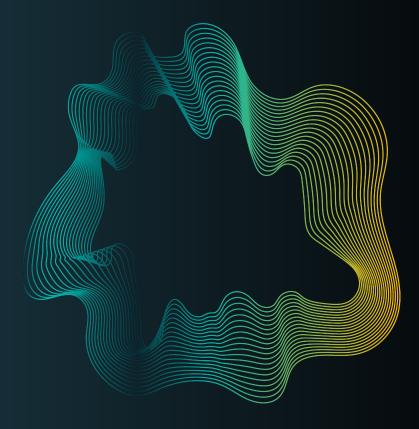


Inclusive Climate Finance: G2P Programs

The Climate Landscape Series



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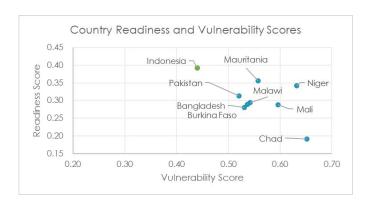
Our Climate Landscape Series Decks

- → Conceptual Frameworks for Climate Action: Climate Justice, Digital Finance and Climate Finance Flows
- → Climate Finance Taxonomies: Frameworks for the current landscape
- → Climate Change and **Gender**
- → Climate Innovation: Climate Smart Essential Services & The Opportunity for Philanthropy
- → Climate Resilience Insurance: Learnings, Gaps, Opportunities

- Inclusive Climate Finance: G2P Programs
- Building an Inclusive Voluntary Carbon Market for Resilient Communities
- → Climate Finance: Data and Data Platforms



Combination of most vulnerable and FSP interest country CCDRs reviewed



Country	Vulnerability Ranking	Readiness Ranking
Chad	2	190
Niger	3	129
Mali	11	160
Malawi	28	157
Mauritania	20	119
Burkina Faso	29	158
Bangladesh	30	167
Pakistan	36	146
Indonesia	83	102
N	185	192

- "The World Bank Group's Country Climate and Development Reports (CCDRs) are new core diagnostic reports that integrate climate change and development considerations. They will help countries prioritize the most impactful actions that can reduce greenhouse gas (GHG) emissions and boost adaptation, while delivering on broader development goals." (Source)
- Prepared by the World Bank, with support from the IFC, MIGA, IMF, and engagement from government counterparts, the private sector, academia, think tanks and civil society.
- Reports on 25 countries released so far.
- We report on: Bangladesh, Indonesia, Malawi, Pakistan, and the Sahel countries of Burkina Faso, Chad, Mali, Mauritania, and Niger.
 - Reviewed countries span range of vulnerability to climate change and readiness to improve resilience, as measured by the <u>Notre Dame Global Adaptation Initiative (ND-GAIN)</u>.



Climate action plans incorporate G2P and address needs of women to varying degrees

Country	Incorporates G2P / Social transfers	Addresses needs of women	Integrates both at the same time	Year Published
Bangladesh	In detail	In detail	Somewhat	Oct 2022
Indonesia	In detail	Somewhat	Not at all	Apr 2023
Malawi	In detail	Somewhat	Not at all	Oct 2022
Pakistan	Somewhat	Not at all	Not at all	Nov 2022
Sahel countries (Burkina Faso, Chad, Mali, Mauritania, and Niger)	Somewhat	Somewhat	Not at all	Jun 2022



Bangladesh: Plan for "Strengthening Shock Responsive Social Protection"

- Integrating gender aspects into social welfare programs to reduce potential for gender-based violence, trafficking, and other vulnerabilities, and ensure access to support services.
- Transitioning in-kind-based social protection programs to cash-based programs. Cash transfers provide shock-affected households the choice of options to mitigate the impacts of a shock. In 2021, the Ministry of Disaster Management and Relief approved the first multi-hazard cash-based adaptive social protection scheme, the Employment Generation Programme for the Poorest.
- Leveraging existing digital payment infrastructure to transfer cash electronically in the event of a shock. A national government-to-citizen (G2P) platform allows direct transfers from the Treasury to beneficiary accounts (Direct to Citizen transfer, D2C). Some national social assistance programs use mobile financial service agents to improve accessibility of cash-out points to beneficiaries.



Bangladesh: Plan for "Strengthening Shock Responsive Social Protection"

- Streamlining disaster relief data to rapidly identify recipients of income support, before or after natural disasters. The National Household Database, a social registry of demographic and socioeconomic data, will be a gateway for entry and eligibility assessment for social assistance programs and the pre-identification of vulnerable households. Disaster relief data and information management, however, is fragmented and subject to irregular updates, lack of common operational datasets, fundamental operational datasets, and inconsistent methods of data collection.
- Increasing coordination with the Ministry of Social Welfare to improve efficiency across multiple social welfare programs. Policy directives and interventions for emergency shock response are led by the National Disaster Management Council (NDMC), Inter-Ministerial Disaster Management Coordination Committee, and National Disaster Management Advisory Committee.



Cash transfers as a component of reforming power and energy sector

1

Bangladesh maintains **substantial subsidies on fossil fuel use**, which create disincentives for decarbonization. Subsidized diesel prices perpetuate inefficient diesel-based irrigation systems and motorized transport. These subsidies are regressive and inefficient and could be repurposed and directed to the poor through targeted social protection programs or incentivized transfers.

An analysis of the removal of energy subsidies suggests that more efficient resource allocation contributes to GDP growth, with additional growth benefits if a cash transfer program is introduced to support poor households. Subsidy elimination would increase government revenues and contribute to income distribution while helping to reduce the harmful externalities associated with the use of fossil fuels.



Cash transfers as a component of reforming power and energy sector

2

Higher energy efficiency and effective metering can also improve access for the most vulnerable and excluded communities. Gas use in Bangladesh has never been metered for residential consumption. Residential consumers pay a monthly gas bill amounting to Tk 975 for each double burner, irrespective of the gas volume consumed. As a result, there is little incentive for efficient use of this resource, and potential over-billing of the most vulnerable groups. For industrial consumers who benefit from preferential rates, unauthorized connections leading from the meter add to pilferage at advantageous rates for other purposes.

Accelerating the rollout of gas meters for residential consumers, piloting smart meters for industrial consumers, and integrating better monitoring systems on the gas distribution network will help while **direct cash transfers** for lower-income deciles will help address affordability.



Cash transfers as a component of possible carbon tax regime

3

Appropriate carbon pricing can help mobilize resources for adaptation while contributing to decarbonization by correcting for the externality and eliminates any existing fuel subsidies. A **carbon tax** focused on the energy sector **could be implemented progressively**. As Bangladesh already has an existing fuel tax system, introducing an additional carbon tax on energy would require only limited administrative capacity with little scope for noncompliance.

Incentives for higher energy efficiency and transition toward renewable energy can improve energy security and is increasingly important in light of rising fossil-fuel prices in international markets and corresponding pressures on current account balances. Revenue mobilized from a carbon tax could be used to protect economically vulnerable groups, to support firms with decarbonization, and to create jobs through investments in climate projects. Fuel subsidy reform would be required concurrently with a carbon tax to ensure pass-through higher prices. Two illustrative carbon tax pathways considered below should be viewed as complementary strategies to the sectoral decarbonization pathways...



Cash transfers as a component of possible carbon tax regime

Table 7: Illustrative Decarbonization Pathways 157

Illustrative Pathway 1—Achieving NDCs by 2030

 Gradual introduction of the carbon price (to US\$10 by 2030) and phasing out of fossil-fuel subsidies.
 Generated revenues are split between public investment (50 percent); current spending on health, education, and social security (25 percent); and cash transfers to households (25 percent) to address inequality and political economy aspects of the reform.

Illustrative Pathway 2-International carbon price floor

 Gradual introduction of the carbon price (to US\$25 by 2030) and phasing out of fossil-fuel subsidies.
 Generated revenues are split between public investment (50 percent); current spending on health, education, and social security (25 percent); and cash transfers to households (25 percent) to address inequality and political economy aspects of the reform.



Documentation of challenges faced by women



Climate shocks have a disproportionate impact on the poor, particularly women. Faced with climate shocks, the poor can revert to coping strategies that jeopardize human and productive capital and long-term wellbeing, with gender-significant impacts.

Loss of arable land tends to affect women and vulnerable groups more so due to the fewer opportunities for mobility, migration, or rights to reclaimed land, or having to travel further to collect water.



Costs incurred by rural households in adapting to climate impacts (e.g., for raising floors; protecting agricultural land, livestock, and household materials) amount to as much as 30 percent of total household expenditure for female headed households (whose numbers are rising as a result of male out-migration), compared to 15 percent for male-headed households.



The forthcoming Bangladesh National Adaptation Plan recognizes that cottage/MSMEs are disproportionately impacted by climate variability and extreme events (e.g., prolonged floods and waterlogging, heat-stress, devastating cyclones, tidal surges, and salinity intrusion), and identifies the need to support MSMEs as important sources of livelihoods for vulnerable communities, especially women, youth, and ethnic groups.



Inclusive public procurement through targeting of women-led businesses



Bangladesh spends approximately **US\$25 billion** on public procurement annually—about 37 percent of its annual budget—and can integrate climate goals into public procurement practices. Public procurers should leverage their purchasing power by promoting green procurement through the purchase of energy-efficient, low-carbon-emitting climate/disaster resilient goods, works, and services. The Central Procurement Technical Unit and Implementation Monitoring and Evaluation Division under the Ministry of Planning are in the process of preparing a Sustainable Procurement Policy Note and an implementation road-map to provide strategic direction to integrate sustainable procurement into legal, regulatory, and institutional frameworks. This will enable environmental and socioeconomic considerations with regard to public procurement by promoting green and inclusive practices (e.g., supporting participation of small- and medium-size enterprises and women-led businesses in government procurement). Capacity development for users of the public procurement system to apply sustainable practices will further facilitate progressive implementation.

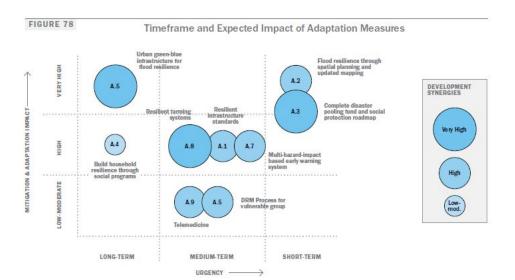


Indonesia: Coping strategies involving social transfers

- Recent expansions to social systems–social protection and health programs will underpin climate resilience and the human capital accumulation needed for growth. A key social protection commitment is to facilitate access to social protection for 98 percent of the population. Social protection programs have seen a significant expansion of coverage over the decade to 2021 complemented by a suite of non-contributory transfer programs for emergency situations.
- A **unified social welfare registry list** (DTKS) of nearly 29 million poor and vulnerable households has been developed to identify potential beneficiaries for a range of programs. Health insurance coverage (JKN) has increased from 130 million people to over 220 million in the five years to 2021, with a commitment to increase coverage to 98 percent of the population.
- In addition to financial protection against impoverishing health episodes, JKN helps **promote climate** resilience of health facilities and improve care for climate-sensitive health conditions. In 2021, social assistance spending was 1.5 percent of GDP-close to the global average (1.54 percent), however, as is the case in countries globally, these systems will be stretched further by climate change.
- Indonesia is **improving readiness is in the capacity of the Social Protection (SP) system**. The CCDR undertook a 'Stress Test' (Sen et al, 2022) to assess the capacity of Indonesia's SP System to respond to climate shocks and found the country to be operating at a **midrange Level**. Indonesia scored 3.26 on a scale of 1 (Nascent) to 5 (Advanced) in four areas, including the effectiveness of its Programs and Delivery Systems (score: 3.47); Data and Information (score: 3.08); Financing (score: 3.25); and Institutions and Partnerships (score: 3.25).



Social protection measures seen as short-term, high impact priorities





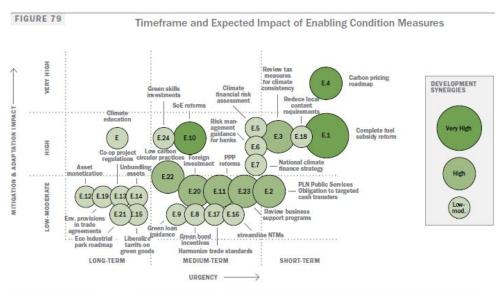
Adaptation measures could focus on completion of disaster financing and social protection measures as short-term priorities, while commencing planning for longer-term urban infrastructure investments (Figure 78).

Source: WBG staff assessment.

Note: Actions assessed as most urgent, with the greatest climate impacts, are to the top right; those with greatest development ob-enefits are represented by larger/darker circles. Short-term priorities are those envisaged prior to 2025, medium term prior to 2030, and long term after 2030.



Targeted cash transfers seen improving enabling conditions in the short-term



Source: WBG staff assessment.

Note: Actions assessed as most urgent, with the greatest climate impacts, are to the top right; those with greatest development co-benefits are represented by largerly darker circles. Short-term priorities are those envisaged prior to 2025, medium-term prior to 2030, and long-term after 2030.



Convert the electricity price subsidy ... into targeted cash transfers for eligible households. This would allow the charging of tariffs that cover generation costs while using cash transfers to compensate the poor and vulnerable for price rises. This may require updates to the [Integrated Social Welfare Database], to ensure sufficient information for targeting, managing, and monitoring cash transfers.



Malawi: Social protection is "a pillar of climate resilience"

- The social protection system is central to Malawi's governance framework to protect the most vulnerable populations and build their resilience. Malawi has four main mechanisms, for channeling resources to and building the resilience of the most vulnerable communities and households.
- The **Social Cash Transfer Program (SCTP)** is the country's flagship program, covers 7 percent of the population and provides unconditional cash transfers to very poor and labor constrained households in all 28 districts. The aim should be that SCTP is a scalable and shock-sensitive social protection mechanism that is Government-led and uses e-payment systems to increase the efficiency and responsiveness of the system to climate events.
- A redesigned Enhanced Public Works Program (EPWP) could also help to address climate vulnerability. The EPWP differs from prior public works programs in that it includes stronger provisions for community participation, technical assistance to communities, and design and enforcement of clear climate-smart guidelines for the subprojects. It will also be focused particularly on climate-responsive public works in rural areas—soil and water conservation (for example, contour ridging, swales, terracing, etc.), forestry, and other rural infrastructure—responding to evidence from elsewhere in the region that these types of local investments can have substantial impacts on climate resilience.
- Key to achieving this shock-responsiveness is further strengthening adaptability of social protection delivery systems, especially the **Unified Beneficiary Registry (UBR)**, **e-payments**, **and Grievance Redressal Mechanisms**. Using existing UBR data, the Government is also collecting complementary data needed to identify beneficiaries who could be part of scale-ups related to climate shocks.



Malawi: Social protection is "a pillar of climate resilience"

Women and girls in Malawi are particularly vulnerable to climate shocks. A 2018 study used harmonized longitudinal survey data and climate records in Malawi to capture the aendered effects of extreme weather events. It found that temperature-related shocks affected overall household consumption, food consumption, non-food consumption, and caloric intake more in households in which the land was managed solely by women than in those households in which the land was managed by men or managed jointly. The authors attributed differences in vulnerability to

climate shocks to women's lack of access to land-tenure security.



Malawi also needs to reduce the enormous pressure on Malawi's forests from the collection of firewood and the production of charcoal. This requires accelerating the transition to clean and efficient cookstoves and instituting a forest management certification scheme to increase sustainably sourced firewood and charcoal. A rapid transition to cleaner cookstoves and **fuels** is not only essential for forest protection, but to reduce indoor air pollution. This will bring important health benefits, particularly to women, girls, and children, and address one of the leading causes of premature death.

The Malawi Social
Cash Transfer
Programme
Strategic Plan
(2022-2027) did not
have any action
items explicitly
tailored for women.



G5 Sahel*: Climate action must integrate with poverty reduction and sustainable livelihoods

- Poverty is expected to increase between 27 and 34 percent from economic losses from climate shocks from six impact channels, in the absence of adaptation policies and investments. This would translate into an additional 4.1M and 13.5M people falling into poverty, respectively. Given the large negative impacts of climate change on poverty and the challenge to fully adapt, **expanding adaptive safety nets and other poverty reduction programs will be critical**. Yet, except for Mauritania, the Sahel region has **low levels of national safety net systems**.
- To address these problems and build resilience, Sahel countries have developed Adaptive Social Protection (ASP) systems. Through the provision of **regular cash transfers** and services to the poorest and most vulnerable households, adaptive social protection **directly supports their capacity to prepare for, cope with, and adapt to climate-related shocks**.



G5 Sahel*: Climate action must integrate with poverty reduction and sustainable livelihoods

- ASP systems include **multi-year cash transfer programs with productive inclusion measures** that have proved effective in promoting more productive and resilient livelihoods. These empower beneficiaries to diversify their assets and livelihoods and reduce their exposure and vulnerability to shocks. **Niger automatically dispenses cash immediately after a drought; for example, the Government used satellite data to identify drought-affected areas and provide 15,000 households with cash transfers.**
- Multi-year cash transfer and productive inclusion programs are effective to boost investments and diversify off-farm income-generating activities of poor households across the Sahel, which is central to reducing households' vulnerability to climate-related shocks. As climate-related shocks can have long-term negative consequences on households, especially affecting children's health, nutritional status, and education, emergency cash transfers are critical in protecting human capital.



Targeted cash transfers seen improving enabling conditions in the short-term

Preliminary results of the G5 Sahel (and Senegal) stress test

			Emerging	Established	Advanced
Gov leadership and Inst. arrangements		Burkina Chad Mali Maur Niger	itania Senegal		
Finance	Burkina Chad Mali Senegal	Mauritania Niger			
Data and Information		Burkina Chad Mali Niger	Mauritania Senegal		
Programs and delivery systems	Burkina Ci	nad Mali Niger	Mauritania Senegal		



A Stress Test Tool has been developed by the World Bank to assess the adaptiveness of social protection systems to respond to climate shocks. The adaptiveness depends on how well a country is doing on each of the building blocks of a social protection system. The G5 Sahel are generally nascent in their progress in establishing building blocks of social protection systems and shock-responsive functions. Niger, Mauritania, and Mali relied on ASP systems to protect poor and vulnerable households from the economic impact of the COVID-19 crisis.



Pooling resources may deliver better social safety nets

1

[G5 Sahel countries could] improve access to finance for resilience by leveraging digital financial services and using **regional risk pooling solutions for social safety nets**. Given the spatial nature of the climate shocks and impacts and the socioeconomic interdependence of Sahel communities, a regional approach to welfare policies can help increase resilience and adaptation. There are many opportunities for welfare policies.

First, existing national safety net programs could be strengthened and scaled up. Second, investments in more productive and conflict-sensitive land management and pastoral systems could be increased. Third, an effort to scale up the administration of human development programs would reduce the current devastating impacts on health, education, and human capital accumulation, thus strengthening the resilience and adaptive capacities of Sahelian communities.



Pooling resources may deliver better social safety nets

2

The stress test assessment [of the social protection system] highlighted areas which need further work and funding, such as **increasing coverage of social protection programs and social registries**, strengthening grievance and redress mechanisms, and improving coordination between social protection and emergency or disaster management actors.



G2P could facilitate climate adaptation measures that benefit women



The gender benefits from using clean cookstoves are estimated at **US\$3.15 billion per year**, primarily because of the **time women would save collecting fuel and cooking**, and the climate benefits are estimated at US\$1.08 billion per year, due to reductions in greenhouse gas and black carbon emissions.

[With universal access to clean cooking,] women would save 230 to 440 hours per year, labor hours lost to illness would drop from 42 million for Mauritania to 630 million for Burkina Faso by 2050, and the area of forests and shrublands would increase by 2 million hectares by 2050, bringing enhanced ecosystem services.



G2P could facilitate climate adaptation measures that benefit women



Climate change is likely to fuel migrations from the G5 Sahel countries. By 2050, West Africa could see as many as 32 million internal climate migrants (just over 4 percent of the total population). In many of these migrations, women are more likely to be left behind because they often do not own any means of transportation or cannot afford to move. Moreover, when men migrate to urban areas, women become de facto heads of household and are left with the responsibility of ensuring that agricultural activities continue.

Solving these problems requires a change in roles and responsibilities within the household and may **challenge traditional gender roles within the village**. If structures and norms outside the home exclude women from participation in traditionally male roles and spaces, women may be unable to connect to the critical resources or information required to respond to a changing climate



Pakistan: Costly and poorly targeted subsidies need to be replaced for traction

The agri-food system is awash with inefficient, costly, inequitable subsidies that are an economic burden and create a distorted incentive structure, which plays a significant role in the sector's poor performance. This includes **direct subsidy programs**, tax relief for inputs, import and export subsidies, and revenue gap financing. A shift away from these inefficient, costly, and inequitable subsidy regimes is critical for sectoral transformation and strengthened resilience of systems and households. There are deep political and policy challenges that must be met for such a reform to succeed, first and foremost being that a range of vested interests benefit from the status quo. Key Policy Recommendation: **Repurpose existing subsidies to introduce eciency without burdening vulnerable and smallholder subsistence farmers** and utilize freed up fiscal resources to remove barriers to transformative, climate-smart, on-farm investment and value-chain improvements.

The natural gas subsidy for chemical fertilizer production urgently needs to be phased down. Fiscal savings from the reform could be rechanneled as "smart subsidies" to smallholder farmers to promote resilient farming practices. Some of the fiscal space that would open up through wheat and sugarcane reform could also be used to direct income support or subsidized inputs to smallholder or landless farmers for undertakings actions that increase their climate resilience. A tested system for regular fiscal transfers to small farmers would also enable the provincial governments to swiftly make emergency relief cash payments in the aftermath of disasters such as the 2022 floods. Subsidy ... interventions would need to be carefully targeted at identified market failures and subjected to adequate oversight and monitoring arrangements to prevent leakage, capture, waste, or broader market distortions.



Investments in Adaptive Social Protection policies key to turnaround



Social protection (SP) can help build the resilience of poor and vulnerable households to prepare for, cope with, and adapt to climate shocks. It does so by (i) reducing poverty and vulnerability and increasing coping capacity ahead of shocks, (ii) providing a stepping stone toward climate-resilient livelihoods, and (iii) supporting inclusive disaster preparedness, and disaster response and recovery. Pakistan's existing SP system can be strengthened and mobilized for more efficient delivery of relief and recovery building on lessons learned from the response to the 2022 floods. Ex-ante SP instruments could also be used to incentivize proactive protective behaviors and activities.

(contd...)



Investments in Adaptive Social Protection policies key to turnaround



Based on the recent flood relief process, it is evident that the current National Socio-Economic Registry (NSER) is not able to support most informal sector Pakistani households who fall outside existing risk-sharing and risk-mitigation mechanisms and are not eligible for existing safety net programs targeted to the very poor, nor covered by social insurance, including formal pensions. Many are likely to incur significant losses due to climate-related disasters and could be driven into poverty. By integrating the principles of an adaptive SP system, swift support could be provided to such vulnerable groups.

A comprehensive strategy to combine social assistance and insurance schemes, including microinsurance, health care coverage, and savings products for the poor and those in the informal sector, is essential. In addition, Pakistan needs to leverage the SP system to promote medium- to long-term incentives for households to prioritize human capital accumulation, in particular education, including skills for working in green sectors. This will require high-level government commitment and inter-governmental coordination between the federal and provincial levels.





Anticipatory Cash Transfers

Anticipatory cash transfers are a relatively recent approach within the humanitarian and development sector. Their aim is to provide financial assistance to vulnerable communities or households **before a <u>predicted</u> crisis strikes**, allowing them to better prepare for and mitigate the impact of adverse events.



Hazards: drought, floods, volcanic ash, El Niño, cyclones, typhoons, riverine floods and cold waves.

Action: conditional and unconditional cash transfers, vouchers and cash for work.



Anticipatory Cash Transfers



In 2020, 1M households were inundated and 5.5M people were directly affected by massive floods in Bangladesh. The WFP provided a small cash transfer of \$53 via mobile money to over 23,000 households (HHs) **a week in advance of peak flooding**.

[These] transfers increased the choice set of actions available to HHs. HHs that received the cash transfer were 52% less likely to go a day without eating if they had received the transfer, compared to HHs that did not. Its effects were still present three months later, impacting both current and future welfare. Children in HHs that were sent the cash transfers were 3.8% more likely to have consumed three meals in the day prior to the survey. Stated wellbeing was 18.7% higher. The anticipatory cash transfer also mitigated asset loss and boosted earning potential -- an early sign of recovery. (CSAE)



Adaptive Social Programs

Adaptive Social Protection (ASP) is a relatively recent concept that "integrates the often-disconnected disciplines of **social protection**, **disaster risk management**, and **climate change adaptation**, and aims to build the resilience of poor and vulnerable households, while strengthening their capacities to prepare for, cope with, and adapt to climate impacts."

Existing social protection programs can be made adaptive and "shock-responsive" to climate change impacts by:

- **Focusing on beneficiaries, areas, and households** that are more vulnerable to climate shocks and risks.
- **Temporarily increasing the value of benefits** in the aftermath of climate shocks to support affected households.
- Introducing flexibility in program conditionalities during climate emergencies.

 Aligning humanitarian assistance with existing safety net programs.



Adaptive Social Programs

- Supporting productive, diverse, and climate resilient livelihoods that also contribute to community resilience where possible, for instance through landscape management, climate-smart agriculture, nature-based solutions, or mini-irrigation systems.
- **Using weather forecasts and early warning systems** to trigger early response, particularly for slow-onset climate shocks like droughts.
- **Ensuring strong coordination across disaster response agencies** through a multi-agency platform that includes the ministry responsible for climate action, and sub-national governments.



Adaptive Social Programs

Sample of 11 ASPs in Africa. (Tenzing, J. D. (2020))

Project Name	
Hunger Safety Net	Programme
Country: Kenya	Type: Safety-net
Tanzania Social Ad	ction Fund
Country: Tanzania	Type: Safety-net and Labor market interventions
Farm Input Suppor	rt Programme
Country: Malawi	Type: Safety-net
The Sahel Adaptiv	e Social Protection Program
Countries: Burkina Fa	so, Chad, Mali, Mauritania, Niger, and Senegal
Type: Safety-net and	Labor market interventions
Northern Uganda S	Social Action Fund
Country: Uganda	Type: Safety-net
Livestock Insurance	ce Programme
Country: Kenya	Type: Insurance
Adaptation of Agri Country: Madagasca	cultural Value Chains to Climate Change
Child Grant's Prog Country: Lesotho	ramme Type: Safety-net
-	
Country: Ghana	erment Against Poverty Type: Insurance and Safety-net
Urban Productive :	
Country: Ethiopia	Type: Safety-net and Labor market interventions
	ive Safety Net Programme
Country: Ethiopia	Type: Safety-net



Next generation G2P architectures

G2P for climate action could potentially accelerate implementation of the **G2P 4.0 architecture** featured in the next slide, where:

beneficiaries have access to an account

beneficiaries have a choice of payment service providers (PSP) and payment instruments

many programs leverage the same shared infrastructure

Given that social protection schemes to address climate action requires interaction between multiple vulnerabilities, multiple interventions for adaptation and resilience, and multiple sources of funds.

This may also support <u>transnational social protection</u> (e.g. G5 Sahel), where:

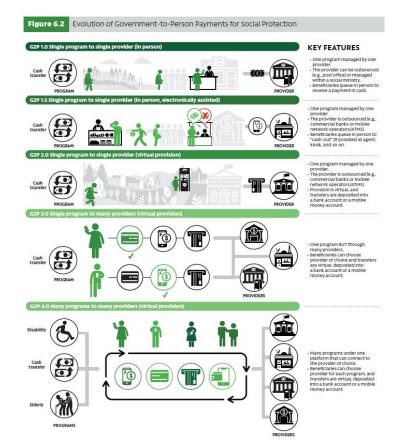
the state takes on additional functions

citizenship and social rights are decoupled

there is a denationalization of social rights



Next generation G2P architectures





Four building blocks of a strong social program

Programs and delivery systems Traditional approaches to safety nets need to be revisited to ensure they a responsive to shocks, e.g., beneficiary selection may require different criter program benefit packages and delivery chains may need adjustment.		
		Data and Information
Finance	Risk financing strategies are a core requirement of proactive response planni enable funding to be available in case of a shock, limiting delays in response a preventing reliance on negative coping strategies.	
Institutional arrangements and partnerships	Government leadership is critical to ensure coordination of actors, based on clear articulation of roles and responsibilities, which can save time and so that unnecessary delays can be avoided. Governments should lead the ASP agenda by setting resilience-related objectives in policies and strategies, including social protection, DRM, and climate change adaptation, and establishing the standards and procedures to guide the integration of nongovernmental organizations and humanitarian actors.	

Source: Bodewig, Christian; Calcutt, Evie Isabel Neall; Conner, M. Gillette; Cook, Samantha Jane; Gentilini, Ugo; Hill, Ruth; Majoka, Zaineb; Narayan, Ambar; Saidi, Mira; Tassot, Caroline Anne Isabelle. Stress Testing Social Protection: A Rapid Appraisal of the Adaptability of Social Protection Systems and Their Readiness to Scale-Up - A Guide for Practitioners (English). Washington, D.C.: World Bank Group.

http://documents.worldbank.org/curated/en/559321634917529231/Stress-Testing-Social-Protection-A-Rapid-Appraisal-of-the-Adaptability-of-Social-Protection-Syst ems-and-Their-Readiness-to-Scale-Up-A-Guide-for-Practitioners



Stress test scalability and adaptability of social protection - the payment component

Building block	Sub- component	Number of questions
	Programs	3
Programs and delivery systems	Delivery systems	6
	Payment mechanism	3
Data and information	Early Warning Systems	4
	Social registries	9
Financing		4
Institutional arrangements and partnerships	Government leadership	3
	Institutions	2
	Total questions	33

Latent(1): No mobile or digital payments and no ability to scale payments in times of shocks

Nascent (2): Possibility of mobile/digital payments for regular transfers but scale up of payments or assistance for shock response is limited in scale and experience severe delay

Emerging (3): Some payments made by mobile/digital methods for regular system. There is some ability to scale payments or assistance delivered beyond current case load but moderate delays and limited ability to tailor payment system to specific shock or need

Established (4): Majority payments are mobile/digital, with exception of very remote/ vulnerable populations. In times of shocks payments or assistance delivery can be done with relatively no delay and reach significant scale

Advanced (5): All regular payments are mobile/digital with in-built mechanisms to ensure access, but the system can also adapt to any shock (modify payment mechanism to suit shock) and respond relatively quickly and at the required scale

Each building block (or component) is scored between 1 and 5 in light of responses to questions in corresponding sections. An aggregate score will be the average of scores within these four categories.



Source: Bodewig, Christian; Calcutt, Evie Isabel Neall; Conner, M. Gillette; Cook, Samantha Jane; Gentilini, Ugo; Hill, Ruth; Majoka, Zaineb; Narayan, Ambar; Saidi, Mira; Tassot, Caroline Anne Isabelle. Stress Testing Social Protection: A Rapid Appraisal of the Adaptability of Social Protection Systems and Their Readiness to Scale-Up - A Guide for Practitioners (English). Washington, D.C.: World Bank Group.





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Thank you!

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