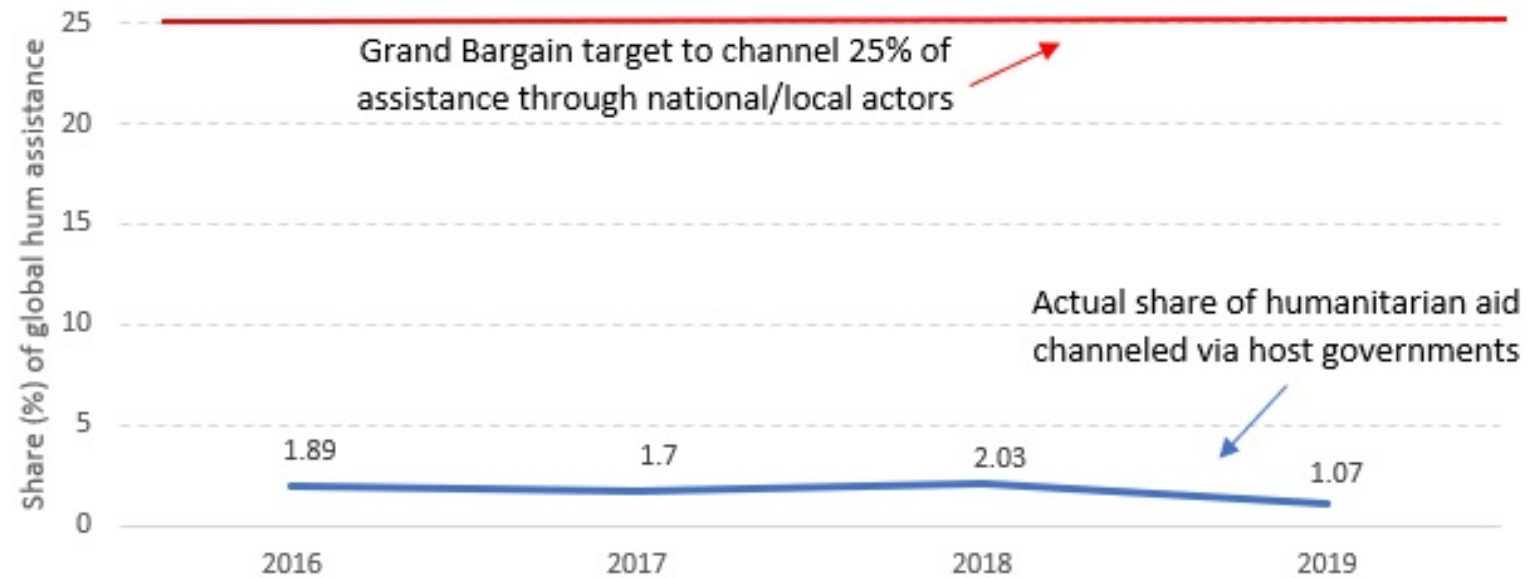
“Where is the money coming from?”



Countries	Domestic financing			External financing	
	Spending reallocation	Debt and deficit	State reserves/ contingent funds/fiscal savings	IFIs	Bilateral and multilateral development actors
AFR	2	1		7	4
Congo, Rep.				X	X
Kenya				X	X
Liberia				X	X
Mauritania		X		X	X
Nigeria	X			X	
Sierra Leone				X	
South Africa	X			X	
EAP	3	6	2	1	
Hong-Kong		X			
Indonesia	X	X		X	
Japan		X			
Malaysia		X			
Philippines	X				
Singapore			X		
South Korea	X	X	X		
Thailand		X			
ECA	3	2	2	2	1
Serbia	X	X	X		
Ukraine	X	X		X	
Uzbekistan	X		X	X	X
LAC	4	4	1	8	7
Argentina	X	X		X	X
Bolivia				X	X
Colombia		X		X	X
Costa Rica	X	X		X	X
Dominican Republic	X	X		X	X
Ecuador	X			X	X
El Salvador				X	X
Peru			X	X	
MENA	2		2	2	1
Egypt	X			X	
Morocco	X		X	X	X
Turkey			X		
North America		1			
US		X			
SAR	1			1	
Pakistan	X			X	
Grand Total	15	14	7	21	13

Financing

Humanitarian flows (pre-Covid)



Source: own calculations based on Development Initiatives GHA (2020, 2019, 2018, 2017)

Some reflections

- **Probably the largest crisis response ever**
 - Didn't occur by accident. Process of learning, investments and practices over the past 15 years
 - Pandemic hit at a moment of fervent debates (e.g., rise of universal social protection, UBI, etc.)
- **Range of innovations**
 - Combinations within social assistance (cash and in-kind transfers), as well as between social assistance, insurance and labor markets (reaching informal workers; cash for childcare; etc).
 - Solid evaluations not yet available
- **But uncertain if social protection is moving toward a new equilibrium**
 - Scale up for Covid-19 often ad-hoc and in parallel to pre-existing systems
 - Political economy/demand for coverage and adequacy
 - Financing (mostly by deficit) in a context of shrinking fiscal space
- **Operational take-aways**
 - Design simplicity?
 - Universality in delivery systems (ID, payments, MISs)
 - Preparedness and early warnings: health-based triggers? (From policy-process to automatic transfers)
 - Urban areas