



Background Note for the World Bank 2012–2022 Social Protection and Labor Strategy

Climate-Responsive Social Protection

The new Social Protection and Labor Strategy 2012–2022 recognizes the potential of social protection as an integrated policy response for protecting populations against shocks, including the growing frequency of disasters. Safety net programs and social funds in many countries already are playing a growing role in post-disaster response and building livelihood resilience. By integrating climate and risk considerations into the planning and design of social protection programs, the Sector can help prevent poor and vulnerable households from falling deeper into poverty, reduce their overall risk exposure, and contribute to long term adaptation to climate change.

In this light, principles, design features, and functions are set out to elucidate the opportunities, entry points, and specific steps that can help SPL practitioners evolve social protection programs and systems toward greater climate responsiveness.

Three principles form the starting point for climate-responsive social protection (CRSP):

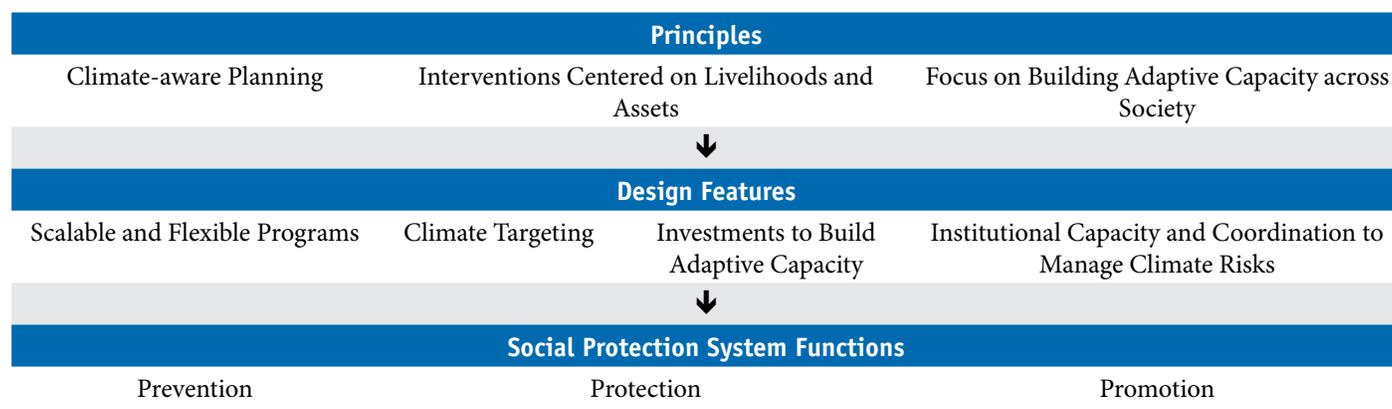
- **Climate-aware Planning** requires SP policymakers and practitioners to acknowledge and hedge against uncertainty, plan for a higher frequency and severity of disasters, and build in feedback loops with early warning systems while coordinating with agencies responsible for meteorology and climate change. Direct (mainly disasters) and indirect impacts like food price volatility, food insecurity, migration, and potential conflict over land and natural resources are other considerations.
- **Interventions Centered on Livelihoods and Assets** implies a livelihood-oriented approach, understanding the economic decisions made by households and communities and recognizing downward pressures on

natural resources that sustain livelihoods. What is the likelihood of different adaptation measure being adopted? If adopted, how will their success be measured?

- **A Focus on Building Adaptive Capacity across the Society** as informal safety nets of the past prove inadequate to the disproportionate increase of covariate risk due to climate change and the overlapping risks of concentrated physical impacts and livelihoods. More formal and systematic forms of protection at the local, regional, and national levels involve risk mapping to determine: (i) how climate change is likely to affect a country or a geographic area; (ii) which physical, natural, or institutional assets need to be strengthened; and (iii) how consultations and other processes can help empower the most vulnerable.

Four basic design features embody the outlined principles and can help practitioners devise social protection programs to address negative impacts. These are:

- **Scalable and Flexible Programs**, meaning rapid expansion of coverage during and retraction after crises as well as scaling up support to existing beneficiaries in the event of major shocks. Achieving scalability requires targeting, registry, and payment systems that can identify, enroll, and make transfers to additional eligible participants as well as funding arrangements that can mobilize adequate resources on short notice.
- **Climate Targeting** uses area- and household-level data on climate exposure to inform targeting and distinguish the transitory from the chronic poor.



- **Investments to Build Adaptive Capacity** is two-pronged: *Strengthening Social, Physical, and Natural Community Assets* and labor intensive public works designed with participation by local communities. The latter can yield the triple dividends of self-selecting paid employment, building infrastructure vital to the community, and heightening resilience to climate shocks. *Supporting Viable Livelihoods* requires careful design to ensure a long term, adaptive social protection function and has many available instruments, including, crop and livestock insurance, asset restocking, training and support for off-farm livelihoods diversification into rural enterprises and industry, cash and food transfers, labor-intensive public works, and assisted migration or resettlement.
- **Promoting Institutional Capacity and Coordination to Manage Climate Risks.** Public, civic, and private institutions influence how climate risks affect households and can either facilitate or impede the respective responses.

The three functions of social protection can all contribute to climate adaptation. **Prevention** measures such as asset diversification, weather-based insurance, and building response capacity can help avoid adverse coping behaviors in the face of disasters. **Protection** against disasters and climate shocks via ex post transfers already has grown to become an important business line for SPL. And, **Promotion** efforts that enhance assets, skills, and incomes contribute to long term adaptation by facilitating transition and diversification away from exposed livelihoods.

Ethiopia's Productive Safety Nets Program provides a *South-South* model for good practice, and attests to the strength of Climate-responsive Social Protection. Some of its characteristics include attention to climate risks in the planning, design, execution, and monitoring of programs; attention to rural livelihoods; and extensive coordination with actors outside SP such as disaster and meteorological agencies. Other important features are scalable and flexible programs that deploy an array of support instruments aimed at prevention using implicit and explicit insurance mechanisms against climate events, protection against shocks, and promotion of livelihood resilience. Going forward, it will be important for the sector to pay close attention to the impact of climate change on livelihoods and to institutional capacity for disaster response and adaptation planning.

In the years ahead, development efforts aiming at reducing vulnerability will have to factor in climate change, and social protection is no exception. Climate change will magnify many existing climate and disaster-related risks, create locally unprecedented types of risk, and set back recent gains, especially for the poor. The most important associated risks relate to greater climate variability (swings and intensity of rainfall) and long-term downward pressure on rural livelihoods dependent on natural resources. Increasingly, SPL strategies and programs will need to consider climate change and climate risk, so as to be prepared for the next crisis or disaster when it strikes; for social protection programs that build in explicit responses to climate change, the promise of significant new financing for adaptation to climate change could bring new sources of revenue.

