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**Social Protection Responses to
The Three Waves of Crisis: Finance, Food & Fuel**
South-South Learning Forum 2009

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Cairo, Egypt
15-18 June 2009

Proceedings



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Acronyms

BISP	Benazir Income Support Program
CA	Current Account
CDD	Community Driven Development
CT	Cash Transfer
CCT	Conditional Cash Transfer
DFID	United Kingdom Department for International Development
EAP	East Asia and the Pacific
ECA	Europe and Central Asia
EFE	Education for Employment
FDI	Foreign Direct Investment
G-20	The Group of Twenty Finance Ministers and Central Bank Governors
G-8	The Group of Eight
GDLN	Global Development Learning Network
GDP	Gross Domestic Product
HDNSP	Human Development Network - Social Protection Unit
ICT	Information and Communication Technologies
IPC-IG	International Policy Center for Inclusive Growth
LAC	Latin America and Caribbean
LASMI	Lagos State Microfinance Institution
LIC	Low-Income Country
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MIC	Middle-Income Country
MENA	Middle-East and North Africa
NaCSA	National Commission for Social Action
NGO	Non-Governmental Organization
NREGA	National Rural Employment Guarantee Act
OECD	Organization for Economic Co-operation and Development
OVC	Orphans and Vulnerable Children
PDS	Public Distribution System
PM	Prime Minister
PMT	Proxy Means Test
PREM	Poverty Reduction and Economic Management Network
PSM	Propensity Score Matching
PWP	Public Works Program
Q&A	Questions and Answers
RDD	Randomized Discontinuation Design
UI	Unemployment Insurance
UISAs	Unemployment Insurance Savings Accounts
UNICEF	United Nation Children's Fund
SA	Social Assistance
SAR	South Asia Region
SF	School Feeding
SME	Small and Medium Enterprises

SP	Social Protection
SSA	Sub-Saharan Africa
SSN	Social Safety Nets
WB	World Bank
WBI	World Bank Institute
WFP	World Food Program
WTO	World Trade Organization

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Social Protection Responses to the Three Waves of Crisis: Finance, Food & Fuel
Global Learning Forum
Cairo – June 15-18, 2009

8:00-10:00 am	MONDAY, June 15	TUESDAY, June 16		WEDNESDAY, June 17		THURSDAY, June 18	
8:00-10:00 am	<p style="text-align: center;">Welcome Address: H.E. Dr. Mahmoud Mohieldin, Minister of Investment, Ministry of Investment, Egypt</p> <p style="text-align: center;">Responses to the Crisis: Lessons from Countries</p> <p>- Bangladesh Hon. Dr. Muhammad Razzaque, Minister of Food and Disaster Management</p> <p>- Indonesia Dr. Prasetyono Widjojo, Deputy to the Minister for Poverty, Manpower and Small Medium Enterprises Affairs</p> <p>- China Yang Du, Professor Institute of Population and Labor Economics D1.1</p>	Parallel Sessions		Parallel Sessions		Parallel Sessions	
		<p style="text-align: center;">Public Works in Low Income Context</p> <p>- Bangladesh Shirajun Noor Chowdhury, Assistant Secretary, Ministry of Finance</p> <p>- Yemen Abdullah Al-Dailami, Head of Cultural Heritage Unit in Yemen Social Fund for Development</p> <p>- India Mahendra Dev, Chairman, Commission For Agricultural Costs and Prices D2.1.1</p>	<p style="text-align: center;">Adapting Conditional Cash Transfers in Response to the Crisis</p> <p>- Brazil Claudia Regina Currello, General Coordinator for Bolsa Familia CCT Program</p> <p>- Jamaica Colette Roberts Risden, Director of Social Security, Ministry of Labor and Social Security</p> <p>- Peru - Milagro Gladys Nunez Rivera, Executive Director of Juntos CCT Program D2.1.2</p>	<p style="text-align: center;">Active Labor Market Policies in Crisis Situation</p> <p>- Thailand Suwanee Khamman, Deputy Secretary General, National Economic and Social Development Board</p> <p>- Turkey Yadigar Gokalp, Directorate General, Ministry of Labor and Social Welfare D3.1.1</p>	<p style="text-align: center;">School Feeding-Scale up of National Programs</p> <p>- Malawi Augustine Kamlongera, Director of Education Planning, Ministry of Education, Science and Technology</p> <p>- Togo Yawavi Bouty Abalo, Coordinator of the Technical Secretariat for the Community Development Project</p> <p>- Cote d'Ivoire Odette Loan Lago Daleba, Director of Canteens Department D3.1.2</p>	<p style="text-align: center;">Informal Social Protection Systems</p> <p>- Egypt Marwa El-Daly, Chairperson, Waqfeyat al Maadi Community Foundation</p> <p>-Burundi Christian Nzeyimana, Program Officer, World Food Program (WFP)</p> <p>- DRC Remy Mafu, Director Reseau des Educateurs des Enfants et Jeunes de la Rue D4.1.1</p>	<p style="text-align: center;">Enhancing Youth Employment: Challenges & Opportunities</p> <p>- Nigeria Gbolahan Lawal, Senior Assistant on Special Projects to the Governor of Lagos State, Nigeria</p> <p>- Jordan Curt Rhodes, International Director Questscope</p> <p>- Egypt Mahmoud Shaaban, Egypt Program Manager Education for Employment</p> <p>- Global Overview Mattias Lundberg, Sr. Economist, World Bank D4.1.2</p>
10:00-10:30 am	COFFEE / TEA BREAK	COFFEE / TEA BREAK		COFFEE/ TEA BREAK		COFFEE/ TEA BREAK	
10:30-12:15 pm	<p style="text-align: center;">Financial Crisis – Global Perspective</p> <p>Ongoing impacts, projected trends and policy responses</p> <p>- Richard Newfarmer, Special Representative to the WTO and UN, Geneva</p>	Parallel Sessions		Parallel Sessions		Parallel Sessions	
		<p style="text-align: center;">Public Works in Middle Income Context</p> <p>- Argentina Claudia Berra, Ministry of Labor</p> <p>- Bulgaria Elka Dimitrova, Director, Ministry of Labor and Social Policy</p>	<p style="text-align: center;">Cash Transfers in Low Income Context</p> <p>- Kenya Noah Sanganyi, Head, Finance and Administration Division, Department of Children's Services</p> <p>-Nigeria Abubakar Chika, Director General, Niger State Agency for Poverty</p>	<p style="text-align: center;">Unemployment Benefits & Insurance Extension in Crisis Situation</p> <p>- Jordan Hazem Rahaleh, Economic Advisor, Social Security Corporation</p> <p>- Chile Victor Macias, Consultant</p>	<p style="text-align: center;">Food Based Interventions</p> <p>- India Alakh Sharma, Director, Institute for Human Development</p> <p>- Egypt Anwer Nakeel, Ministry of Social Solidarity</p>	<p style="text-align: center;">Price Subsidy Reforms</p> <p>- Indonesia Bambang Widianto, Deputy Minister for the Evaluation of Development Performance</p> <p>- India Mahendra Dev, Chairman, Commission For Agricultural Costs</p>	<p style="text-align: center;">Social Protection in Fragile States/Post Conflict Context</p> <p>- Sierra Leone – John Paul Ngebeh, Director, Social and Economic Opportunities</p> <p>- Zimbabwe Mishi Sidney, Director, Department of Social Services</p>

			Eradication and Value Re-orientation -Pakistan Farzana Raja, Federal Minister/Chairperson, BISP			and Prices	- Liberia Ramses Kumbuyah, Executive Director, Liberia Agency for Community Empowerment
	D1.2	D2.2.1	D2.2.2	D3.2.1	D3.2.2	D4.2.1	D4.2.2
12:15–1:45 pm	LUNCH BREAK	LUNCH BREAK		LUNCH BREAK		LUNCH BREAK	
1:45-3:30 pm	Food & Fuel Crisis: One Year On Ongoing Impacts, Projected Trends and Policy Responses - The food price increase Joe Dewbre, Senior Economist, OECD - The fuel price increase Ronald Steenblik, Senior Trade Policy Analyst, OECD	Parallel Sessions		Parallel Sessions		Parallel Sessions	
D1.3		Institutional Organizations in Response to the Crisis - Indonesia Vivi Yulaswati, Deputy Director for Poverty Program Development - Colombia Diego Molano, Sub-Director General of the USAID Program for Private Sector Development	Monitoring Frameworks to Assess Severity & Impacts of Crisis - Serbia Sonja Avlijas, Economic Analyst, Deputy Prime Minister's Poverty Reduction Strategy Implementation Focal Point - Nepal Siemon Hollema, Emergency Food Security and Livelihood Advisor – WFP	Open Space Topics to be chosen by the participants	Open Space Topics to be chosen by the participants	Collaborative Networks: Social Protection Community of Practice - Degol Hailu, Director, IPC-IG/UNDP - Concha Steta Gandara, Social Protection Specialist, World Bank	Impact of the Crisis on Remittances and Migration - Global Perspective Sanket Mohapatra, Economist, World Bank Via VC - China Yang Du Professor, Institute of Population and Labor Economics
D2.3.1	D2.3.2	D3.3.1	D3.3.2	D4.3.1	D4.3.2		
3:30-4:00 pm	COFFEE/ TEA BREAK	COFFEE / TEA BREAK		COFFEE / TEA BREAK		COFFEE / TEA BREAK	
4:00-5:30 pm	Designing and implementing SP system in a crisis - Margaret Grosh, Lead Economist, World Bank - Hassan Zaman, Lead Economist, World Bank	Parallel Sessions		Free Time	The SP Show and Tell Donor meeting	THE WAY FORWARD Panel discussion Assessing the Responses: - Government responses - Donor Responses - NGO's responses	
D1.4		Open Space* Topics to be chosen by the participants	Open Space* Topics to be chosen by the participants				
Evening	Reception	Free		Free		Dinner	

*Please see the Open Space sessions' details on the next page.

Open Spaces Souk

Tuesday, June 16 4:00-6:00	Wednesday, June 17 1:45-3:30
<p>The UN-ONE System Crisis Initiative for the Social Protection Floor Proposed by: ILO-UNICEF-UN Ar/Eng/Fr/Sp/Ru</p>	<p>African Cash Transfers Proposed by: UNICEF Speakers: Mawutor Ablo (Ghana), Huijbregts (Malawi), Lucia Mairosse (Mozambique), Anthony Hodges (UNICEF) Ar/Eng/Fr/Sp/Ru</p>
<p><u>Egypt Sessions</u></p> <p>1. Social Protection to Foster Food and Nutrition Security Proposed by: WFP/Ministry of Social Solidarity-MOSS Chair: Minister Ali El-Moselhy (MOSS) Ar/Eng/Fr/Sp/Ru</p> <p>2. Targeted cash transfers and the future of safety nets in Egypt Proposed by: World Bank/Ministry of Social Solidarity Presenter: Dr. Ibtissam El-Gaafaaraur (NISCRC) Ar/Eng/Fr/Sp/Ru</p>	<p>Oportunidades, Mexico CCT Program – Impact in Youth and Public Works Proposed by: Ruperto, Luis Ar/Eng/Fr/Sp/Ru</p>
<p>Using Risk Financing to Respond to Transitory Food Insecurity in Ethiopia Proposed by: Ministry of Agriculture/Government of Ethiopia Eng</p>	<p>Social Protection - South Asia Approaches Devising an entry and exit strategy? Proposed by: South Asian Delegations Eng</p>
<p>1. Responses to the FFF crisis: Tanzania experience with scaling up existing interventions (PWP, CCT, etc) Proposed by: S.B.Likwelile (Tanzania Social Action Fund) Eng</p> <p>2. Stratégies des pays pauvres face a la compétition international dans le cadre de la globalisation des marches et le libre échange Eng, Fr</p> <p>3. Experience on Food Price Inflation in Bangladesh Chair: Munir Chondhuri Eng</p> <p>4. Effects of the Global Crisis on Labor Market: SP Responses in Vietnam Proposed by: Vietnamese Team Eng</p>	<p>Solidaridad Program – Conditional Cash Transfers Using Debit Card Proposed by: Manuel Rodriguez / Susana Gamez Eng/Sp</p>

Overview¹

A ‘perfect storm’ of a succession of severe macroeconomic shocks has hit and is continuing to hit the developing world. Concerns were high among the delegates attending the forum.

The consequences of the global economic slowdown are starting to affect many countries, compounding the impacts of the earlier food and fuel prices shocks. Lower capital transfers, trade shocks, higher and more volatile food and fuel prices, reduced remittance flows and fewer job opportunities are the channels through which the ongoing crises threaten the daily livelihoods of many in the developing world. Fiscally constrained governments are worried about their ability to maintain their social spending and increase their efforts to alleviate poverty. These macroeconomic shocks strike in a context of unresolved chronic poverty and malnutrition, recurring natural disasters, and sometimes complex challenges at international and national levels.

Development experts and practitioners recognized that the magnitude of the impacts, especially for the most vulnerable, is still largely unknown. Moreover, more frequently available and better social indicators are needed to ensure that responses are adequate.

Little is known about the extent to which the various shocks overlap or differ in terms of which vulnerable groups they mainly affect. Countries are therefore rushing to set up real-time crisis monitoring. Different routes are being taken to collect this data. In some middle-income countries, existing administrative data can be used (Serbia); in others new household surveys or qualitative data collection efforts are being mounted (Indonesia). Countries where programmatic adjustments (in social safety net responses) were linked to such indicators were considered best practices as both the analytical and operational benefits of these systems eventually lead to sound, targeted mitigation schemes.

Box 1: The Forum in Numbers

- June 15-18, 2009, Cairo Egypt
- 225 + participants from 54 countries and 17 international agencies.
- Linked by GDLN to 6 more countries (Ghana, Nicaragua, Serbia, Sri Lanka, Jordan and Tanzania)
- Multi-lingual – Arabic, English, French, Russian, Spanish
- 5 plenary sessions
- 16 parallel sessions
- 4 formal donor presentations, 38 client presentations
- 9 participant-organized “open space” sessions
- Archival website: <http://go.worldbank.org/G98IGDQR60>

¹ The Forum was organized by a World Bank wide team led by WBI and HDNSP and with substantial input from PREM-PO and all regional Social Protection and Poverty Reduction units. The Forum benefited from the generous financial contribution of the governments of Finland and Spain.

A large number of countries have chosen to use some form of social protection response to cushion the impact of the crises on the poor and vulnerable even under tight fiscal conditions. The social protection responses were presented by guest speakers as part of a broader policy menu that often involves agriculture and rural development health and education, fiscal stimuli, private sector financing, but social protection helps bind all of these actions together by targeting the poorest. It is not one or the other, but rather a mix of instruments and the right sequencing that enable synergies and maximize impact on the ground.

Scaling up targeted social safety nets has helped several countries reduce their fiscal outlays on untargeted and fiscally unsustainable fuel and food subsidies during these crises. Indonesia, for example, has reduced its untargeted subsidies to fuels while rolling out new cash transfers and other social safety nets to the poor. This way, countries have used safety net responses to improve their fiscal position. The need to phase out fiscally unsustainable and largely inefficient universal subsidies has been underpinned several times during the forum as the current wave of crises highlights the exposure of transitioning economies.

Participating countries emphasized the need to build upon and strengthen existing schemes with a particular focus on the ‘how to’ reach the new poor. Questions and answers after country experience presentations generally pointed to the granularity in countries’ context, the amount of resources to deploy, and the political economy dimensions in using the social protection toolbox to mitigate the impacts of a crisis and build back better in its aftermath. Overall, the quality of response in crisis depends significantly on the quality of the system in place before the crisis, that there is a need to continuously improve programs and build in this crisis not only a response for those affected today, but better systems for tomorrow.

Identifying the strengths of existing programs, and anticipating challenges ahead is often the first step to a successful transition into a full-fledged social protection system. The discussions helped sensitize countries with new programs to the similar challenges and general best practices they can learn from the regional and international experience, while tailoring responses to their needs. Time and ownership are often more important than budget allocation. A layering approach for the institutional set-up was discussed at length to enable countries with weak implementation capacity to learn by doing without necessarily adopting the most sophisticated practices in all components at once. There was also recognition of the inter-sectoral nature of social protection platforms, well beyond social welfare ministries’ competence.

.....

Another success story for Global Development Learning Network (GDLN)

Throughout the four days of the Forum, GDLN linked audiences in Ghana, Nicaragua, Serbia, Sri Lanka, Jordan and Tanzania to Cairo through video conferences. In regional centers in each of these countries, participants from Government agencies, Parliament, media, civil society organizations and academia got together to watch the presentations held at the Forum and subsequently discuss and compare the issues presented with local contexts’ realities. Moreover, in each country, participants made presentations on the impacts of the crisis at the local level, as well as on social protection programs that have been implemented nationally. Finally, interactive discussions were held between the regional centers and the speakers and participants attending

the Forum in Cairo. GDLN partnership was essential for expanding the scope of the Forum towards broader South-South knowledge sharing and creating further networks.

.....

Countries at an early stage of designing social protection systems called for flexibility to tailor responses to *their* immediate and longer-term needs but took home clear recommendations on how to use social protection to respond to crises from their peers. Countries face quite similar choices and issues and therefore greatly benefited from learning from the experience of others. During the week-long forum, many exchanges about domestic variations of similar instruments have been presented. Experiences converged in a number of points as to how to respond to crises through social protection:

- Response 1: Perhaps the most common response has been to scale up coverage or benefit or to initiate new transfer programs targeted to the chronically poor;
- Response 2: The frequency and scale of responses for those who have lost employment – via unemployment insurance, active labor market programs, public works -- is somewhat less, though still a realm of significant new initiatives;
- Response 3: Many more low income countries have targeted cash transfer programs today than five years ago, though many of the programs remain small or in initial piloting or implementation phases, and so may not be sufficient to prevent significant increased hardship;
- Response 4: Scaling up of school feeding has been a common response in many countries particular those that lack other direct transfer mechanisms;
- Response 5: A large number of countries without targeted programs have used tax reductions or outright subsidies to combat high food and fuel prices; and
- Response 6: The response in a number of poor countries represents a significant increase in social protection programming,

Beyond a conceptual discussion on the benefits of social protection to protect and promote the poor, design issues on core systems generated lively interest. Acceptance of social protection as a valid tool for public policy is easier when there is proof of good performance of pilots or wider scale systems. Targeting, payment systems, monitoring and evaluation frameworks, governance were all subjects to keen discussions on the actual details of their success or failure. Forum participants showed a marked spirit of openness, self-criticism, and search for ways of refining systems. For instance, weaknesses of existing monitoring and evaluation systems were described by many countries. This attention beyond the basic design parameters into the details of the ‘how to’s bodes well for program performance and made a case for other learning events.

Exchanges about innovative ways to implement social protection were frequent and gained a lot of interest among participants. Constant efforts to improve existing programs and to test new ways to effectively move vulnerable households out of poverty fueled hope for low-income countries. More resilient social protection systems harnessing advanced techniques were presented. Some of them were:

- The innovative use of mobile phones, ICT and branchless banking for monitoring and for making payments (Kenya, Bangladesh);

- The rapid scaling up of school feeding in fragile countries affected by the food crisis which has contributed to food security and school enrollment and retention, also of girls (Cote d'Ivoire, Togo);
- The combination of workfare with training and job skills building (Argentina, Jordan, Korea);
- Unemployment Insurance Savings Accounts as a mechanism for extending temporary unemployment benefits to workers in middle income countries (Chile). To control moral hazard, the design differs from that of traditional unemployment insurance for example by financing benefits from private savings and pension wealth and by limiting benefit duration to 3-6 months (Jordan);
- The use of legal rights/social guarantees (India, Bangladesh) to give citizens rights to employment and the upper hand in the event of under-delivery by local officials;
- The
- The role of informal safety nets and charity was underscored in one session (Egypt, DRC), but the sizeable audience could not point to examples on how government can effectively foment these efforts.

Box 2: Forum Participants Say

"[We've had a] rich, refreshing dialogue of new and old experience with SP"

"Listening to what other countries are doing can certainly spawn ideas for our own programs.

"I got inspired to go home and start coordinating an SP platform with various partners and other government agencies. I realized that as we do this we need to study the programs on the ground and assess their impacts"

"Social protection responses to the crisis put people in the centre. This forum has brought donors, governments and civil society together to discuss what we can do to mitigate the impact on people's lives and welfare and to insure that the gains the countries have made in the past years in social development and poverty reduction are not lost"

Delegates from fragile states shared their experience with initiating policy dialogue and actual programs on social safety nets in post-conflict environments. Even countries with weak capacity, emerging from conflict for instance, have been able to launch social safety nets as part of their strategy for improving food security and building inclusive growth and political cohesion. They are doing so with governments in the drivers' seat, and often use Social Funds to deliver small-scale infrastructure, social services, and employment for the poor through labor-intensive and participatory approaches. Liberia and Sierra Leone, for example, deliver cash for work via their Social Funds, using communities as the central piece for the success of the program.

While political consensus decidedly favors some form of SP response in a majority of countries, sometimes in marked contrast to the pre-crisis situation, it remains to be seen to what extent this consensus will remain and translate into sustainable national social protection systems in post-crisis contexts. Some countries had insufficient and inefficient

systems and social protection budgets before the crisis. There is a real need to maintain the improvements in monitoring, targeting systems, governance mechanisms, learnt along the way on a permanent basis. Many programs that were introduced or scaled up in response to crisis should retain a permanent seat at the social policy table as the crisis recedes. The opportunity in this series of crises which drastically endangered previous efforts is in building back better, and successfully transitioning to a preventive mode that includes social protection instruments for the chronic poor to graduate away from their daily tragedy and the transient poor to become an old concept.

The developing world has an increasingly rich experience in designing and running social safety nets programs which this learning forum put in the limelight. Best practices in dealing with shocks in challenging environment are now to be found in the South. This platform sought to gather practitioners and experts from donor countries, developing countries, international organizations and civil society, and to draw some initial lessons from the recent food and fuel price shocks to timely respond to the slow-onset threat posed by the global economic crisis. Yet, the biggest achievement lies in the informal networks woven among participants who share a common language (Francophone Africa), a common set of challenges (youth unemployment in Eastern Europe) or simply similar ongoing programs (school feeding in Cote d'Ivoire and Togo; an enlarged set of countries with CCT programs for the Latin America Learning Circle). Country delegates showed a strong interest in continuing the sharing after the forum, to make sure their programs will benefit from their peer's experience and vice versa, especially around the fiscal dimensions, the ways to safely scale-up, and the evidence on best design parameters in different contexts.

The World Bank would like to thank all the participants of the Forum for their incredible participation, the frank debates, and excellent ideas suggested to globally benefiting from each other's experience in dealing with social protection in and after times of crisis.

DAY 1

Responses to the Crisis: Lessons from the Countries (D1.1)

Moderator: Robert Holzmann, Sector Director, WB

Rapporteur: Marito Garcia, Lead Human Development Specialist, WB

Speakers:

- Honorable Dr M. Mohieldin, Minister of Investment, Egypt
- Honorable Dr M. Razzak, Minister of Food and Disaster Management, Bangladesh
- Dr. P. Widjoyo, Deputy Minister of Poverty, Manpower, Small and Medium Enterprises (SMEs), Indonesia
- Professor Yang Du, Institute of Population and Labor Economics, China

Keynote Speaker: Dr. M. Mohieldin, Minister of Investment, Egypt

Today's forum theme is timely. We have a fourth F to the food, fuel, and financial crises--that is flu, arising from the N1H1 flu pandemic, which will further complicate the already complex crisis.

Key points:

1. **Slow-down of Foreign Direct Investment (FDI) Capital Flows: Negative impact on growth and employment.** One impact of the financial crisis is the slowdown of the external FDI flows to developing countries from \$930 billion in 2007 to \$165 billion in 2009. Exports have slowed, and thus strong negative impact on employment in both importing and exporting countries. Countries need to use technology to enhance efficiency to mitigate negative impacts.
2. **Debt reignites threat to economic stability.** As a result of the crisis, public debt is rising, and thus digging into savings and with potential negative impact on human development investments in health and education. However, stimulus packages to support public expenditure in roads, electricity, and water can help in alleviating short term unemployment problems.
3. **Re-regulation and more central planning dangers?** The crisis is one of the results of the push for de-regulation started in the 1980s, using free market principles. Unregulated markets precipitated the financial crisis, so are we now back to swing back to the market central planning? The G-8 and G-20 meetings are sorting out the next steps.
4. **Cash transfers: new instruments that help mitigate impacts of crisis.** Scaling up of conditional cash transfers and cash transfers programs in both middle and low income countries are helping mitigate the impact. These are usefully applied especially in countries which had developed the building blocks for good social protection, such as (a) targeting (b) transparent and efficient payment systems (c) effective monitoring and evaluation systems. But these need sustainable financing options for countries strapped by the crisis.
5. **Food, fuel and financial crisis will be with us for a long time.** The confluence of these 3, plus flu, will be with us for a long time, and social protection measures will be needed in a big way. This would result in huge budget fiscal deficits.

Honorable Dr M. Razzak, Minister of Food and Disaster Management, Bangladesh

Key points:

1. **Bangladesh made great strides in the last 30 years in self-sufficiency, but now under threat with 4 Fs.** Between 1971 and today, Bangladesh achieved self-sufficiency in rice production, with triple production and poverty now declined to 25% classified as extreme poor eating less than 800kcal/day. However, malnutrition still remains high. The country is still disaster prone—from cyclones, typhoon, flooding. The 2008 food-fuel crisis precipitated by price hikes has increased poverty, increased food insecurity, increased cost of irrigation (due to power rates), and increased prices of all goods.
2. **Bangladesh worked on safety nets programs.** A whole list of social protection interventions have been put in place over the years, including food for work, microcredit, skills development, rural development, food policy action plans, fuel subsidy, and a stimulus package of about \$725 million. These mitigated impacts of the crisis, but not enough.
3. **Technology helping to make safety nets more efficient.** The use of mobile phone technology has helped in improving the methods of targeting as well as improving the modality of payments of cash transfers schemes.
4. **Future tasks in social protection.** To improve the social safety nets, the government is gearing to improve the tools for targeting, enhancing the M&E for better management of benefits, and improving the budget efficiency.

Dr. P. Widjoyo, Deputy Minister of Poverty, Manpower, (SME), Indonesia

Key points:

1. **Transmission of crisis in Indonesia: In export and manufacturing.** The crisis impact were transmitted through lower palm oil, textile, garments particularly hitting Eastern and Western Java, and overall export declines of 21% in the last year.
2. **Growth decelerated, but still positive.** The GDP grew by only 4.6% in 2009, down from a 7% -9% in previous years. It is likely to be around 5% in 2010. Macro indicators show poverty rising with new unemployment.
3. **Mapping of impact: Real time systems.** Real time impact monitoring mechanisms were in place when the crisis began in 2008, thus, the government was able to identify the sectors and regions hit hard by the crisis, damage assessment, and corresponding mitigation mechanisms were triggered, including cash transfers, fuel subsidy. Principles of targeting were applied and criteria for beneficiaries were improved.
4. **Mitigating impact on firms and labor.** New incentives were put in place when the crisis struck, such as incentives in taxation, new regulations to improve business climate, new jobs training, and infrastructure programs to support labor.
5. **Three clusters of social protection interventions.** The Government instituted three clusters to mitigate impact: Cluster 1. Conditional cash transfers and social assistance to the poorest targeted using proxy means tests. Includes health insurance for poor, food and fuel subsidy schemes. Cluster 2. Community empowerment programs including block grants transfers programs. Cluster 3. Credit for microenterprises.
6. **Pro-poor and pro-growth stimulus package.** The government used fiscal stimulus package which is pro-poor with priority to those laid off, those which improved competitiveness, those with significant employment creation capability.

7. **Coordination mechanisms at central and local levels.** A crisis monitoring unit helped in coordination of central and local units in responding to the crisis. This also helped in maintaining governance of the social protection system by transparency and accountability of various actors.

Prof Yang Du, China Institute of Population and Labor Economics. Main messages:

Key points:

1. **Crisis hit hard the migrant workers.** About 12 million city migrant workers were laid off due to the crisis, comprising 38% of the newly unemployed. This presented the most difficult problem for the government as they looked for opportunities to employ these people.
2. **Even with crisis, China managed with 6% growth.** Despite the crisis still China had positive growth, but less than the 10 to 12% of the prior years. The positive growth helped mitigate the impact of the crisis.
3. **Good fiscal health.** Despite the crisis the country maintained good fiscal health, with \$576 billion in the current year's fiscal plan, which included improved social development and stimulus package. Monetary policies were used to improve growth potentials.
4. **Tax refund on export.** This mechanism was used by the government to mitigate the crisis, and helped stabilize unemployment. Also reduction in contribution to social insurance.
5. **Domestic consumption and growth.** With export declining, growth maintained with domestic consumption and stimulus package increased.

Financial Crisis - Global Perspective: Ongoing Impacts, Projected Trends, and Policy Responses (D1.2)

Moderator: Mr. Azedine, Ouerghi, Lead SP Specialist, WB

Rapporteurs: Ms. Margaret Grosh, Lead Economist and Ms. Jeanine Braithwaite, Sr. SP Economist, WB

Speaker: Mr. Richard Newfarmer, Special Representative of the WB to the United Nations and the World Trade Organization, Geneva

Introduction: Macroeconomic policy created perfect storm of world financial crisis. 1980 financial deregulation and problem started. Current Account surpluses in EAP, CA deficit in USA. Crash of Lehman Brothers in Sept 2008 created financial storm that swept through world economy. 30 percent of household wealth wiped out, which is an unprecedented contraction in consumption.

Transmission from North to South

- 10 percent world trade World Bank forecast, sharp decrease in exports. Gender bias—these export sectors predominately female.
- Terms of Trade TOT shocks—huge in Middle East and North Africa, big in Europe and Central Asia (ECA)

- Capital flows
- World economy is contracting for the first time in 50 years!
- 90 million will become poor, of which 47m in South Asia Region (SAR) and 24m in SSA.

Prognosis: Some Green Shoots/early signs of recovery

- Credit markets have stabilized, secondary markets beginning to recover. Real fears of total financial collapse were averted.
- Equity markets have floored. Good time to get into the markets
- Personal income rose 4 % in April, households savings peaked at 5.7 percent
- Some life in real sectors
- China's fiscal stimulus is being to take hold.
- Recovery should begin later this year or early next yr. 2-3 percent including in 2010 forecast. Galbraith. Econ forecasting invented to make fortune telling look good.

But Budding Recovery also faces Challenges

- Disturbing bubble graph of assets versus debt
- Providing adequate financing to maintain growth in developing countries. Financing gap US\$ 200-700 billion Map of countries most at risk
- Daunting challenge of widening fiscal deficit puts pressure on SSN (providing support to workers and poor more difficult. Europe and Central Asia is worst affected, then SSA.
- Declining remittances
- Food prices are still higher than before/ditto fuel, oil from \$40 back to \$70 per barrel
- Firms will face tighter credit—slow to add new jobs
- Failing housing prices—perfect storm of recession, employment takes twice as long to recover as does output
- Poor urban workers in EAP crisis went back to agriculture

Options for developing countries

- Adopt countercyclical policies if there is access to non-inflationary finance.
- Reduce costs of trade because it is a main channel of recession
- Policies to support workers and poor
- Increase unemployment benefits
- Wage subsidies/lower wage taxes
- Tariff reduction on food products
- Public employment programs
- CCT and stay in school programs
- Public investment in labor intensive and trade related infrastructure like rural roads

G20 summit a couple of weeks ago in London

- Financial regulation
- Avoid protection
- Fiscal stimulus, expansionary monetary policy
- More capital flows needed to developing countries
- Reform of International Monetary Fund and WB
- BUT really need to fulfill pledges for development assistance

- Need to keep global markets open and resist pressures for trade protection/DOHA
- Improved financial market regulation needed but w international cooperation

Main Conclusions

- Recovery is near but strength of it is still in doubt
- Need to protect core social spending and support households
- G20 has helped but more international cooperation needs to be done.

Topics Discussed in Q&A

- Relation between short run and long run. Risk of that short run will turn attention away from serious long run issues like climate change. Water a crucial long run issue.
- Some closed countries have been protected to some extent from financial STORM. However, globalized countries have grown much faster. How to avoid being swept away or left behind by globalization? Closed economics have not done well--e.g. North Korea.
- Washington Consensus. Problem was fiscal profligacy expansion during Bush--we forgot the Wash consensus. Canada good financial regulation, ditto Australia. Positive examples of countries which adopted policies that facilitated growth over 25 years. Virtuous circle/cycle.
- Nigeria has policy space, not limited by World Trade Organization. Pragmatic trade liberalization--one size does not fit all. Export agencies don't do their job—they go to Paris not to neighboring countries what could import your product. Don't do tariff barriers/Import Substituting Industrialization like Latin America and Caribbean (LAC) did. E.g. cars in Argentina. Nigeria--oil.
- Liberia/fragile states. Role of international community is very important here. Growth w/o development--but no growth is even worse. Hard work ahead of us.
- Problem if growth is too low, can't keep wages high enough
- Subsidies and corruption. Can't make easy policy recommendations s in countries with corruption--must deal with corruption first, including budget oversight. Need to minimize corruption. Need to increase income, free press, get more demand for rule of law.
- Any job is better than no job; poor need to learn how to participate in the organized labor market. Free trade areas not static, some have fallen aside, some have lead to labor upgrading like Malaysia. Argentine situation very complex. 1998-2001 was not too much openness. External shocks of Brazilian, Russian devaluations.

Food and Fuel Crisis: One Year On - Ongoing Impacts, Projected Trends and Policy Responses (D1.3)

Moderator: Mr. Carlo del Ninno, Sr. Economist, WB

Rapporteur: Mr. Ludovic Subran, Economist, WB

Speakers:

- Mr. Joe Dewbre, Sr. Economist, Organization for Economic Co-operation and Development (OECD) (on food)
- Mr. Ronald Steenblik, Sr. Trade Policy Analyst, OECD (on fuel)

The food crisis

Issues debated

- The consensual causes behind 2007/08 food crisis were: lower carry out stocks (increasing demand and stagnant supply due to poor incentives), stronger links to crude oil (partly through bio-fuels) and isolationist policy response in thin markets (rice e.g.). However some doubts still persist on short-run factors such as poor weather and developing countries' growing demand, financial factors (excess speculation) and exchange rates.
- What stayed the same (real food prices declining, ample global supplies, widespread food insecurity) and what changed (concerns about volatility, awareness of linkages between fuel and food commodity markets, the nature and urgency of policy responses).
- The outlook foresees that prices are to remain above pre-peak trend levels (closer to normal levels though following global supply response) but bio-fuels demand, continuing population and income growth and depreciating exchange rates in some developing countries will still be driving off future patterns. Higher energy prices could nonetheless change this scenario significantly.
- A wide variety of actions have been adopted by governments (trade policies, price stabilization mechanisms), international organizations (WB's Global Food Crisis Response Program, World Food Program's (WFP) Emergency Response) and donors. Taking stock on what went well and what did not is crucial as critical disconnects between the national and international responses have been identified.

Lessons learned

- A better understanding of the granularity in safety nets interventions and of the 'how to' work with a plethora of actors.
- The crucial role of better and stronger agriculture development efforts (addressing missing markets including inputs, credit, insurance) as the sector did respond to incentives. Are we missing the opportunity of a green revolution for Africa with underfunded agriculture research (technology innovation) and public goods? Investment takes a long time to pay off but underfunding retards development.
- Common roadblocks to overcome include the need for safety nets need to be implemented before a crisis strikes to be fully effective, and the importance of weak risk management capabilities (institutions, stabilization policies), given up during structural adjustments periods, still are privileged entry points for national governments.

Way forward

- The opportunity of a stable funding mechanism for emergency relief that responds to shortfalls, high prices and budget pressures and could include scaling-up of targeted safety nets if in place.
- Understand better the interaction between market-based interventions and social safety nets is important for advocacy purposes among low-income countries, especially for rural poverty (smallholder farmers)
- The research agenda is vast and include actual price impacts on households under different policy regimes, optimal package for stabilizing market interventions.

The fuel crisis

Issues debated

- The energy crisis may have started in May 2004 when prices went above the USD40/bbl average to the peak observed in 2008. Today at USD70/bbl, a change in plateau (regime) seems to be observed. It does not mean volatility has increased but the changes occurred to already higher levels, almost only were upwards ones with no easing down observed.
- Domestic pass-through varies a lot across countries and prior taxation rates: Turkey (with high taxes) and Venezuela (high subsidies) had very different patterns for petroleum, natural gas and electricity prices for instance. Impacts on urban (cooking, transport) and rural (cooking and lighting, costs of fertilizers, diesel pumping and costs of transporting products) households were also quite different
- Fuel is not always a large percentage of expenditure. In the poorest quintile, in Sri Lanka e.g., fuel is 3 percent whereas 64 percent for food. Subsidizing fuel might not be helping the poorest, though they still were the most affected by the crisis in percentage terms (in 05-07 in Madagascar, real income losses were 3.2% for the poorest quintile).
- Rising demand and possibly going above capacity (sharp end of the cost curve) result in rising oil prices. The case of whale oil in the 19th century shows a similar bell curve in production which translated in a changing regime/step change in the average price.
- Opinions from individuals and governments about the outlook of oil prices in 2008Q1 were very different: individuals reported shortages issues, whereas governments were much more optimistic (especially oil exporters). There is definitely no clear cut answer but plausible scenarios in oil availability that shape prices outlook.

Lessons learned

- Responses were extremely different from country to country depending on government pressure on suppliers, reduction in taxation of energy and so forth.
- Price subsidies generated large market transfers to fossil fuels and electricity in 2007 and hid the true cost of fuel from consumers. Consumption in heavily subsidizing countries did not change much.
- The cost of reduce fuel taxes in GDP terms was extremely high and may not be sustainable in the long run.
- Oil prices will still be volatile and the general trend is upwards. 2004-08 price developments showed the vulnerability to rapid changes in prices and the fact that no nation can insulate itself (in the long term) from international prices (ultimate payers are consumers and/or taxpayers).

- Two example of energy subsidies reforms: a partial one (Senegal) and a completed one (Ghana) were presented to reflect on how to approach the ‘how to’ deal with higher and more volatile energy prices, especially from universal subsidies to targeted assistance. Fiscal sustainability and greater impacts were discussed.

Way forward

- General elements of success to fuel policy reform include research (costs, distributional impact, environmental effects), and the development of pro-poor flanking policies for instance.
- Masking high prices encourage excess consumption making future reforms even harder. Now that energy prices are lower, it is high time to lay groundwork for reform, and definitely complete them since partial reforms raise equity and sustainability concerns.

Designing and Implementing Safety Net and Labor Program Responses in a Crisis (D1.4)

Moderator: Ms. Margaret Grosh, Lead Economist, WB

Rapporteurs: Ms. Margaret Grosh, Lead Economist, Ms. Jeanine Braithwaite, Sr. SP Economist, WB

Speaker:

- Ms. Margaret Grosh, Lead Economist, WB

1. The Problem: Global shocks to 3 Fs.
Transmission channels: remittances, calories from imported food.
Adds 100 more new poor, 53 m will fail to escape poverty
Worsening of millennium development goals’ outcomes
2. Crafting SP responses
 - a. General Theory and Practice
 - SP is not just handouts, it is an investment in country’s future
 - They reduce poverty
 - They enable households to invest esp. in children.
 - Safety nets can be cost-effective but not all are yet
 - Sound programs require strong administrative systems (e.g. beneficiary intake, payment systems, database, and accountability).
 - Spending on SSN is around 1-2 percent of GDP.
 - Can achieve efficiency gains from program consolidation and replacement of subsidies with more targeted programs.
 - There are many program options including:
 - Cash transfers
 - Conditional cash transfers
 - Food and in-kind transfers
 - Universal price subsidies

- Fee waivers
 - Public works
 - Training programs
 - Unemployment benefits
 - And Pros and Cons of each are known
- b. Country Diagnostics
- Poverty and vulnerability must be quantified but data lag
 - Simulations based on existing data
 - Leading indicators
 - What kind of programs do you have to offer?
 - Targeting, Co verge, Generosity
 - Cost-effectiveness
 - Scalability
 - Fiscal constraints
 - Political economy
 - Policy responses should match the nature of impacts of the crisis—these differ from food, fuel and prior financial crises effects.
Example: Armenia. Quick diagnosis combined with existing well-targeted family benefit and some public works in a social fund.
- c. Challenges for Programming During a Crisis
- Targeting. Works well for chronic poor but hard for new poor who are transient, have lost jobs, returning migrants.
 - Time. It takes time to build administrative structures yet poor need immediate relief.
 - Institutional reform. SP can be spread across many 8 or more ministries
- d. Shape and quality of response depend largely on pre-existing programs
- LAC CCT programs already established and scaled up well for food crisis, work less well for financial crisis because households could still not qualify for CCT since they have lost a job but not yet decapitalized their assets (house, consumer durables). Mexico is increasing coverage, trying to get new indicators of urban poverty.
 - Public works—Bangladesh & Tanzania.
 - ECA—mix of labor programs
- e. Changes owing to nature of crises -- example school feeding especially in SSA now much more important part of SP toolkit.
- f. Do you really need an exit strategy? Some programs are good and should stay, but could be scaled down. Important to stress at beginning that benefit or program is temporary. Try to isolate the top-off from the base benefit. Inflating value of benefits is an inefficient exit strategy.
3. Program choice need to build foundation for the future.
- a. Country Examples, LAC, Philippines
- b. Good news
- More similarity in views about SSN in crisis
 - More countries have SN programs for the chronic poor to build upon
 - Policy action in SSA where many low income, fragile states
- c. Constraints
- In 1997, only 3 countries with CCT, now we have 30 plus
 - Little practical knowledge about how to assist the unemployed

- d. Legacy? Could it be another cohort of lost children or adequate protection to return to trend line? Will there be mediocre programs or solid programs which build for the future?

Q&A Themes

M&E should have been in slides, but obviously M&E very Important for making political case. Monitoring is crucial for program to have a positive impact. Health shocks are well-known for pushing people into poverty. SSN was narrowly defined. Debate over universal vs. narrowly targeted programs. 80 percent of benefits should go to bottom 20 percent of population. Need to avoid perverse incentives. Administrative costs for a mature program to scale range from 6-8-12 percent.

SSN are not immune to bad governance. However, no one ever says don't build bridges or roads because of corruption—so let's fix the corruption. A community led or administratively sound SSN will be more transparent.

How can you start especially in a hurry from crisis when you don't have something existing? You can't do the gold standard in 6 months, but could simplify. Consider PMT in Chile, Mexico. Very complicated but didn't start out complicated. Compare Armenia in crisis. Survey outdated. Surveyed 600 social workers to get weights for Paros. Two years later, the household data became available and they didn't change PMT parameters very much. Cambodia scholarships for girls are a good starting point. Lots of ways you can get started. New SSN programs won't do as well in year 1 as in year 10. War stories of first years. How do you do all of this in real terms? --6 weeks minimum, 6 months typical. Otherwise, 18-24 months lead time. M&E, what if no baseline? Econometrically you can produce baseline from RDD or PSM. Cote D'Ivoire--passion about importance of school feeding. M&E to make case. Sustainability and affordability and exit strategies.

See new book at www.worldbank.org/safetynets

Does this crisis make required different SSN programs? Labor market differs—open unemployment in Argentina. Doesn't mean that program menu is still valid. But you may have less money for SP in this current crisis.

DAY 2

Public Works in Low Income Context (D2.1.1)

Moderator: Ms. Anna McCord, ODI

Rapporteur: Mr. Carlo del Ninno, Sr. Economist, WB

Speakers:

- Mr. Shirajun Chowdhury, Assistant Secretary, Ministry of Finance, Bangladesh
- Mr Abdullah Al-Dailami, Head of Cultural Heritage Unit, Social Fund for Development, Yemen
- Mr. Mahendra Dev, Chairman, Commission for Agricultural Costs and Prices, India

Speakers presented their national public works programs.

Issues debated

1. Should the wage in a public works program (PWP) be lower than the prevailing wage in order to promote effective self-targeting to the poor (Bangladesh and Yemen), and to prevent labor market distortion, or is it a positive externality of the program if the wage in the bottom segment of the labor market is driven up by PWP implementation (India)?
2. How can the impact of PWPs be assessed? There is a need to gather baseline data if the impact of the program as a response to the crisis is to be assessed (Bangladesh and Yemen).
3. Is employment offered on a once-off or repeated basis in a PWP? In the Indian NREGA, if households are offered only 42 days instead of 100 days guarantee, could that be due to lack of demand for the program, or demand exists but due to supply failures? Has there been an analysis on this issue? In India, Bangladesh and Yemen, employment is limited to a one time episode of employment, or is it continuous and households can avail of it whenever they wanted over the year.
4. What are the criteria for PWP participation - is access to PWP employment a right (India) or a privilege for a limited number of those seeking to participate (Yemen and Bangladesh)? What has been women's participation in these programs?
5. The issue of budget was raised by several delegates: is it predictable, guaranteed or fluctuates; administrative costs in the overall budget for the program, and non-wage costs....how do all these components figure in the budget?

Lessons learned

1. Significant budgetary allocations are made to some PWPs, with PWPs accounting for 7% of total government expenditure in Bangladesh (40% of total social protection expenditure) and 3.3% in India. In India the budget for the program is guaranteed.
2. Whereas the objective of some PWP is guarantee employment (India), others focus on providing employment for the ultra-poor (Bangladesh). In the Indian case all citizens have a legislated right to employment in the program, and access to employment is guaranteed, (although this guarantee is not yet achieved in all instances) whereas in the other programs discussed applicants have no such right to program participation. One positive side is women participated in large numbers in both India and Bangladesh.
3. Within PWPs there can be a tension between the objective of creating mass employment and creating good quality infrastructure. This is especially problematic in the context of

- a crisis where the need to scale up employment rapidly may outstrip the ability to identify productive employment opportunities.
4. Community ownership of assets created is also a problem in India; political considerations do enter decisions on the choice of projects; direct benefits of projects may accrue to the rich, but the poor could benefit from secondary employment effects. Youth not targeted in all three country cases.
 5. If the wage is above the prevailing wage, inclusion errors may ensue as the non-poorest among the underemployed may seek to participate. However, if the aim of the program is to reduce poverty and guarantee income to all those seeking it, it is not necessary to adopt a wage which is below the prevailing or minimum wage, as all those seeking work should be accommodated in the program and there is not a need to adopt a low wage as a rationing mechanism (India). Targeting is still evolving in Bangladesh.
 6. Where there are limited funds and significant levels of poverty, there is a need to have targeting criteria in addition to self-targeting by the poor, (geographical targeting to poor districts, identified on the basis of a Social Fund survey was adopted in Yemen).
 7. There is a need to be flexible enough to redesign programs after the initial implementation phase in order to improve program performance (Bangladesh). However, Bangladesh program has been highly successful in countering seasonal unemployment.
 8. It is important to gather baseline data when initiating a PWP in order to facilitate program impact assessment over time, and streamline and consolidate programs in countries where there is a multiplicity of programs.

Way forward

1. Pre-existing PWPs with the objective of reducing poverty may be expanded as part of the national response to the triple F crisis, as in Yemen, although external donor funding is required to expand significantly beyond anticipated budgetary allocations in the short term. In the case of Yemen US\$8.5 million of a WB emergency grant of \$10 million were utilized to scale up the national PWP, as a rapid response to the crisis, and Europe Union funds may be used to sustain the program in the medium term.
2. Local government may not have the capacity to scale up and implement PWP activity rapidly in response to a crisis, and there may be a need for implementation by non-government bodies such as Social Fund implementing units if rapid roll-out is required (Yemen).
3. Expanding PWPs to provide employment in the wake of a crisis requires an investment in the identification of productive employment activities and project design and management.
4. In the future, it is important to introduce a training component.
5. Opportunities for hiring the youth, with a built-in training component, need to be explored.
6. Scalability problem need to be confronted. Where capacity is limited, implementation could be handled by non-governmental organizations (NGOs) or other agencies...such options need to be explored (e.g. Yemen)
7. Even in nation-wide programs, awareness is still limited (India); more needs to be done to create awareness.

Adapting Conditional Cash Transfers (CCTs) in Response to a Crisis (D 2.1.2)

Moderator: Ms. Maria Concepcion Steta, SP Specialist, WB

Rapporteur: Ms. Maria Concepcion Steta, SP Specialist, WB

Speakers:

- Mr. Milagro Gladys Nunez Rivera, Executive Director, Programa Juntos, Peru
- Ms. Collette Roberts Ridsen, Director of Social Security, Ministry of Labor and Social Security, PATH-JAMAICA
- Mr. Bruno Pinto, Programa Bolsa Familia, Brazil

The presentations covered two questions: (i) What is the role of the CCT programs in the social protection systems of your country, especially in the context of the 2008/2009 crises? (ii) What are the limitations of these programs given the goals and beneficiaries defined in order to give a quick response to the crisis?

Issues debated:

1. CCTs have been a fundamental piece in responding to the food and financial crises in developing countries, as they guarantee a minimum income for the most vulnerable, and therefore, they protect the basic consumption basket of the families in the short term.
2. One of the most critical factors for these programs in times of crisis is their effective targeting mechanisms. For example, it becomes essential to improve methods to correct inclusion and exclusion errors, as well as targeting in urban areas (which currently present the poorest coverage). Most programs use proxy means tests to identify families in chronic poverty; however, in times of crisis there is a need to target the “new” poor and vulnerable.
3. Strengthening inter-sectoral coordination is a big challenge in times of crisis. It is necessary to guarantee enough budget for quality health and education services, specially for the families in the programs.
4. Regarding inter-sectoral coordination, it is also crucial to implement complementary, activation measures to increase the employability of the poor (public works, training and entrepreneurship programs)

Lessons learned from the country studies:

1. CCT Programs have a proven record of reaching the poor and a positive impact on human capital; benefits are targeted to most vulnerable rather than entire population, and have the ability to respond quickly. These are some of the reasons why Brazil and Jamaica increased the amount of benefits for poor households in 2008. These programs also expanded coverage (Jamaica reaches 14% of the population and Brazil increased the coverage of poor families to 12.9 million).
2. To expand the coverage to vulnerable population the CCT programs have to review the methodology of targeting. Brazil is using a new methodology of Maps of Poverty, as well as a volatility income index.
3. Ensuring a minimum consumption basket to the beneficiary families, reducing alimentary risk – by promoting food and nutritional security- constitute important anti-cycle policies. The program “Juntos” in Peru has tried to achieve this goal by (i) guaranteeing an

opportune and high-quality package of health and nutrition services for the beneficiary population (community nutrition strategy, Sprinkles, etc); (ii) improving coverage of target population in relation to the objective of reducing chronic malnutrition (priority children aged 0-2); (iii) revising the incentive scheme (the fixed transfer presents limitations and small benefits) and verifying compliance with co-responsibility through the health sector.

4. Raise difficulties to school evasion maintaining school attendance. In moments of crisis, it is possible that families take children out of school in order to work and supplement familiar income. To respond to this risk Jamaica has introduced differentiated benefits for children in upper secondary schools and in Brazil, Bolsa Familia's targeting criteria was modified to include young people between 16 and 17 years old in 2008.

Public Works in Middle Income Contexts (D2.2.1)

Moderator: Ms. Anna McCord, ODI

Rapporteurs: Mr. Kalanidhi Subbarao, Consultant and Mr. Carlo del Ninno, Sr. Economist, WB

Speakers:

- Ms Claudia Berra, Ministry of Labor, Argentina

- Ms Elka Dimitrova, Director, Ministry of Labor and Social Policy, Bulgaria

Issues debated

1. Can PWP deliver skills development benefits to participants as well as income support?
2. Does the duration of PWP employment have an impact on the quality and quantity of training which participants can acquire?
3. If there is limited labor demand in the economy, can PWPs 'create' additional jobs by promoting the skills of participants? How does this relate to the nature of the labor market, levels of unemployment and the ability of the program to deliver appropriate training?
4. Do governments have the capacity to deliver effective skills development within PWPs?

Lessons learned

1. PWPs can evolve over time in response to changing labor market situation. The temporary Trabajar program in Argentina was developed in response to the Latin American Financial Crisis in the late 90s, and being implemented between 1998 and 2001. As the labor market effects of the crisis became less severe the Trabajar program was replaced by the Jefes y Jefas program in 2002, and in 2005 this was superseded by the Seguro de Capitalización y Empleo program. While the initial program was focused on creating job opportunities for the poor and promoting income, the objective of the current program is social inclusion employability and livelihoods promotion. The Bulgarian national PWP has also evolved, with participation falling from 100,000 in 2004 to 30,000 in 2008 as the economic situation improved and workers were reabsorbed into the labor market.
2. PWPs can be implemented as a response to both crises disrupting the labor market in the short term, and also as a response to structural, chronic poverty, and need to be designed according to the particular labor market context (Argentina).

3. PWP can form one component of an active labor market policy, with the objective of supporting participants in the transition from social assistance to employment by including training and work experience components in order to improve the subsequent 'employability' of participants once they leave the program (Bulgaria and Argentina).
4. PWP can be designed to simultaneously promote income, employability and improve living conditions, if appropriately designed (Bulgaria). However, such a program demands high levels of capacity to implement and monitor adequately.
5. Where the period of PWP employment is short, there may not be an opportunity for adequate levels of skills development, and so workers' labor market performance may not be enhanced.
6. There is a need for partnership between the national and local in the design, funding and implementation of PWP to ensure that they are appropriately designed and responsive to local needs (Bulgaria).
7. There is a risk that long term PWP employment in the provision of services (such as neighborhood cleaning, social service or education provision), may have displacement effects and a negative impact on non-PWP employment, resulting in limited net employment gains as a result of the program (Bulgaria).
8. PWPs are an expensive way to deliver services, and their social effects need to be taken into account when they are evaluated in order to justify the additional expense (Bulgaria).
9. Where unemployment occurs across the skills spectrum, it is possible to utilize the skilled unemployed to train and manage the low skilled unemployed, increasing the potential for skills development (Bulgaria). However, where unemployment is focused in the low and unskilled and state capacity for skills training is limited, PWP with a major skills development component face greater implementation difficulties.

Way forward

1. In order to promote employability future programs need to consider i) the relevance and quality of the training provided, and ii) the demand for labor in the economy and the nature of the specific labor market context, and these considerations need to inform program design.
2. Skills development is only possible where there is adequate capacity and where the duration of employment is sufficient to ensure meaningful skills transfers.
3. Programs should be flexibly designed and regularly reviewed and reformulated in response to changing labor market conditions in order to maintain their relevance.

Cash Transfer (CT) in Low Income Context (LIC) (D2.2.2)

Moderator: Mr. Foluso Okunmadewa, Lead SP Specialist, WB

Rapporteur: Mr. Foluso Okunmadewa, Lead SP Specialist, WB

Speakers:

- Mr. Noah Sangayi, Head of Finance and Administration Division, Department of Children Services, Ministry of Gender, Children & Social Development, Nairobi, Kenya
- Dr. Ezinne Nwadinobi, Director, Social Services Department. National Planning Commission, The Presidency, Abuja, Nigeria
- Mr. Muhammad Sher Khan, Managing Director, Benazir Income Support Program, Pakistan

Introduction: The session opened with some background on the growing appreciation of the essence and usefulness of Cash Transfer (Conditioned or Unconditioned) across the World, especially in response to previous and current Crisis. In LIC, CT are however new (less than 5 years old) and with limited results so far. There are evidence of various challenges in institutionalizing CT in Low Income Countries, hence the question of the relevance and feasibility of CT in such context.

The Main presentation was on the lessons of experience on CT for Orphans and Vulnerable Children in Kenya. The building blocks of the CT, including the objective, coverage, implementation structure and process, funding and achievements as well as lessons to date were presented. Highlights include the following:

- Project, which is 5 years old, is running smoothly with some evidence from monitoring record, on improving welfare of orphan and vulnerable children and Care givers. Impact Evaluation is on-going.
- Challenges include quantum and timely release of funds.

The Discussant from Nigeria, briefly described the pilot Conditional Cash Transfer program in Nigeria, which is focused on human capital (health and education) development and on skills acquisition for economic development of the extreme poor. The Program started effectively in 2008. The challenges of the Payment System options adopted in the CCT were listed as follows:

- Loss of money paid to beneficiaries due to robbery on way from Banks
- Verification problems for payment done through Local Government offices or House of traditional rulers.
- Irregularity of payment due to funds flow problem, similar to Kenya case.

The Discussant for Pakistan discussed the targeting mechanism on the Benazir Income Support Program (BISP), which is mainly through the Proxy Means Test method. The participants are initially selected by the members of the Parliament. The BISP, which is 2 years old, has been restructured twice, especially with the support of the WB and other Donor Organizations.

The general discussion that followed the presentations focused on Exit Strategy, Identification and eligibility of beneficiaries, database for decision making, Accountability and Sustainability of the CT programs in LIC. The experience on Ghana, Malawi, Liberia and Cambodia were also shared during the discussion. The session concluded as follows:

- CTs are desirable and appropriate in LIC to respond to the current and future Crisis.

- Even though there are obvious challenges in setting up CT in LIC such constraints can be surmounted over time and especially with sharing of experiences across the regions.
- Special attention need to be paid to issues of supply side constraints, capacity building, funds flow, accountability and sustainability of the programs.
- Linking CT to microfinance or productive asset development opportunity is crucial – as exit strategy and to ensure proper response to the current economic Crisis.

Institutional (re-) Organization in Response to Crises (D2.3.1)

Moderator: Mr. Aurélien Kruse, Young Professional, WB

Rapporteur: Mr. Aurélien Kruse, Young Professional, WB

Presenter: Dr. Vivi Yulaswati, Deputy Director for Poverty Programs Development, Ministry of Planning, Indonesia

Discussant: Ms. Margarita Songco, Deputy Director General, National Economic Development Agency of the Philippines

Discussant: Ms. Susana Gámez Seoane, Technical Coordinator, Social Cabinet of the Dominican Republic

The session was organized around three main questions: (i) who should be in charge of implementing SP programs, particularly in countries where such programs do not already exist? (ii) how best to coordinate interventions, where SNs exist and interventions are scattered across numerous institutions? (iii) how to ensure that the different stages of response (policy definition, actual implementation, evaluation) are integrated?

Dr Vivi Yulaswati delivered the main presentation highlighting the case of Indonesia. She described how Indonesia's experience of coping with the effects of the 1998 financial crisis but also of responding to natural disasters has informed its institutional framework and readiness for crisis response (with strong emphasis on real time monitoring and rapid damage assessments). She also presented Indonesia's highly strategic model for crisis response both in terms of:

- sequencing of interventions: a three clusters approach (SA to individuals, CDD programs and support to entrepreneurship) along the lines of the 'teaching people how to fish' philosophy, and
- institutional set-up, with a dedicated 'coordinating ministry for people's welfare', responsible for broad orientations and 'coordinating teams for poverty reduction' at all three levels of government, responsible for coordinating implementation of responses and building consensus between stakeholders.

She also raised specifically the following points. Firstly she stressed the radical change brought about by the decentralization process in Indonesia, which imposed the transition from a top-down model of response to a bottom-up process. Decentralization of important powers to the local level added a degree of logistical complexity to crisis response, calling for integrated policy and financial planning at the three levels of government and limiting substantially the amount of discretionary resources available to the central government. At the same time this involvement of LGs and communities has increased the outreach of SP policies.

In her presentation, Deputy Director General Songco shared the result of a recent tally of SP interventions in the Philippines: some 142 interventions implemented by 29 different agencies. She then described how the Government of the Philippines went about, through a Presidential Order, integrating these various initiatives into one single ‘national social welfare program’, whose work is led by an Administrator with Cabinet rank so as to signal strong presidential backing and allow him to deal as a peer with other ministers.

Susana Gámez Seoane briefly presented the experience of the Dominican Social Cabinet. According to her, a key factor behind the success of the Social Cabinet and its authority to effectively coordinate programs across line agencies was its ability to establish linkages with the Ministry of Finance and to influence budget allocations to the various programs.

Common themes raised by all of the presenters included the importance of:

- obtaining high level (Presidential or Prime Minister) endorsement of the crisis response coordination institutions so as to guarantee that they are effectively able to assert their authority over (or at least work effectively with) line agencies.
- investing in stakeholders’ ownership of SP programs, in spite of the high cost of such investments in the short term.

The presentations, but even more so the Q&A session made it clear that there is no single blueprint that would be replicable as is, but that by contrast it was important to be pragmatic: especially in low capacity settings where it makes sense to build on the few existing institutions that work.

Monitoring Frameworks to Assess Severity & Impacts of Crisis (D2.3.2)

Moderator: Mr. Ihsan Ajwad, Sr. Economist, WB

Rapporteur: Mr. Ihsan Ajwad, Sr. Economist, WB

Speakers

- **Ms. Sonja Avlijas**, Economic Analyst, Deputy Prime Minister's Poverty Reduction Strategy Implementation Focal Point, Serbia
- **Mr. Siemon Hollema**, Advisor, Emergency Food Security and Livelihood, World Food Programme, Nepal
- **Mr. Bambang Widianto**, Deputy Minister for the Evaluation of Development Performance, State Ministry for National Development Planning/Bappenas, Indonesia.

Introduction

The human cost of the recent multiple crises have been high. The speed at which these crises unfolded has exposed the difficulties of accurately assessing the situation on the ground. Although the beginnings of the crisis can be traced to a credit crunch in developed countries, developing countries are experiencing the impacts of the crisis through the following transmission channels: i) financial markets (via reduced access to credit, eroding savings and asset values, exchange rates); ii) labor markets (via reduced employment, wages and remittances); iii) product markets (via lower growth and production, relative prices changes); and iv) government (and non-governmental) services (e.g. public and private education, health and social protection services).

In order to compose a response to mitigate the short-run costs and to establish a solid foundation for emerging from the crises, a number of initiatives have been put into place. This session explored the current and potential monitoring systems designed to measure the impact of crises. The session outlined a number of information sources such as administrative sources, dedicated household surveys, labor force surveys, qualitative assessments, social benefits monitoring, etc. and then focused on the pros and cons of each of the approaches as they apply to a particular country context.

Indonesia. Economic growth has begun to slow in Indonesia although GDP growth is forecasted to be positive in 2009. Indonesia is implementing a rapid monitoring system to i) understand the impacts of the crisis; and ii) to help with policy responses. The Indonesian social sector monitoring system includes the Badan Pusat Statistik survey data, regional government administrative data, and a new “lite” household survey supplemented by a rapid qualitative survey. Indicators to be monitored include food prices, wages, working hours, use of health services, etc. The objective of the new lite survey is to identify on a quarterly basis districts requiring special attention/responses by computing indicators at a desired level of accuracy. Key indicators will be compared to threshold levels to determine if conditions are “acceptable” or “not acceptable.” These conditions can in turn lead to specific crisis responses.

Serbia. The social sector in Serbia is monitored using a number of tools such as regular household surveys, labor force surveys, administrative data, etc. However, to get detailed information about the social impacts of the crisis and the coping strategies, the Government chose to add a number of modules to an existing labor force survey that was due to be fielded. The choice of instrument was based on the need to implement the survey quickly and at a lower cost than would have been incurred if the survey were a dedicated one. However, considerable efforts were made to ensure that the additional modules did not compromise the quality of the LFS, but instead only took advantage of the timing and sampling already in place for the LFS.

Nepal. Nepal is a low income post conflict country with low human development outcomes, including high rates of malnutrition and low food security. Concerns about food security have led to the creation of a detailed food security monitoring system by the World Food Program in Nepal. The system includes surveying 800-1,300 households every quarter. The system puts a heavy emphasis on enabling a web-based data collection and analysis system that can monitor conditions on a real-time basis. The system shows that very significant obstacles such as a very dispersed population can be overcome with dedicated staff, technology and openness.

Lessons learned

- Despite knowledge about the transmission mechanisms through which the crises affect households, real time knowledge about social sector indicators of the crisis are elusive in most countries.
- The monitoring tool to be chosen varies with country context, timing, objectives, etc. For example, Serbia used an ongoing household survey for the monitoring effort, while Indonesia is beginning a new rapid response survey. However, the lack of information about conditions on the ground in Nepal has forced WFP to implement a standalone system which includes household surveys every quarter.
- As countries respond to the crisis, it is important that the monitoring systems track the impact of safety net programs on mitigating the impact of the crisis through both

administrative information and beneficiary surveys. This monitoring effort is needed to respond mid-term to problems of implementation, but also to advance the accountability of programs.

- The importance of program evaluation cannot be understated. Little is known about the performance of a number of programs, and especially in a crisis environment. Therefore, even though crises cannot be predicted, it is a certainty that other crises will inflict hardship on households. As a result, learning from the experiences of this crisis is essential in preparing for the next crisis, a task that necessitates evaluating the program rigorously.

DAY 3

Active Labor Market Policies as a Response to the Crisis (D3.1.1)

Moderator: Ms. Maria Laura Sanchez Puerta, Economist, WB

Rapporteur: Ms. Maria Laura Sanchez Puerta, Economist, WB

Speakers:

- Ms. Suwanee Khamman, Deputy Secretary General, National Economic and Social Development Board, Thailand
- Ms. Yadigar Gokalp, General Director, Ministry of Labor and Social Welfare, Turkey
- Ms. Nathalie Manzinawe Bitho, Secretary of State in charge of Youth and Youth Employment, Togo

The objective of this session was to examine the role of active labor market policies as a response to the crisis. It concentrated on programs and policies that seek primarily to reduce the risk of unemployment and wage losses, as well as provide the income support to mitigate the shock.

Ms. Suwanee Khamman summarized some of the lessons learned by Thailand from the East Asian crisis of 1997 and pointed out the different nature of the current global financial crisis. Ms. Khamman displayed the 2008 stimulus package put forth by her country and described its four objectives: increase household incomes directly and indirectly and stabilize consumption, create employment, enhance community development, and improve skills for workers. The main challenges facing Thailand are affordability and sustainability of the programs.

Ms. Yadigar Gokalp explained that Turkey experienced a different impact of the financial crisis, as much of it was felt in the real sector. Turkey, however, benefited from the Social Risk Mitigation Project in place since the 2001 crisis and the impact of this crisis on vulnerable groups was softened. The package of measures adopted consists of (i) job creation (state incentives in investments, credit guarantees for SMEs, transportation support to textile plants), (ii) job protection (employment incentives, short-term employment benefits, premium discount), (iii) income support (CCTs, employment programs for communities, Social Security Reform and Draft Social Assistance Law), and (iv) employability enhancement (on-the-job training, labor force training by ISKUR, employability training).

Ms. Nathalie Manzinawe Bitho presented a picture of the current economic situation of Togo. Given that 70% of the population in Togo lives in rural areas and the rural poverty rate is 73%, the government is proposing a rural public works program to create temporary jobs for the most vulnerable. Ms. Bitho highlighted some of the challenges facing Togo, given the country's lack of technical experience and budget for this undertaking.

The session concluded that whether policies are designed to bailout jobs or to protect workers, their suitability of programs needs to be reexamined with a view of how they fit the crisis. In addition to using best practice criteria, other aspects should be considered: (i) the speed and ease of program implementation, taking into account existing infrastructure and institutional capacity, (ii) the ability to support those mostly affected by the crisis, and (iii) the likelihood of obtaining continuing financial support. Furthermore, given the large scale of the crisis and its implications on the labor market, policy makers should move away from ad hoc implementation of individual

programs towards a comprehensive package of services to deal with the multiple challenges workers are facing. The current crisis can be seen in developing countries as an opportunity for investing in new labor market programs or to improve existing features of ongoing programs. To monitor and evaluate these programs, countries need to improve their information systems and monitoring and evaluation capacity.

School Feeding: Scale-up of National Programs (D3.1.2)

Moderator: Mr. Ludovic Subran, Economist, WB

Rapporteur: Mr. Ludovic Subran, Economist, WB

Speakers:

- Ms. Augustine Kamlongera, Director of Education and Planning, Ministry of Education, Science and Technology, Malawi
- Mr. Yawavi Bouty Abalo, Coordinator of the Technical Secretariat for the Community Development Project, Togo
- Mr. Odette Loan Lago Daleba, Director of Canteens Department, Côte d'Ivoire

Introduction

This session presented experiences from three different School Feeding (SF) programs:

- Malawi 'traditional' WFP-supported model, which provides mid-morning Corn Soya Blend (fortified) porridge, and take-home rations for girls and orphans;
- Ivory Coast's institutionalized model, in which women agricultural associations are supported to provide a part of their production to the SF activities, and communities are asked to provide financial contributions;
- Togo's piloting of an alternative model, whereby women from the community prepare school meals at home and sell them to the SF program.

Issues debated

- Impact on education outcomes
- Additional impact of SF activities
- Environmental impact: use of improved fireplace to limit the use of firewood
- School feeding and good governance
- Institutional arrangements: e.g. implementation through NGOs with parent associations (Togo) or decentralized structures
- Cost and sustainability
- Community participation: what approach – volunteerism (Malawi), financial contribution (Ivory Coast) – paid services (Togo)? Is it really fair to request community contribution? Is it the basis for program sustainability?
- Exclusion of other vulnerable groups – e.g. under 5, children unable to attend school
- Stigmatization of girls/AIDS children with Take-Home Rations
- Nutritional quality of school meals: hygiene education, monitoring of hygiene conditions, fortified commodities, etc
- Link between cash transfer programs and SF programs – e.g. in Malawi, not yet implemented in the same areas

Lessons learned

- Impact on education: all presented SF programs led to increased enrolment and attendance rates; as well as increased community participation in school management; and in Malawi, Take-Home Rations did encourage girls to go to school.
- Effectiveness in crisis situations: SF programs may mitigate children enrolment in armed forces (e.g. Ivory Coast) and strengthen social cohesion.
- If properly designed, FS programs may have additional impacts and support agricultural production, food consumption, public health, local (women) employment, poverty reduction, etc.
- The use of improved fireplace enabled to protect the environment (Ivory Coast).
- SF programs support good governance through decentralization and community responsibilities, and overall local development.
- Beneficiary school might end up overcrowded jeopardizing education quality, and there might be a need to target all schools within a cluster to avoid pupil migration (Malawi).

Way forward

- SF programs can be very diverse depending on their stage and logistical constraints, but they should always be developed looking at long-term objectives (education, health, social cohesion, etc).
 - SP programs need to be expanded in a phased approach considering logistical and financial constraints.
 - Measures need to be taken upfront to ensure program sustainability - Contribution from parents and school gardens do not seem to be an option but rather national tax (Togo)
 - Promote ownership and institutionalization of SP programs
 - Increase in food prices has an effect on overall funding the Ivory Coast's model might be worth considering.
 - SF can be a good entry point for crisis response – to the FFF crisis but also in contexts of conflict, HIV, floods, etc.
 - SF is not the response to everything (e.g. under 5's malnutrition) but it can be a key element of an effective Social Safety Net – which has to be a set of programs.
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How to Provide Unemployment Benefits in Times of Crisis – and Beyond? (D3.2.1)

Moderator: Mr. Milan Vodopivec, Lead Economist, WB

Rapporteur: Mr. Milan Vodopivec, Lead Economist, WB

Speakers:

- Mr. Victor Macias, formerly Economist at Ministry of Labor and Social Security, Chile

- Mr. Hazem Alrahahleh, Head of Research and Development Department, Social Security Corporation, Jordan

Issues addressed

Prompted by the current economic crisis, among others, many developing countries are considering the introduction of unemployment benefit schemes. But standard, OECD-type unemployment insurance programs are not a good fit for developing countries, as these countries are faced with large informal sectors and weak administrative capacity. How should one adjust OECD-style blueprints for UI programs to meet vastly different circumstances of developing countries? And how can such designs help workers affected by the current crisis?

Proposals presented in the session

The session described an innovative idea that can also be used as a rapid response to the current crisis: unemployment insurance savings accounts (UISAs). It argued that, by bolstering financial incentives for reemployment, UISAs can provide adequate income protection to a majority of workers without damaging work incentives. Under the UISA system, each worker (and his or her employer) is required to save a fraction of earnings in his or her account, and draw unemployment benefits from it. By internalizing the costs of unemployment benefits, the UISA system reinforces worker incentives and thus reduces or avoids the moral hazard inherent in traditional UI programs – and simultaneously, under some variants of the program, provides the same protection as the traditional UI system.

There were two invited speakers at the session, each presenting a variant of UISAs:

- Victor Macias, formerly Economist at Chilean Ministry of Labor and Social Security, presented *the Chilean program, UISA-cum-solidarity fund*, in which upon depletion of their own accounts, individuals may receive payments from the solidarity fund.
- Hazem Alrahahleh, Head of Research and Development Department, Social Security Corporation, Jordan, presented *the Jordanian program, UISA-cum-borrowing*; in which within predetermined limits, individuals can borrow money beyond their UISA balances (the bill of this program is being considered by the Jordanian parliament in June 2009).

These two programs combine self-insurance with social insurance to improve the adequacy of protection. The first program does so by introducing an explicit solidarity component in the financing of benefits. The second program does so by allowing workers, at least temporarily, to run into the red in their UISAs; note that the repayment of such borrowing can be subsidized, i.e. this mechanism also allows for redistribution across plan members.

Speakers also explained how the UISAs-cum-borrowing can be used to help workers affected by the current crisis and could be made operational in short time (for example, in 4-6 months). Such rapid introduction hinges on three facts: (i) that UISA administration can piggyback on existing pension schemes; (ii) that thanks to relying on past social security contributions as a qualifying condition, workers covered under with current social security systems could be made eligible for unemployment benefits without an additional vesting period; and (iii) that few (if any) employment services needed are needed (online job intermediation systems may be relied upon), as the UISA design reduces the need for monitoring.

Way forward

The discussion pointed out that the scheme's potential to extend coverage to informal sector workers has to be elaborated, and that many UISA design questions still remain, for example, how to set interest rate on UISA balances under the variant that allows for borrowing, and what is the optimal split of contributions between the UISA and the solidarity fund.

Food Based Mechanisms: Maximizing the Effectiveness of Ration Systems (D3.2.2)

Moderator: Mr. Carlo del Ninno, Sr. Economist, WB

Rapporteur: Mr. Carlo del Ninno, Sr. Economist, WB

Speakers:

- Mr. Alakh Sharma, Director, Institute for Human Development, India

- Mr. Anwer El-Nakeeb, Economic Advisor, Ministry of Social Solidarity, Egypt

Introduction

This session presented experiences from two food subsidy systems:

- India's Public Distribution System: different entitlements/subsidized prices to different groups (below poverty line, above poverty line, destitute) mainly for rice and wheat;
- Egypt's Food Subsidy System: subsidized bread accessible to everyone; and ration cards to targeted households to access subsidized sugar, oil, and rice.

Issues debated included

- Give subsidies to millers/producers or only directly to consumers
- State's role in procurement and distribution
- Exclusion of people who cannot even afford subsidized commodities
- Impact on child nutrition
- Impact on government budget
- Measures to ensure quality of subsidized commodities
- Large scale exclusion and inclusion errors
- Targeting or universalism
- Introduction of food stamps system: problem of identification of the poor
- Effect of inflation over time
- Legal guarantee

Lessons learned

- Food subsidies may increase the share of household expenditures on food, and they might be more politically acceptable than cash.
- On the other hand, food subsidies are expensive, they may create distortion on the food markets and have disincentives on food production, and subsidized rations may be liable to back-door sells.
- India's PDS along with food policies helped controlling food prices, but the PDS proved to be a very inefficient system of procuring and distributing food. Reforms are needed in procurement and distribution, such as monitoring, electronic cards, etc.
- The increase of food commodities and fodder prices may lead to leakage of subsidized flour, and the use of subsidized commodities for feed (e.g. Egypt)
- In response to the crisis, Egypt improved its targeting system and reduced inclusion errors which enabled to increase the number of ration cards/entitlement.

Way forward

- Reform of the food subsidy systems are required to make subsidies more efficient.
 - There are attempts to improve targeting and distribution (introduce the use of smart cards).
 - The role of the State in procurement and distribution continues to be debated. Should the government be involved in the procurement at and the production (e.g. bread Egypt)?
 - Food subsidies systems should be flexible: capable of being scaled up and accepting additional beneficiaries, and capable of being scaled back after crises (e.g. Food Stamps Program in the USA).
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DAY 4

Informal social protection systems (D4.1.1)

Moderator: Ms. Maurizia Tovo, Lead Technical Specialist, WB

Rapporteurs: Ms. Maurizia Tovo, Lead Technical Specialist and Rasmus Heltberg, Sr. Technical Specialist, WB

Speakers:

- Ms. Marwa El-Daly, Chairperson, Waqfeyat al Maadi Community Foundation, Egypt
- Mr. Christian Nzeyimana, Program Officer, World Food Program, Burundi
- Mr. Remy Mafu, Director, Reseau des Educateurs des Enfants et Jeunes de la Rue, DRC

Informal social protection can be loosely defined as support for the poor outside of public channels. Many societies have a long and deep tradition for private charitable giving and philanthropy and although statistics often lack, this sector is often larger than formal social protection. Many countries all over the world have extensive networks of local and international NGOs, some of them with excellent track records of providing social protection services. Burundi's example was presented at the session. Burundi has many NGOs active in this field who do a lot to alleviate hardships for the poor. Other forms of informal social protection include transfers between friends, neighbors, and relatives. Remittances are often critical. There are also many examples of village self-help groups and community associations of many kinds. In addition, many corporations have Corporate Social Responsibility programs.

Many religions support charitable giving. In Islam, for example, Zakat is a pillar of faith which confers an obligation on people to give to the poor and needy. Interestingly, Zakat also confers a right for the poor to receive such support. Therefore, if a Muslim does not give Zakat he or she is taking from the poor what is their right to receive. Zakat therefore has certain parallels to the recent discussion of rights-based approaches.

A survey of charitable giving and philanthropy in Egypt and in some other countries was presented and attracted a lot of interest. Its findings showed that giving is substantial, widespread, and of high volume. Women on average give more than men. The survey also pointed to weaknesses which limit the impact of private charitable giving: such giving tends to be ad hoc, localized, concentrated during Ramadan, and have character of a hand-out. It often lacks elements that could help recipients escape poverty in a more sustainable manner.

Based on the findings of the survey, the Maadi Foundation has examined ways to promote more institutionalized forms of charity/philanthropy but has encountered two key constraints:

- Givers of Zakat and other charity are skeptical of many NGOs and feel they do not know how funds are spent and with what impact. NGOs should therefore do more to become transparent and communicate their results.
- There is an ancient tradition of rich people endowing wealth to a charitable organization ("waqf") which can use the proceeds to fund certain purposes laid down by the giver. This tradition has fallen into disuse in Egypt after the government moved to regulate the endowments. This means that NGOs and Foundations have been deprived of a potentially substantial source of funding. The Maadi Foundation has worked to revive the tradition of giving endowments via its own Foundation.

The session discussed what can be done to strengthen the positive elements of informal and non-state social protection, create synergies with formal systems, and palliate the potential weaknesses of informal social protection. Some thoughts on this topic include:

- do no harm: in its desire to regulate the charitable sector the state should be careful not to harm it.
- social protection has much affinity to religious and spiritual values promoting charity and caring for the poor and vulnerable. These values can be bolstered for the benefit also of more formal social protection.
- More needs to be done to support caretakers of elderly and orphans.

Session participants brainstormed for examples of state and donor interventions in this area, but only few such examples emerged: efforts to strengthen rotating savings and credit associations and other community associations in West Africa; informal health insurance; and efforts in some countries to certify national NGOs (to ensure compliance with basic accounting and transparency standards). Although more examples might exist which participants were not aware of, the absence of more operational examples of strengthening informal social protection mechanisms is indicative of a neglected topic in the social protection community.

The solid interest from the participants in this topic and the relative lack of comparable knowledge and policy experience suggests that further studies are warranted.

Enhancing Youth Employment: Challenges and Opportunities (D4.1.2)

Moderator: Mr. John Blomquist, Sr. Economist, WB

Rapporteur: Mr. John Blomquist, Senior Economist, WB

Speakers:

- Mr. Mattias Lundberg, Sr. Economist, WB

- Mr. Gbolahan Lawal, Senior Assistant on Special Projects to the Governor of Lagos State, Nigeria

- Mr. Curt Rhodes, International Director, Questscope, Jordan

- Mr. Mahmoud Shaaban, Program Manager, Education for Employment, Egypt

The objective of the session was to review and discuss current innovative experiences to facilitate training and employment for youth.

Mattias Lundberg provided an overview of the opportunities and challenges facing youth in gaining employment. He highlighted the size of the youth bulge, especially in Sub-Saharan Africa and the Middle East and North Africa. Unemployment rates are 2 to 5 times the rates facing older individuals. In many countries, youth are entering the labor force at a much faster rate than that of job growth, making it difficult to absorb these new workers. Further, there is an often-cited mismatch between the skills that youth acquire in school and the needs of employers. Not having jobs delays and complicates other life transitions youth are undergoing, such as becoming good citizens, marriage, family formation and even developing healthy lifestyles.

Despite challenges, youth represent an enormous opportunity for societies to grow, building on the human capital and the innovation of youth.

Gbolahan Lawal described a number of interventions the Lagos local government has developed for youth. Lagos is the prime urban and commercial center in Nigeria. It has a population of some 17 million and is responsible for half of all business transactions in Nigeria, despite being the smallest state. The population is growing 10 times faster than New York or Los Angeles, with significant migration from rural areas in search of employment. The Lagos government is implementing a number of programs targeting youth employment, including Job Creation/Skill Acquisition Centers and a microfinance scheme for targeting young poor women (State Microfinance Institution – LASMI). Over 136,000 households have been empowered by LASMI, disbursing some \$6 million in loans. Future plans include a Youth Farm Settlement Program and Youth Institute in which educated youth will go to rural areas to teach and develop programs for disadvantaged youth.

Curt Rhodes presented the Questscope experience in Jordan. Questscope is an international NGO focusing on marginalized communities in Jordan, Syria and Iraq (Kurdistan). They work closely with government ministries in those countries, such as the Ministries of Social Development and Education in Jordan, to mainstream juveniles and other disadvantaged children and/youth into social and educational opportunities. A special emphasis is placed on youth employability. Mr. Rhodes stressed the importance of providing comprehensive individualized services particularly to disadvantaged youth. These youth won't stay in a program if it doesn't involve caring adults and a long-term commitment as well as remedial life skills training and educational development plans that are mainstreamed.

Incentives must be there for teachers and facilitators as well as the youth themselves. The program seeks to foster creativity around the learning process. There have been more than 5,000 students enrolled in Questscope accelerated learning since 2005, including 1,000 who have been referred to higher education and more than 200 who are now employed. The program has grown tremendously since its inception, and is expected to continue to grow with the help of the Government of Jordan.

Mahmoud Shaaban described the Education for Employment (EFE) NGO, focusing on Egypt. EFE is a network of affiliated foundations in countries, including Spain, Morocco, Palestine, Jordan, Yemen and Egypt. Each is a local NGO. Mr. Shabaan stressed the very high unemployment rates in the Middle East, and suggested that Egypt in particular is a labor abundant country. There is a strong need for good employment. EFE attempts to bridge the gap between young school graduates and the job market by provided targeted skills training together with pre-committed job opportunities with known employers. The training can include sector-specific skills such as nursing, construction, accounting banking or textile sales, as well as general life-skills training for workplace success. What is different about the EFE approach is its link with employers who pre-commit jobs for graduates of the training and also agree to cover a portion of the training costs. EFE certifies graduates upon successful completion of training. In this way, explicit demand for workers is met with a supply of qualified workers. .

A rich set of questions and discussions followed the presentations. Other than clarifying questions to the presenters, the comments fell into three broad categories:

- Who bears the cost of the programs? Are these types of interventions possible in low-income settings, and environments in which job opportunities are limited?

- Are the programs simply doing what businesses would have done otherwise? How do we know the training and placement programs are making a difference to youth?
- How do we scale-up these types of interventions? Most are quite small and reach only a limited number of youth. Can we enlarge the program to reach a sizable number of youth, and would we expect the success to persist or would the effects dwindle as more and more youth enter?

The panelists affirmed that the programs need to be rigorously evaluated, but that each is promising. Costs are born by taxpayers in the case of Lagos and Questcope (which is also donor-financed), but are partially covered by employers in Egypt EFE. All of the interventions require that jobs are available, except perhaps in the Lagos microcredit program, however even there latent demand is needed. No training and placement intervention can create jobs. The regulation and investment conditions must be present for employment. Scaling up is possible in some circumstances, but this will require a greater commitment of resources on the part of implementing governments and donors. It is important that training and placement are geared to existing jobs, which is usually in cities or commercial centers such as Lagos.

Participants were interested in learning about the particulars of the programs, and several indicated a desire to try similar programs in client countries, notably in several sub-Saharan African contexts. Participants and speakers alike recognized the importance of both demand and supply side measures in tackling the youth unemployment problem.

Price Subsidy Reforms (D4.2.1)

Moderator: Mr. John Blomquist, Senior Economist, WB

Rapporteur: Mr. John Blomquist, Senior Economist, WB

Speakers:

- Mr. Ruslan Yemtsov, Lead Economist, WB

- Mr. Mahendra Dev, Chairman, Commission for Agricultural Costs and Prices, India

- Mr. Bambang Widianto, Deputy Minister for the Evaluation of Development Performance,
State Ministry for National Development Planning, Indonesia

The objective of the session was to explore experiences, lessons and potential approaches to subsidy reform with particular focus on the cases of Indonesia and India during periods of economic crisis.

Ruslan Yemtsov provided an overview of the extent of price subsidies around the world and raised some key questions for further consideration as background to the session. He noted that subsidies, particularly of energy commodities, tend to be unsustainably expensive, they crowd out other investments, and they are not an effective social safety net since most of the benefits are captured by the non-poor. Key questions that must be addressed before subsidies are removed or eliminated include: (i) who should receive compensation, just the poor or all citizens who have benefited from subsidies, and how should they be identified? (ii) should reform proceed gradually or relatively quickly, and what commodities should be relaxed first and in

what sequence? (iii) which alternative programs should be invested in with the savings from subsidy reform? And (iv) how should the political economy of reform be handled in terms of selling reforms to the public and ensuring adequate compensation?

Mahendra Dev outlined a number of issues and options for subsidy reform focusing on the case of India. He provided a review of the scope, magnitude and challenges facing reform of subsidies in energy, agriculture and food. Professor Dev's presentation was extremely rich in each area, however five points stand out: (i) there is strong evidence in India that subsidies crowd out other public investment, particularly in agriculture; (ii) subsidies are linked, and reforms must similarly be linked and recognize the economic effects of price changes on other sectors. For example, reducing energy subsidies would increase the price of diesel which in turn can increase the cost of agricultural production which relies heavily on diesel. Higher agricultural costs would increase the cost of food subsidies unless all subsidies are treated in a linked manner; (iii) reforming energy subsidies is likely the easiest and will provide the greatest public savings, but economic effects must be analyzed carefully; and (iv) price subsidies can be removed and a transition made to cash transfers over the medium term, but reform must be undertaken gradually and at a known rate so economic actors can adjust; (v) identifying the poor and developing appropriate targeting mechanisms is a critical element to reforming subsidies and spending savings effectively on the poor.

Bambang Widiyanto presented the Indonesian experience with energy subsidy reform and highlighted some general lessons. He summarized the extent of subsidies and their costs, together with the benefit incidence, which was decidedly not pro-poor. Several interesting points emerged from his presentation: (i) Good data was essential in identifying the poor and those who would be affected by subsidy removals; (ii) the government followed a policy of shifting from generalized commodity subsidies to targeted household subsidies involving both cash and in-kind programs (including an unconditional cash transfer, operational aid for schools, basic health care and insurance for the poor, a rural infrastructure program, and a national community empowerment program); and (iii) government is shifting from an unconditional to a conditional cash transfer, however this is not an easy process given the weak linkages between institutions needed to implement and monitor conditions.

Questions and discussion focused on:

- *How to target those to be compensated from subsidy reform?* There were several questions on the use of the proxy means test in the Indonesia unconditional transfer and how it was implemented. Participants inquired about the applicability of the proxy means test approach in identifying those in the middle class that should also receive some compensation.
- *Should cash be used instead of price subsidies?* A question was asked regarding the current talk in the OECD and elsewhere away from agricultural supports to cash transfers and yet price supports remain common. What is holding up shifting to cash given its desirable economic properties? Others pointed out that CCTs are difficult to implement from scratch, and may not be appropriate as a compensation mechanism for subsidy reform. Still another person asked what is the exit strategy for providing cash transfers? Are we taking into account the impact of subsidies on rural production and on the middle class?
- *How can we determine how much of the savings from subsidies should be spent on different social programs and other investments?* It was recognized that a cash transfer

alone is not sufficient to compensate the population nor to encourage the sorts of development that public spending should achieve. But how much should be spent on cash? Should subsidies be replaced by an equivalent expenditure on other social programs, or should investments be increased in infrastructure and other needs?

The panelists engaged in a lively discussion centered on the issues above. It was noted that the proxy means test is one approach to reach the poor; however other means could be useful for the middle class, including commodity consumption records and bills as well as administrative records from formal sector employment. One targeting method would not be sufficient for all. Cash is more efficient than price subsidization, however it can be politically difficult to implement, more than the technical difficulties. Panelists felt that CCTs are not a compensation mechanism, but rather an investment in human capital development for the poor, and can be part of a package of investments undertaken with the savings from subsidy reform. CCTs can be easier to sell to the broader public given their conditional nature. All noted that there is no firm guideline on how much of the savings from subsidies should be allocated to different programs and investments, but that this would emerge as a result of political dialogue. But it is clear that the poor in particular must be compensated since they do experience real benefits from generalized subsidies, even though they do not capture the majority of benefits.

Social Protection in Fragile States/Post Conflict Context (D4.2.2)

Moderator: Mr. Bassam Ramadam, Sector Manager, WB

Rapporteur: Mr. Yasser El-Gammal Senior Operations Officer, WB

Speakers:

- Mr. John Ngebeh, Director, Social and Economic Opportunities, Sierra Leone
- Mr. Mishi Sidney, Director, Department of Social Services, Zimbabwe
- Mr. Ramses Kumbuyah, Executive Director, Liberia Agency for Community Empowerment, Liberia

Issues debated

This session looked at experiences in two post-conflict countries (Sierra Leone and Liberia) in community development, cash for work projects in response to the FFF crisis, and on the broader social protection agenda. The representative of Zimbabwe focused his presentation on the origin of the Zimbabwe macroeconomic crisis, particularly high inflation and its repercussions on social protection, particularly on payments of pensions.

Issues debated included:

- How to strike the right balance between emergency activities and longer term nation building activities, in particular in support of central and local government;
- Sustainability, equity and targeting of SP projects and in particular of Cash for Work projects currently being implemented in Sierra Leone and Liberia;
- Reasons of excluding pregnant women from cash for work projects and need to include people with disabilities;
- SP reform agenda. (National Commission for Social Action - NaCSA) has supported the preparation of a Social Protection Policy framework, currently being validated in view of legislative action. Questions were raised on how the SP Policy framework was prepared,

- what was the involvement of government, non-government and development partners, what has been the involvement of the public at large through major information campaigns);
- To what extent the Macroeconomic crisis in Zimbabwe is more of an overall governance crisis than a macroeconomic/SP crisis? To what extent Zimbabwe remains a very particular case where hyper-inflation is eroding pensions and salaries?

Lessons learned

In fragile countries in need of significant rehabilitation of infrastructure and services, a Community Development approach is a viable and efficient mechanism for quick community recovery. In Sierra Leone and in Liberia these schemes have been successfully scaled up to respond to the food price crisis via Cash for work activities. In the case of Sierra Leone, NaCSA has gone a step forward and it is now playing a key role in the preparation of the SP Policy framework.

Targeting of specific SP interventions in fragile countries has not always been satisfactory, and has shown weaknesses on aspects of both inclusion and exclusion of beneficiaries.

In fragile very poor countries the issue of long terms sustainability of SP policy remains central to the SP policy reform debate. To be successful, such interventions need to be strategic in nature, well structured and informed, shared with large sectors of societies and well coordinated. When these elements are in place, then the social protection reform agenda becomes a major element of the reconstruction and development national reform agenda.

In the case of countries that have undergone a “total macroeconomic meltdown” (as described by the representative of Zimbabwe) the SP reform agenda is different, and requires first a significant improvement of the macroeconomic and governance agenda and then targeted SP interventions.

The SP interventions in response to the FFF crisis need to become a building block of a strategic SP policy which lays down out the country priorities, the fiscal constraints and the capacity challenges of such policies.

Way forward

Speakers and participants to the session on Protection in Fragile States/Post Conflict Context, called for greater coordination, more intensive exchange of experiences, technical assistance, and project funding to strengthen:

- Social protection policy formulation an adoption;
- Long-term sustainability and exit strategies from SP schemes;
- Targeting of social protection schemes.

Collaborative Networks: Social Protection Community of Practice (D4.3.1)

Moderator: Ms. Margaret Grosh, Lead Economist, WB

Rapporteurs: Ms. Margaret Grosh, Lead Economist, Ms. Maria Concepcion Steta, Social Protection Specialist and Ms. Julia Loureiro, Junior Professional Associate, WB

Speakers:

- Ms. Maria Concepcion Steta Gandara, Social Protection Specialist, WB

- Mr. Degol Hailu, Director, IPC-IG/ United Nations Development Program

- Mr. Gaspar Fajth, Chief, Social Policy and Economic Analyses, United Nations Children's Fund, Policy and Practice Group

Degol Hailu presented the International Policy Centre for Inclusive Growth (IPC-UNDP) and some of its main activities: research, impact evaluation, training, and South-South learning. On the latter, Hailu mentioned IPC's efforts in promoting (i) Direct Technical Cooperation, (ii) Study Tour Programs and (iii) Distance learning through on-line tools and resources.

(i) IPC staff provides direct training and technical assistance for the design of social assistance programs and also fosters South-South technical assistance

(ii) IPC organizes visits for exchange of experiences among developing countries (e.g. African Delegations from five countries went on a Study Tour to Brazil in 2008).

(ii) IPC has a virtual library, multimedia resources and training material on cash transfers for policy makers to access.

Finally, Hailu mentioned various institutional partnerships that IPC has set with other multilateral donor institutions, developing countries' governments and research institutions.

Gaspar Fajth explained the differences between Communities of Practice and Networking - the first is more practice-oriented, personal, purpose-led and passionate. He affirmed that UNICEF is engaged in a wide range of Knowledge Networking, and is also moving towards a Community of Practice approach in Social Protection Knowledge Management. Finally, Fajth presented the UNICEF Community Platform, which will be launched soon. The Platform will encompass a Blog, an online discussion forum, calendar of relevant events, e-mail notifications and profiles of users. It will hopefully be an important tool to boost the SP-relevant networks that UNICEF is engaged in.

Maria Concepcion Steta Gandara presented the LAC Learning Community, which was created horizontally between five Latin American countries with the support from the World Bank, in 2006. The goal of the community is to learn from the experiences of other countries, analyze common challenges, and help each other to improve design, implementation and evaluation of programs. Video-conference sessions are complemented with in-person meeting, held at least every two years (so far January 2008 and June 2009). The talks are informal, with no protocols or formal agreements. The LAC Learning Community has shown to be a privileged space where countries can share experiences, analyze and think as a group, provide feedback in the search to consolidate each program, advance towards the design and operation of a broader protection system beyond CCTs, and improve operational processes. Some of the challenges are that, due to workloads and agenda conflict of participants, the periodicity of sessions has to be flexible.

Participants then spent an hour in **small discussion groups** addressing two questions - what themes would they like to see more South-South learning on? and what modalities interested them most?

Themes:

- making the case for safety nets or building the political support for it was mentioned by several groups
- how to handle the fiscal implications was mentioned by several groups
- virtually every aspect of implementation was requested by one or more groups, both the basics: targeting, payments, M&E, accountability systems, institutional development; and more specialized issues: running programs in a decentralized setting, how to handle sensitively different ethnic groups; how to coordinate actors within a country;

Mechanisms for South-South Learning:

- short duration country visits
- international and regional conferences (with multiple agency representation) for knowledge exchange on the spot and to build relationships that underpin later virtual sharing
- on-line discussion fora
- more translation of materials, regional conferences in regional languages

Impact of the Crises on Remittances and Migration (D4.3.2)

Moderator: Ms. Jeanine Braithwaite, Senior Economist, WB

Rapporteur: Ms. Jeanine Braithwaite, Senior Economist, WB

Speakers:

- Mr. Yang Du, Institute of Population and Labor Economics, China
- Mr. Sanket Mohapatra, Economist, WB

Yang Du Presentation

In past decades migrant flow to urban areas has:

- been a factor in supporting the growth spurt,
- accounted for a large share of urban employment
- made up a large share of rural income (through remittance)

The special pattern of migrant labor (in low value added manufacturing production for export) means that the crisis will have a disproportionate impact on employment relative to growth.

12 million migrant workers (8% of total) lost their jobs as result of the crisis and have very little SNs to fall back on. Coverage rate for various insurance schemes is particularly low in migrant populations (around or below 10% except for health around 25%).

Among those who were laid off, the majority was employed in manufacturing (44%) and construction (29%).

Policy responses included

- wage arrears warning systems (4% of migrant workers)
- incentives for small businesses development (loans etc)
- ALM programs targeting migrant workers (support to returning workers for SMEs development & training programs)

Sanket Mohapatra Presentation

Remittances expected to decline 5-8% in 2009 but expected to be relatively resilient. Protectionism however is on the rise. Development impact of migration is positive for all parties and remittances have a non-negligible poverty reduction elasticity. A 10 percent increase in remittances decreases poverty by 3.5%.

Trend in remittances have been rising steadily in recent years until 2008. Remittances represent up to 5% of GDP of low income countries (around 1.8% in MICs). While migration flows are expected to fall, the stock of migrants is unlikely to decrease. Remittance flows to LAC countries have decreased for the first time in recent months but they continued to increase in South and East Asia.

Forecast of growth in remittances show a short dip in 2009 (however with significant poverty effects) and a subsequent resumption of positive growth. Most affected region will be Eastern Europe and Central Asia. Overall impacts depend on:

- destination countries' prospects (even if migrants tend to be less affected by unemployment than natives)
- exchange rate movements
- migration policies (which have tended to tighten worldwide)

But the overall effect of downturns on remittances is expected to be modest:

- stock of migrants will remain stable
- share of income going to remittances can often be shielded from shocks
- restrictions to travel have increased duration of migrations
- home bias effect pushes migrants to 'repatriate' their savings

Risks to the outlook include uncertainty over length of crisis and movement of exchange rates.

- Policy options include:
- facilitating remittance flows by reducing costs
- allow migrants and remittances recipients to develop credit history
- securitization of remittances

Q&A

Question: How are social protection (SP) systems adapted in contexts where population movements happen on such massive scale?

Answer: Challenge is to set up a system where benefits can be transferred easily.

Question: Role of SP to prevent 'distress migration' ex ante such as from Nepal to India?

Answer: Big issue of migrants losing their legal status in destination countries. To address this issue there is a lot that destination countries can do. For those that return without significant savings there is a role for SP interventions.

Question: Do the remittance figures include un-official remittances and if not what would the figure look like? How can they be ‘formalized’?

Answer: Adding unofficial remittances would increase the figure significantly. Efforts to formalize informal remittances include, websites providing information about costs of transferring money, inter-central bank agreements to provide fee-free transfers.

Closing Session: The Way Forward (D4.4)

Moderators: Mr. Azedine Ouerghi, Lead Social Protection Specialist, WB
Mrs. Margaret Grosh, Lead Economist, HDNSP

Rapporteurs: Ms. Margaret Grosh, Lead Economist, Mr. Azedine Ouerghi, Leader Social Protection Specialist and Ms. Julia Loureiro, Junior Professional Associate, WB

Speakers:

- Mr. Laurence Ofori-Adou, Department of Social Welfare, Government of Ghana
- Ms. Margarita Songco, Deputy Director-General, National Economic and Development Authority, Government of Philippines
- Ms. Nilakshi de Silva, Senior Professional, Centre for Poverty Analysis, Sri Lanka
- Ms. Catherine Arnold, Social Protection Advisor, DFID
- Ms. Lynne Sherburne-Benz, Sector Manager AFTH3, World Bank

Speakers highlighted the main learnings from the Forum and the challenges ahead.

Laurence Ofori-Adou affirmed that he learned important lessons on school feeding programs, and in particular that small scale interventions have lower impact on the overall nutrition situation and the efficiency of programs can be increased if the procurement of food is done locally. Laurence also mentioned that some of the great challenges underlined at the forum concerned (i) fiscal sustainability of school feeding in particular and SP programs in general, (ii) the coordination between different programs, (iii) the implementation of a graduation agenda and a routine monitoring system and (iv) a true involvement of the community.

Margarita Songco also pointed at fiscal sustainability of SP programs and the implementation of a graduation agenda as main challenges. Moreover, she raised the issue of governance and political economy dimensions of SP (interference by politicians) and as well as the need for inter-sectoral impact evaluation of SP programs.

Nilakshi de Silva indicated that, although the design and implementation of SP programs are very similar throughout the developing world, the Forum showed that solutions employed by countries are fairly different and adapted to context specificity. She also indicated that one of the lessons she takes away from the Forum was the distinction between efficiency and effectiveness. While there is presently good knowledge about inputs and how to make a program more efficient, it is also important to generate more knowledge on the effectiveness of SP programs, through measuring programs’ impacts. Finally, Nilakshi mentioned that a great challenge for this is to develop mechanisms able to collect data in order to support crisis preparation/prevention strategies.

Catherine Arnold mentioned that the crisis has underlined the importance of South-South learning and thus the Forum was timely. She mentioned that experiences such as the Brazil-Africa technical cooperation program financed by DFID should be replicated and amplified. Catherine drew attention to the Community of Practice Session as an important forum for interaction. It not only conveyed South-South learning experiences but also highlighted the importance of South-North learning. On the challenges for SP, Catherine affirmed that there clearly is considerable technical advance in SP, but what is important at this point is to improve knowledge on the process of building political will, and on the role of donors and civil society in the SP agenda setting. She suggested that examples of tools to improve this knowledge could be study tours for policy makers and more robust and accessible evidence on results. Another challenge identified by Catherine was that funding for SP should take into account donor harmonization (e.g. the commitments at G-20 meeting). The harmonization of monitoring expenditure and impacts should also be considered in order to define boundaries for M&E, since presently it seems to have wide, diverse and not coherent indicators (e.g. the UN Social Protection Floor for strengthening harmonization). Finally, Catherine argued that global events such as the present forum are needed, but that there is also a strong demand for regional events.

Lynne Sherburne-Benz mentioned that countries without coordinated SP systems should work to get the message t to different government levels and agencies for the need of having a well coordinated SP system; including the need for effective targeting systems, civil registries, payment systems, administrative capacity, linkages across programs, and M&E systems. The collaboration should be implemented at many levels across ministries and agencies within a country and also across countries. Finally, she made the case for strong M&E systems, which may allow for an enabling environment for SP.