



1.03 Expand coverage of social protection systems

The Solution: The solution includes scaling-up social protection programmes to help address hunger, food insecurity, and malnutrition. In doing so, it places particular emphasis on the expansion of social assistance programmes, especially cash transfers, and on leveraging untapped potential for enhancing financing, investments in delivery capabilities, and making systems more ‘adaptive’ to crises. **This would represent leveraging and expanding an existing solution.**

Source of the Solution: This was seen as timely because there is a precious window of opportunity to support countries toward establishing universal social protection systems. While countries would follow contextual trajectories in pursuing this goal, broad political will, capacity to scale up, and evidence of cost-effectiveness converge for expanding coverage. The moment for the solution is opportune due to

- **An existing large-scale platform.** There is potential to impact all poor/vulnerable/shock-affected people, building on coverage of almost 1.3 billion people in the context of the COVID-19 pandemic. This represents a scale up of coverage by 240% compared to pre-COVID levels, but much remains to be done. In fact, before the pandemic social protection in low-income countries only reached 20% of the poorest 20% and largely focused on rural areas; even in middle-income countries, informal sector workers – who constituted 80% of the workforce and are common in the food system – were largely uncovered.
- **Expanded delivery capabilities.** Technical and operational capabilities to implement social protection programmes have improved exponentially. Integrated databases and management information systems underpin major social protection programmes; new technologies like biometric identification systems have been adopted by cash transfer programmes; and mobile apps, blockchain, and an array of payment solutions are routinely used for programmes in different contexts. In LMICs, cash transfers are reaching people in remote rural areas as well as sprawling urban settings.
- **Strong evidence base for cost-effectiveness.** Social protection is one of the most rigorously evaluated fields in development and social sciences. An estimated 4,000 papers have been published on the matter over 2017-2020. Evaluations of programmes like cash transfers have been overwhelmingly positive, showing that they can significantly improve household welfare. Comparisons with other interventions also suggest that well-designed, carefully implemented social protection programmes are among the most cost-effective development programmes.
- **Favourable political climate.** The COVID crisis has moved cash transfers centre stage as part of both fiscal responses (to protect lives and livelihoods of uncovered populations) and monetary policies (to increase consumer demand and spur the economy). This has helped realise the political, economic, and social value of social protection. Such growing demand for cash transfers comes against convincing evidence that dispelling negative “myths” around cash (e.g., creation of dependency or disincentives to work) and a wide consensus for better shocks preparedness – the delivery platform for which is provided by social protection.

Problem addressed within food systems: *In addition to ensuring food availability, ensuring all households can reliably access food is central to eliminating hunger.* Food insecurity is a key element of the broader improved nutrition agenda. Food insecurity itself involves dimensions of both availability of food and access to food. By providing reliable access to resources, cash transfers allow (where markets work) households to increase their food security and, through it, improve their food consumption and nutritional status. The fact that some households do not have the minimum resources to access food is relevant in multiple contexts – e.g., urban centres, conflict areas, and to people on the move – and across countries.



How this solution will address that problem: *The solution builds on existing platforms of social assistance programs.* Cash transfers exist in all countries and can offer an initial building block to expand coverage to poor, vulnerable, and other populations. Core actors involved in the solution are governments committing to scale up social protection in ways that will facilitate hunger reduction. Other actors may help support financing, implementation, and evidence generation of government-led programmes as needed, including donors, development and humanitarian institutions, civil society, and the private sector.

To amplify its coverage potential, four strategic areas may need further attention:

- **More investments in delivery systems.** Independent of the type of social protection programme implemented, governments need strong delivery systems involving identification, management information systems, payment mechanisms, and operational teams and infrastructure to roll it out. A judicious use of technology can spur performance significantly (e.g., Ghana, Chile, and India).
- **Increase financing.** While the COVID-19 response has been of historical proportion, “standard” spending on social assistance is low: on average, only 1.5% of GDP is allocated for the purpose in LMICs (and this includes spending on in-kind and large food subsidies).
- **Making systems more adaptive.** Cash transfers could help anticipate crises: for example, early responses could be better connected to early warning systems of food security. Evidence from the Horn of Africa shows that benefits from such early action are substantial (including a return of about \$3.50 for every \$1 spent). Furthermore, there is a need to adapt programmes to urban areas because of their increasing exposure to crises and lack of coverage (especially among informal sector workers).
- **Wider use of government social protection systems as a default platform.** Humanitarian assistance is increasingly using cash transfers (18% of total volume); however, only 1% of humanitarian aid is channelled via government structures (commitments by the World Humanitarian Summit set the target rate at 25%). While in some cases “going parallel” is justifiable (e.g., settings with internally displaced people), this should be the exception, not the rule. Countries like the Philippines, Lebanon, and Mauritania demonstrate how to connect humanitarian cash and social protection.

Solution’s alignment to the ‘game changing and systemic solution’ criteria:

Impact potential at scale: The solution applies across all contexts, with modular approaches applied to particular settings. Expansion of coverage is strongly relevant in fragile states and lower-income contexts, where coverage of the poor and vulnerable remains limited. It is also highly relevant in shock-affected areas, where cash transfer programmes can quickly provide support to the displaced and those affected by shocks. Moreover, it is compelling in upper-middle and high-income contexts, where (growing) pockets of exclusion persist. The solution is relevant both for urban and rural contexts and for all types of needy households.

Actionability: Most countries have developed or are building strong delivery platforms; a large body of evidence exists to inform design (including gender-sensitive programming); and programmes have demonstrated their ability to function at scale. In some low-income contexts, including many countries in Africa, countries have leapfrogged implementation.

Sustainability: The sustainability of these programmes is favourable if a virtuous cycle of outcomes and impacts is activated. Evidence suggests that voters reward governments who implement programmes with quality and efficiency. The cost-effectiveness of these programmes in reaching those in need is also very high, which promotes their sustainability over more costly interventions. Economic gains can create



a tax base for sustainable financing. However, many programmes in low-income countries are externally financed. The pandemic may provide an opportunity to put social protection at the centre of the social contract in terms of both tax *and* benefits.

On expectations: Cash transfers also present a number of limitations. Cash transfers are only one input into the broader development equation. Beyond “technical” matters, societal attitudes toward redistribution, mindsets influenced by historical legacies, and similar also shape demand for social protection. Moreover, debate exists on a range of design parameters (e.g., targeting, conditionality, and the appropriate transfer modality in different contexts (cash or in kind)).

Existing evidence: The effects of cash transfers span at least six dimensions: (1) *saving lives* [this includes reduction in child mortality by 3-20%; in suicide rates by 18%; and in violence/homicide risk by 50-67%]; (2) *food security* [on average, they increase food consumption by 13% and caloric acquisition by 8%. 23 empirical studies show programmes increase food expenditures, nutrient availability, kilocalories, food consumption scores, and dietary diversity]; (3) *nutrition* [even simple transfers can have a nutritional effect, although this might be limited in size, e.g., evidence from 74 evaluations of cash transfers show stunting reductions by 2.1%]; (4) *gender:* cash transfers help reduce intimate partner violence (particularly physical violence) and increase women’s psychological well-being; (5) *resilience* [for example, in Ethiopia COVID-19 increased food insecurity by 11.7 percentage points, but for those covered by safety nets, the increase was only 2.4]; and (6) *economic multipliers* [in Africa, \$1 of cash transfers generates between \$1.27-\$2.60 in local economies]. In addition, countries have demonstrated their ability to scale up quickly and efficiently: Senegal has gone from an almost non-existent coverage to covering more than 20% of its population in just four years. Where social protection is “adaptive”, it takes two weeks to scale-up in response to natural disasters (e.g., Kenya) as opposed to up to 14 months (e.g., Nepal).

Current/likely political support: In addition to the growing political recognition *by governments* on the role of cash transfers indicated in the earlier section, *global political demand* for social protection is conducive to significant scaling up. Indeed, the expansion of social protection builds on global platforms geared to support universal social protection, including goals such as SGD 1.3, initiatives like the USP2030, commitments under the WHS of 2016, and multiagency forums like SPIAC-B, instituted under the G20. In the humanitarian world, there is also growing recognition of the critical role of cash transfer programmes to address hunger and food security. Moreover, **there are strong mutual benefits with other interventions.** There are strong mutually reinforcing effects on several other Action Tracks’ solutions and goals, and there appear to be no major trade-offs.