Protecting the Poor – Better Data, Faster Response

Group Discussion on how investments in systems can improve the speed, transparency, accountability and accuracy of scaling up safety nets in response to disasters.
Agenda:

1. Introductory presentation on the topic of using safety nets to respond to disasters [15 mins]

2. Moderated group discussion on systems required for rapid response [30 mins]

3. Rotation of tables & repeat [30 mins]

4. Summary of discussion [10 mins]

5. Final wrap up [5 mins]
The frequency and severity of natural disasters are increasing, and more people are being affected...
At the same time, there are many challenges facing the current international system for disaster response...

...the humanitarian community is under increasing strain to meet ever-growing needs
- Insufficient resources to deliver against record needs.
- With humanitarian crises becoming more frequent and more protracted, the lines between development and humanitarian are blurred.
  - Average duration of humanitarian crisis is now 17 years.
  - 85 percent of humanitarian aid is going to countries that have been receiving it for more than 3 years.

...client governments and donors face multiple inefficiencies
- Current post-disaster aid delivery is not cost effective.
- Fragmentation of response across many actors and lack of coordination leads to inefficiencies.
  - E.g.: in the Philippines, in response to Yolanda (2013), at least 45 different international humanitarian agencies implemented separate cash transfer programs – alongside the national social safety net program.
...this is ultimately to the detriment of those most in need - particularly the poorest, for whom post-disaster support is often:

1. Received **too late** to prevent negative coping strategies and the worst impacts of livelihood and asset loss.

2. **Not guaranteed / predictable** and therefore cannot be relied upon or factored into household decision making.

3. In the wrong form and **not well aligned with actual needs** (i.e. one form of in-kind when another is needed).

Figure 1: Sample timeline of humanitarian emergency response in Ethiopia
**Safety Nets**, supported by the right systems, can be a more effective and efficient post-disaster response mechanism

Social safety nets help poor households to manage shocks (both idiosyncratic shocks - unemployment, illness etc. – as well as covariate shocks - macroeconomic, conflict, natural disasters)

Disaster and climate risks are increasing, as are vulnerabilities to these risks among poor households due to rapid urbanization and climate change

Disaster Responsive Safety Nets (DR-SNs) can help governments enhance their existing social protection mechanisms to offer rapid and timely assistance to vulnerable households affected by natural disasters, and so increase their resilience to shocks

There is a growing momentum globally to explore how DR-SNs can be used as a first responder to disaster event
Figure 2: The cycle of poverty and vulnerability resulting from natural disasters.
What is a Disaster Responsive Safety Net?

## What is a Disaster Responsive Safety Net?

### Benefit amount

**Benefit amount**

**Population**

- Regular safety net program beneficiaries (sub set of the poor)
- Regular program beneficiaries (sub set of the poor)
- Vulnerable / near-poor
- Not in regular SP program / vulnerable / near-poor

**Regular benefit**

**Additional grant amount**

**Scalability component**
Breaking the cycle of poverty and vulnerability resulting from natural disasters with DR-SNs

The potential impact of DR-SNs
Supporting lost livelihoods and assets through timely interventions to protect households from falling into poverty through negative coping.
Disaster Responsive Safety Nets

On the ground:

DR-SNs require:

1. Collaboration and greater interconnectedness among three key players;

2. Prior investments in the systems necessary to enable rapid response.

**Ministries of Finance**

- **Have financial decision-making power:**
  - Currently used to distribute funds post-disaster.
  - Can do more to insist on financial planning in advance.
- **Have convening power:**
  - Currently used to bring multiple actors together to develop post-disaster response plans.
  - Can do more to bring multiple ministries and actors together to improve preparation and coordination in advance.
- **Have financial risk management skills/expertise**
  - Currently used to manage public debt management (i.e. management of interest rate and currency risk), and management of other contingent liabilities.
  - Can do more to take similar risk-informed view of the fiscal and economic cost of disaster shocks.
- **Have policy-making authority**
  - Can do more to define roles/responsibilities/liabilities, expand the menu of financial tools, and strengthen legislative/regulatory frameworks.
Disaster Risk Management Ministries/Agencies

Macro-level information and action

• Create a geospatial understanding of probability and impact of natural events through data gathering, management and visualization – used by MoF.

• Implement risk reduction measures and prepare for post-disaster recovery.

• Execute post-disaster recovery and reconstruction programs.
Ministry of Social Welfare / Social Protection Systems
Micro-level, household information and program delivery

• Design & deliver programs to reach poor and affected beneficiaries.

• Utilizes a system for targeting beneficiaries based on:
  1) in higher capacity countries, rich databases on income / consumption or proxies for poverty and vulnerability
  2) in lower capacity environments, community based targeting.

• Manages numerous other relevant information systems, including: grievance redress system to manage inclusion and exclusion errors; established payments mechanisms for benefit delivery; pre-established methods for rigorous program monitoring and evaluation.
A simplified diagram of how the key line ministries can work together to design, build and deliver DR-SNs.
Ex-Ante Systems Development

1. PHYSICAL RISK ASSESSMENT
2. TARGET POTENTIAL BENEFICIARIES
3. ESTABLISH DISASTER RESPONSIVE SAFETY-NET POLICIES, PROCEDURES AND PRACTICES
4. DEVELOP RISK FINANCING STRATEGY
5. MEASURE CONTINGENT LIABILITIES
6. ENSURE COORDINATION WITH HUMANITARIAN ACTORS
Mechanisms for **Ex-Post** Delivery

1. **SHOCK**
2. **FUNDING MADE AVAILABLE**
3. **EXISTING INFORMATION STRUCTURES LEVERAGED TO CAPTURE DATA**
4. **PROGRAM SCALES UP OPERATIONS**
5. **BENEFIT DELIVERY**
1. Three tables have been set up in the room, each with a chair and a facilitator: (1) Community engagement; (2) Disaster risk management, and; (3) Finance

2. Chair will give introductory comments on the ‘nuts and bolts’ systems in their designated area that are required for safety nets to scale up and specifically on how data is captured, transferred and used in disaster scenarios to enable this to happen [10-15 mins]

3. Group discussion on how systems could work in their country (or experience) [c. 20 mins]

4. Rotate and select another table

5. Repeat step 2 & 3

6. Summary of key points discussed at tables [10 mins]

7. Final wrap up and summary [5 mins]
Thank You
Ethiopia’s Productive Safety Net Program

- Launched in 2005
- Reaching 10 million food-insecure people in Ethiopia
- Temporary work up to 6 months / year
- Cash transfers to the chronic poor that are unable to work
- Financed by Government of Ethiopia ($500m), World Bank ($600m) and 11 other development partners
- Mechanisms to respond to local and larger scale shocks
PSNP and the severe droughts in East Africa, 2011

- Food shortage and famine
- Ethiopia, the only country not to increase poverty in the region
- **PSNP:**
  - Expanded its coverage from 6.5 million to 9.6 million in 2 months
  - Extended the duration of benefit period from 6 mo/yr to 9 mo/yr.
Pakistan: An evolution in disaster responsive safety nets

- Highly disaster prone country
- High levels of poverty
- Good banking system
- Strong government capacity for registering and targeting beneficiaries
Pakistan: The evolution in response to disasters

2005 Earthquake:
• Response combines safety nets type response for livelihoods support and housing reconstruction in a remote area.
• Proves cash transfers are useful for disaster response, nascent systems developed including MIS, grievance redress, linkages to Banks for payments.

2010 Major flood response:
• Utilizes systems and mechanisms tested in 2005 such as payments through banks, use of national database authority to support targeting, excellent MIS.
• Becomes blueprint for future provincial flood responses in 2011, 2012 and on.

Today:
• A future response action plan based on the cash transfer program was approved by the Prime Minister.
• Cash transfer costs not considered as part of federal budget so DRM team did analysis costing to help Government consider costs of such responses.
• Well developed national safety net in all parts of the country and growing DRM awareness.
The 2015 Nepal Earthquake

- A violent earthquake, measuring 7.8 on the Richter scale.
- Entire villages in predominantly rural areas with high poverty and low connectivity were flattened.
- Major damage was not so much to infrastructure (little of which existed) but to rural houses.
Responding to the Nepal earthquake together

- The day after the earthquake, the World Bank’s DRM and SP teams began coordinating their response. The DRM team brought expertise on housing construction guidelines, costing, infrastructure, and so on, while the SP team assisted with survey design, targeting, payment systems, and pro-poor engagement throughout the engagement.

- The R2D2 community of practice was triggered and held a videoconference – generating valuable additional ideas and approaches that the team could integrated into the program.

- Experience gained from the Pakistan case of developing a DRSN was leveraged by those in the field – through the R2D2 community - and directly applied to the Nepal case, offering greater credibility to the intervention’s being proposed there.