



Next Practices

Innovations in the COVID-19 social protection responses and beyond

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Executive Summary



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Next Practices—Innovations in the COVID-19 social protection responses and beyond

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Executive summary



The COVID-19 pandemic has necessitated large-scale, rapid responses from governments to ensure that the negative effects of the crisis on people's livelihoods are mitigated. Countries with more well-established social protection (SP) systems in place prior to the crisis (e.g. through the use of social registries) were able to respond faster, but almost all countries required innovative practices to quickly deliver SP to those usually excluded from benefits, such as informal-sector workers, refugees and migrants.

This paper aims to systematise the SP innovations implemented in response to the COVID-19 crisis, which can be leveraged to build more inclusive and sustainable SP systems in the medium and long term. It highlights the factors that enable 'inclusive innovation,' focusing on the levers of success, and the lessons learned from the process for the future—i.e., the 'next practices.' The paper also calls attention to innovative lessons from countries in the Global South on how to include traditionally excluded groups in SP responses, especially in times of crisis. It also shows how innovations can inform the sustainable expansion of SP systems to help countries achieve Sustainable Development Goal (SDG) target 1.3: "Implement nationally appropriate SP systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable."

Innovations in the context of the COVID-19 crisis specifically should be understood as changes and practices that rapidly and effectively enhance the inclusion of those in need into SP systems. Throughout this report, 'innovation' is understood as a multidimensional concept, including technologically-focused innovations, governance innovations and process innovations. The last two include institutional changes to decision-making processes and hierarchical structures that enhance citizen engagement, and changes to the planning and implementation of a service/programme, including its structure and/or administrative processes, to ensure the most vulnerable populations can be reached. Thus, this report looks at inclusive innovative measures in beneficiary identification and registration, payment mechanisms, communication, case management and grievance redressal mechanisms (GRMs).

Main findings

Section 2 provides an overview of the SP measures implemented in the Global South, including the main instruments used and the population groups targeted, as well as the coverage of those responses and the benefits provided. Across the 961 measures mapped, social assistance (54 per cent) was the most frequent SP component used in the response, followed by labour market and employment protection (35 per cent) and social insurance (11 per cent). Regarding SP support, the three most common types of responses provided across all components were cash transfers, liquidity alleviation and in-kind transfers. In general, the measures implemented exhibited a marked shift from targeting only the poorest people to providing support for groups that are traditionally neither covered by social assistance programmes nor contribute to social insurance, such as informal workers.

Section 3 looks at fiscal space and coordination as important prerequisites that need to be in place for successful and rapid implementation of SP measures in times of crisis. The measures mapped mostly relied on public sources of financing (69 per

cent), followed by international sources (18 per cent). The use of social security (5 per cent) and private financing (8 per cent) was comparatively low in most regions. Within public sources of financing, many countries established 'extra-budgetary funds' to collect donations from the public and private sectors, as well as the donor community, and to facilitate more expeditious public financial management procedures. Innovative financing practices included those that provided liquidity rapidly (e.g. budget reallocation), combined financing from different sources (e.g. extra-budgetary funds), were proactive in their approach (e.g. contingency funds), or were economically sustainable (e.g. unconventional tax revenues).

In terms of coordination, the pandemic has given rise to 'SP coordination committees' and greater contribution of both the private sector and local actors. Coordination committees facilitated inter- and intra-governmental coordination, as well as multi-sectoral coordination between national and international agencies. In some countries, local actors and private sector representatives were also involved in the development of policy responses. They turned out to be particularly important in identifying beneficiaries and delivering assistance to people that have been traditionally excluded.

Section 4 analyses inclusive innovative measures in terms of beneficiary identification and registration, payment mechanisms and communication. It provides country examples for each innovative practice and lists several important factors that are necessary for better and more inclusive implementation in the future. Digital technologies were implemented in most countries for both registration and payment mechanisms, in some cases complemented by other approaches. Across the Global South, 38 per cent of measures relied on registration through web portals; while 52 per cent and 18 per cent relied on bank transfers and mobile money, respectively, to deliver cash support. Communication case management and GRM processes were adapted and implemented mostly through websites, call centres and local actors.

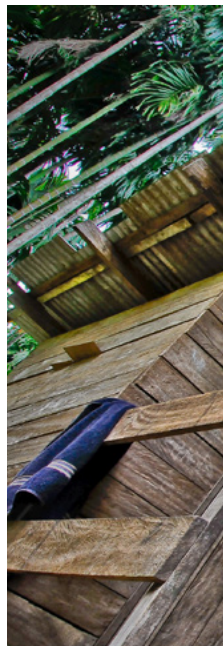
Recommendations

The unprecedented socio-economic impacts of the COVID-19 crisis have led to a window of opportunity in SP policymaking. The pandemic has shown that redundancies, while sometimes less efficient, (i.e., a multiplicity of registration or payment mechanisms) are necessary to make sure that no one is left behind, since they guarantee that programmes are accessible and coverage is widespread; and also to account for unforeseen delays, challenges or flaws in implementation mechanisms.

- Financing: No single innovative practice can succeed in financing shock-responsive SP, but rather countries should combine multiple financial instruments that correspond to the severity of the shock and the frequency of its occurrence. The positive aspects of an 'innovative practice' are entirely dependent on the way it is designed and implemented. For example, while extra-budgetary funds may weaken fiscal control, if designed well they can enhance transparency and accountability, being more suited for short-term responses. The reallocation of public expenditure should focus on replacing high-cost, low-impact investments with those that are more relevant in



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crisis contexts considering developmental consequences in the medium and long-term. Community-based financing, such as through the use of non-governmental organisations (NGOs) and/or Zakat financing in relevant countries might relieve the public burden and the fiscal deficit, and should therefore be explored and facilitated. Countries should also consider alternative tax revenues, such as ‘sin taxes’ and/or ‘monotax’ measures to incentivise the transition to formal labour, accompanied by long-term strategies to enhance efficiency in public spending.

- Coordination mechanisms and partnerships played a pivotal role in enabling quick responses and facilitating multi-sectoral coordination. Newly established SP emergency response committees should streamline their work with that of existing disaster risk management units. Policy design processes should be participatory, engaging different actors—especially representatives of traditionally marginalised groups, such as migrants. Partnerships with the private sector, local actors and NGOs are necessary to ensure rapid delivery and better outreach. Nevertheless, countries should consider establishing these partnerships carefully, providing adequate compensation, and considering existing and surge capacity. Countries should build on such partnerships to develop standard operating procedures for future collaborative shock-responsive efforts.
- Beneficiary identification and registration have demonstrated the importance of digitised IDs, social registries, online portals, and mobile platforms. Nonetheless, for more inclusive mechanisms of beneficiary identification and registration, practitioners should go beyond ‘techno-solutionism’ and also consider their complementarity with adapted manual systems. Countries and their international partners should invest in digitised civil registration systems, disability registries and single registry



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development and database interoperability as these are long-term strategies that are instrumental in facilitating SP expansion. The role of local actors, complementary mechanisms such as telephone registration, and social workers should not be overlooked in future crises or normal times, as they facilitate the identification of those who are hardest to reach. Alternatives to ID-based registration, such as reliance on a voter database or employee IDs ought to be adopted in countries with limited ID coverage to ensure that those without IDs can still be included.

- Safe and fast payment delivery would not have been possible without digital delivery modalities such as bank transfers and mobile money. However, the reliance on digital modalities for assistance delivery has inevitably emphasised the digital divide and excluded certain groups. Consequently, future crisis response and long-term SP expansion must be made more inclusive by complementing digital delivery modalities with non-digital ones, creating an enabling environment for digital payment modalities. This could include ensuring the wide coverage of cash-in-cash-out (CICO) agents, the availability of e-payments at merchants, and formalising and regulating the establishment of tiered accounts with mirrored tier-based customer due diligence mechanisms and eased know your customer (KYC) regulations.
- Communication, case management and GRMs. In future crises, countries must employ a variety of channels to communicate with the public in different languages, set communication strategies that clearly indicate changes to eligibility criteria for existing social assistance programmes and work on ensuring the continuation of GRM processes and their adaptation, especially through the use of multiple forms of contact, including helplines, emails and mobile apps.



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