



Adaptive Social Protection in a rapidly changing world

**Building resilience and
minimizing vulnerabilities**

**Melis Guven
Lead Economist
World Bank**



WORLD BANK GROUP

Overview of the Presentation

- **Setting the Context** – Progress in poverty reduction has slowed, while vulnerability to shocks has increased
- **Social Protection Expansion** – Progress made but gaps remain
- **Roadmap To More Adaptive SP** – Building Resilience, Opportunity And Equity



WORLD BANK GROUP

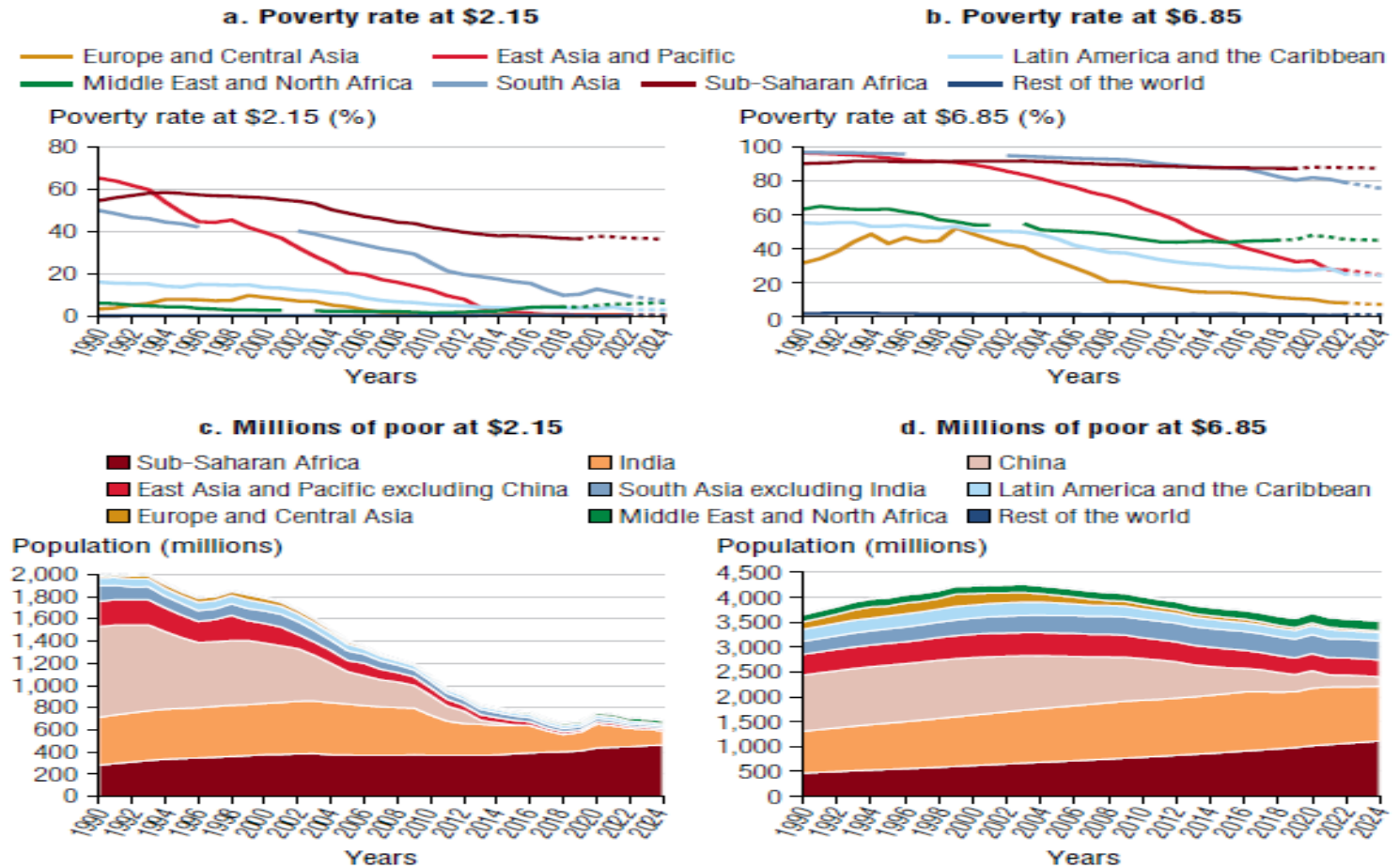
Setting the Context

Progress in poverty reduction has slowed, while vulnerability to shocks has increased



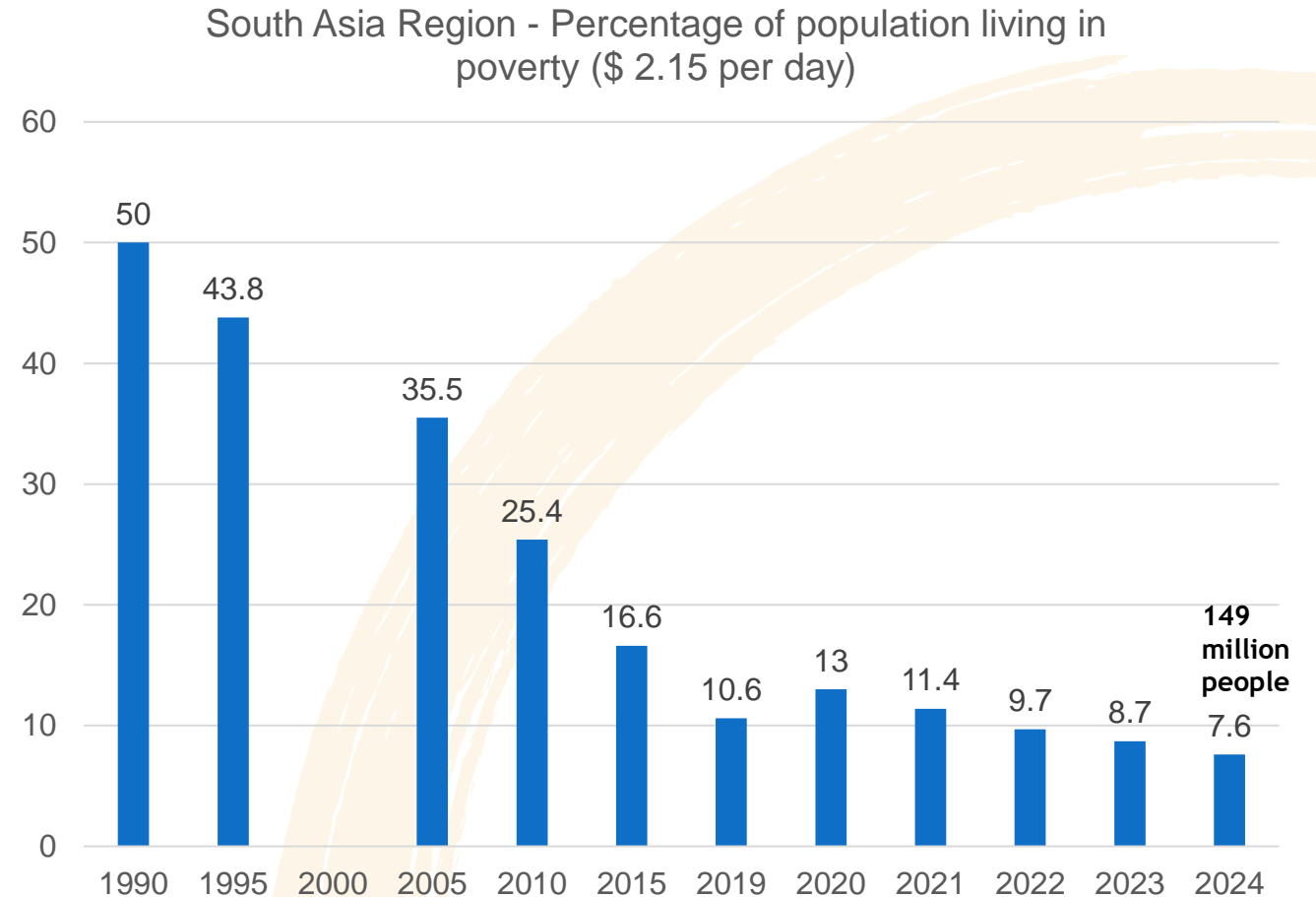
Global extreme poverty reduction has slowed to a near standstill, with 2020–30 set to be a lost decade; South Asia accounting for one-fifth of the global extreme poor

- In 2024, South Asia is home to 21.5% of the world's extreme poor, totaling 149 million people living on less than \$2.15 a day.



While progress has been made in reversing the poverty impact of the Covid-19 pandemic in South Asia, a large population remains vulnerable

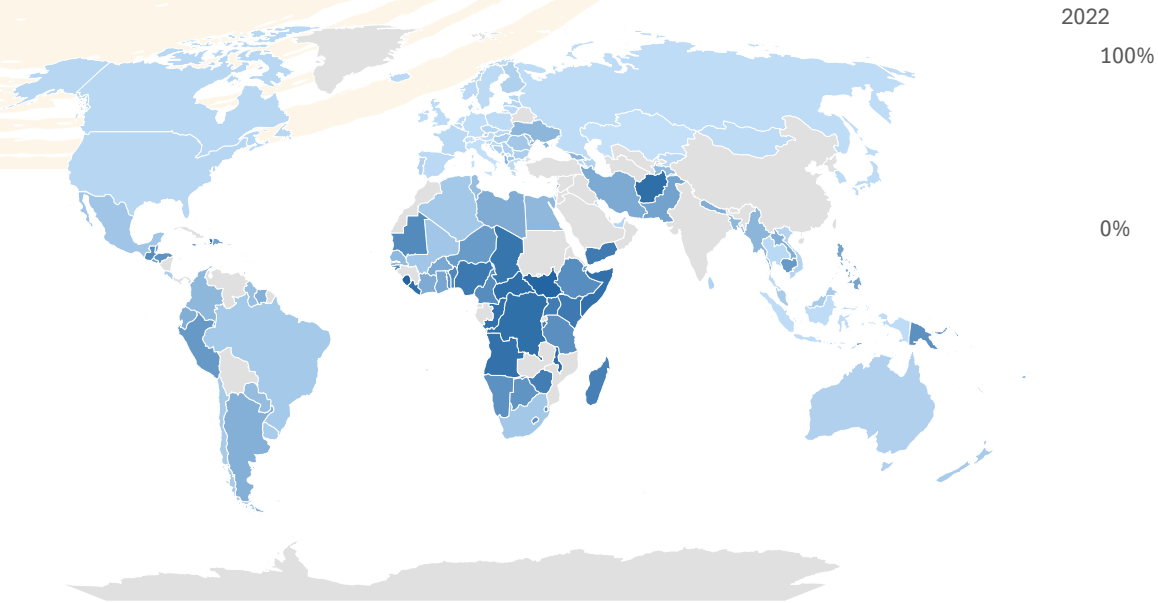
- Poverty in South Asia has decreased in comparison to the pre-pandemic levels (between 2019 to 2024), with the exception of Afghanistan.



Source: "World Bank. 2024. Poverty, Prosperity, and Planet Report 2024: Pathways Out of the Polycrisis. © Washington, DC:

The prevalence of moderate or severe food insecurity remains high with 36.4 percent of people food insecure in the South Asia Region

Prevalence of moderate or severe food insecurity in the population in 2024 (%)



Afghanistan - 80.9%
Bangladesh - 30.5%
Maldives - 13.4%
Nepal - 37%
Pakistan - 44.9%
Sri Lanka - 11.4%
India - not reported
Bhutan - not available

© Australian Bureau of Statistics, GeoNames, Microsoft, Navinfo, Open Places, OpenStreetMap, Overture Maps Foundation, TomTom, Zenrin

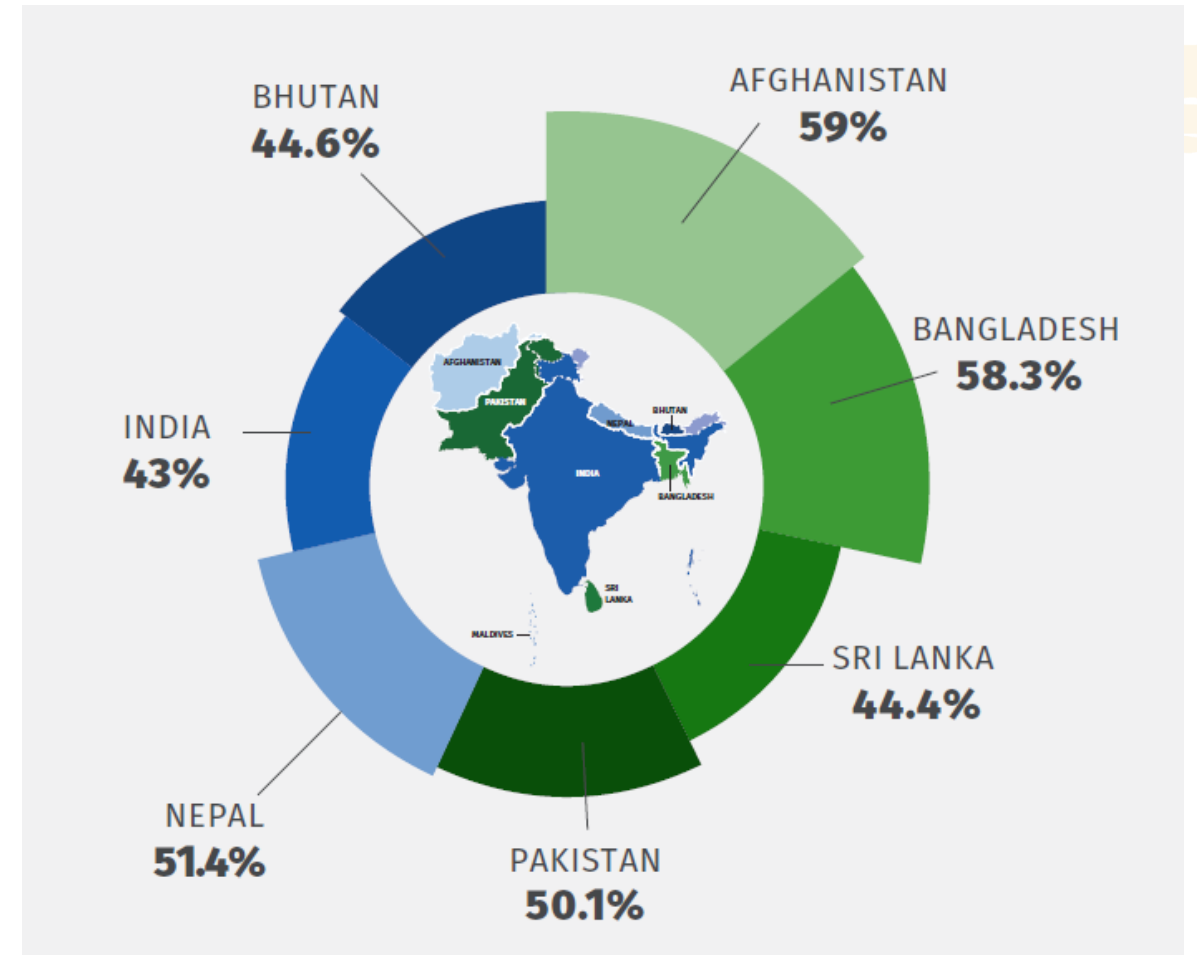
Source: FAO Data. 2024.

- In 2023, an estimated 28.9 percent of the global population – 2.33 billion people – were moderately or severely food insecure, meaning they did not have regular access to adequate food.
- The prevalence of moderate or severe food insecurity is the highest in Africa (58.0%).

South Asia is one of the regions most vulnerable to climate change, with over 800 million vulnerable to shocks

- **India** - Over 12 percent of land area is subject to flooding and river erosion; 68 percent of the cultivable area is vulnerable to drought
- **Nepal** - estimates indicate the number of people affected by river flooding could more than double by 2030
- **Pakistan** – prone to frequent floods with rising regularity
- **Bangladesh** - susceptible to recurring large-scale droughts, resulting in environmental degradation, and causing billions in economic losses
- **Afghanistan** – susceptible to droughts; approximately 300,000 households were displaced during 2017-18 drought

Population Exposure to Climate Hazards, South Asia (2021)





Social Protection Expansion

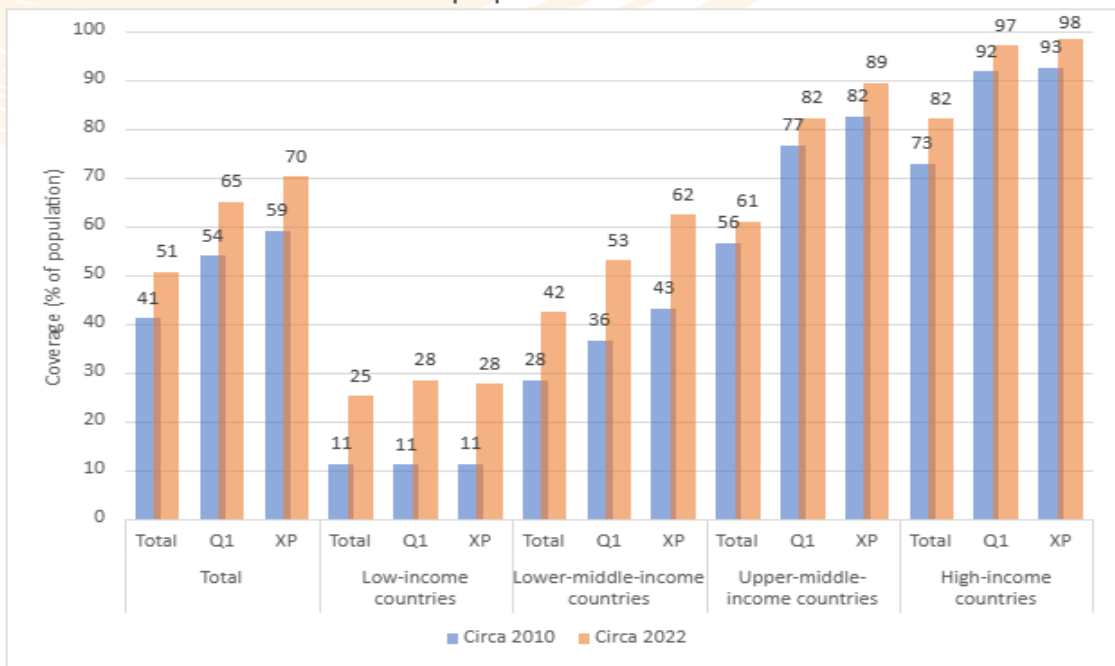
Progress made, but gaps
remain



WORLD BANK GROUP

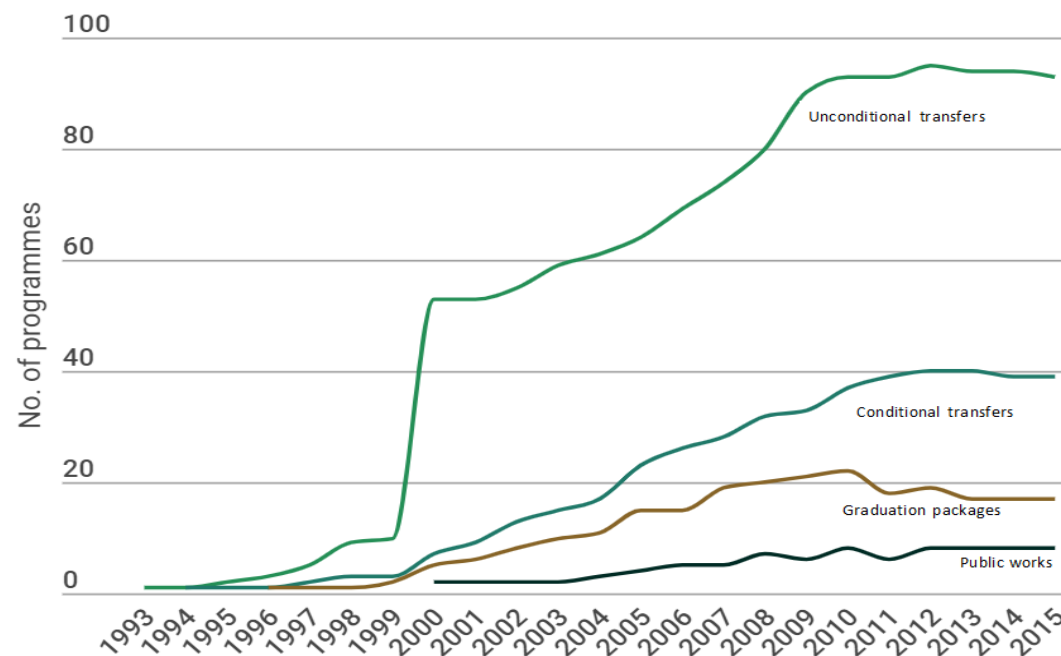
Access to Social Protection has expanded considerably over the past decade

Coverage of social protection across income groups (% of population)



Source: World Bank (2025). State of Social Protection (forthcoming)

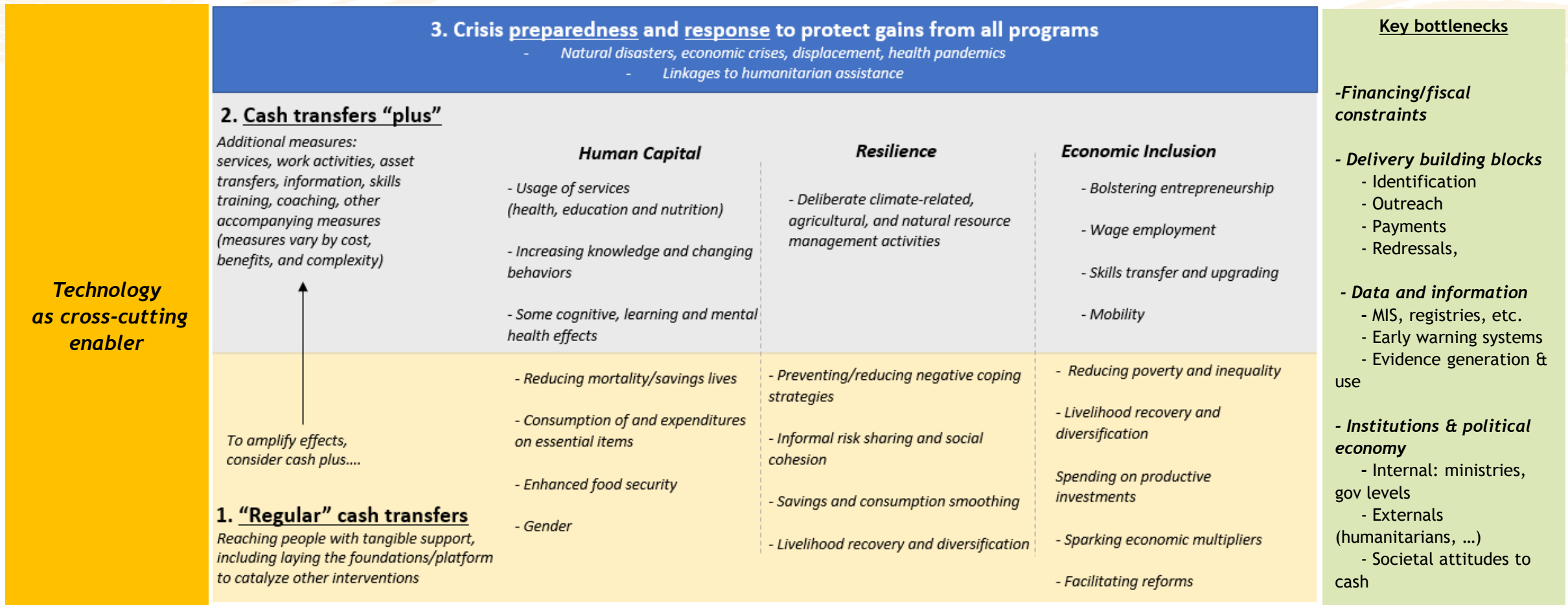
Safety Nets programs expansion over the past 30 years



- The coverage of social protection has expanded significantly between 2010 and 2022, particularly in low-income and lower-middle-income countries.
- The number of Safety Nets programs has increased significantly especially for the cash transfers programs (UCT)

The large expansion was informed by solid evidence...

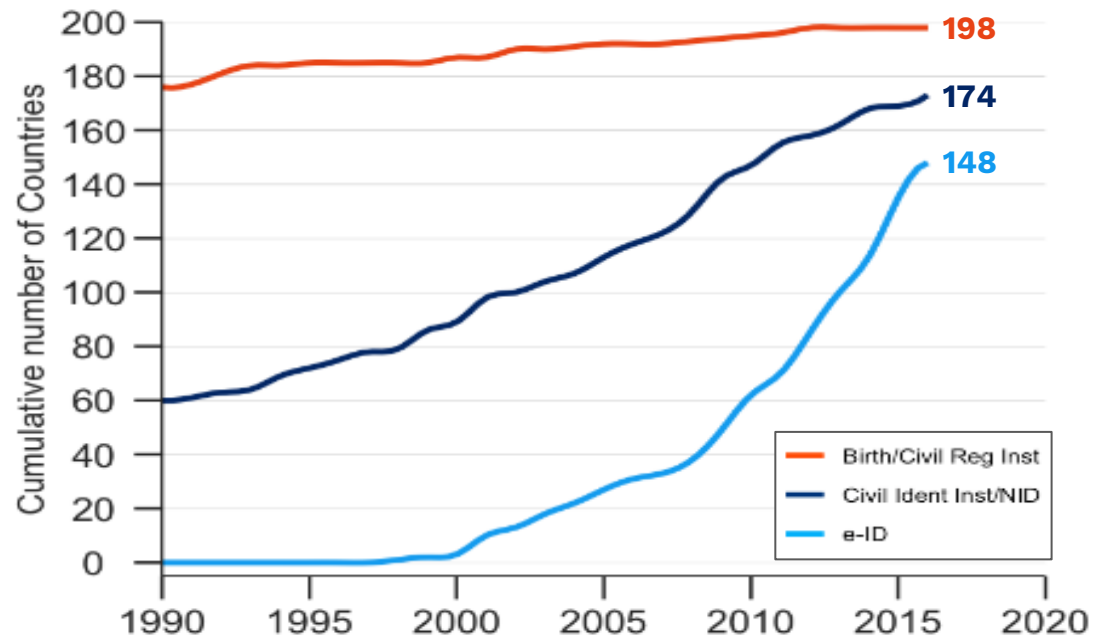
Social protection is one of the most empirically studied social policy



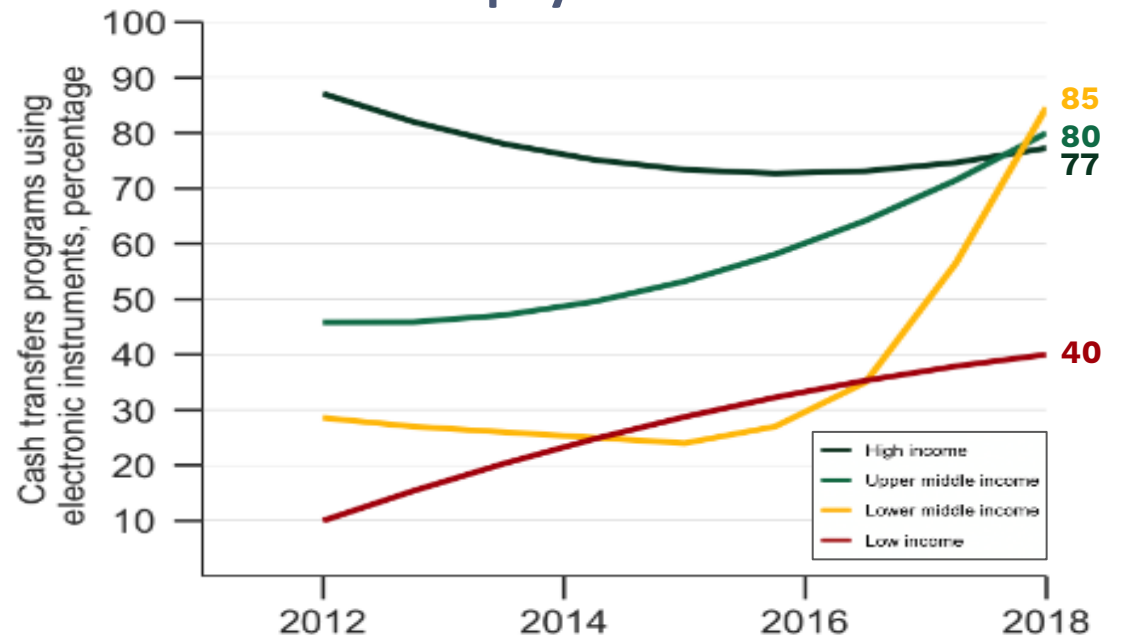
10k+ studies since 2000
 54 systematic reviews of systematic reviews

Investments in delivery systems have been a key enabler, fostering greater inclusion and creating a more efficient social protection system.

There has been a sharp increase in electronic IDs



Electronic payments are on the rise with electronic instruments now the most common payment mechanism



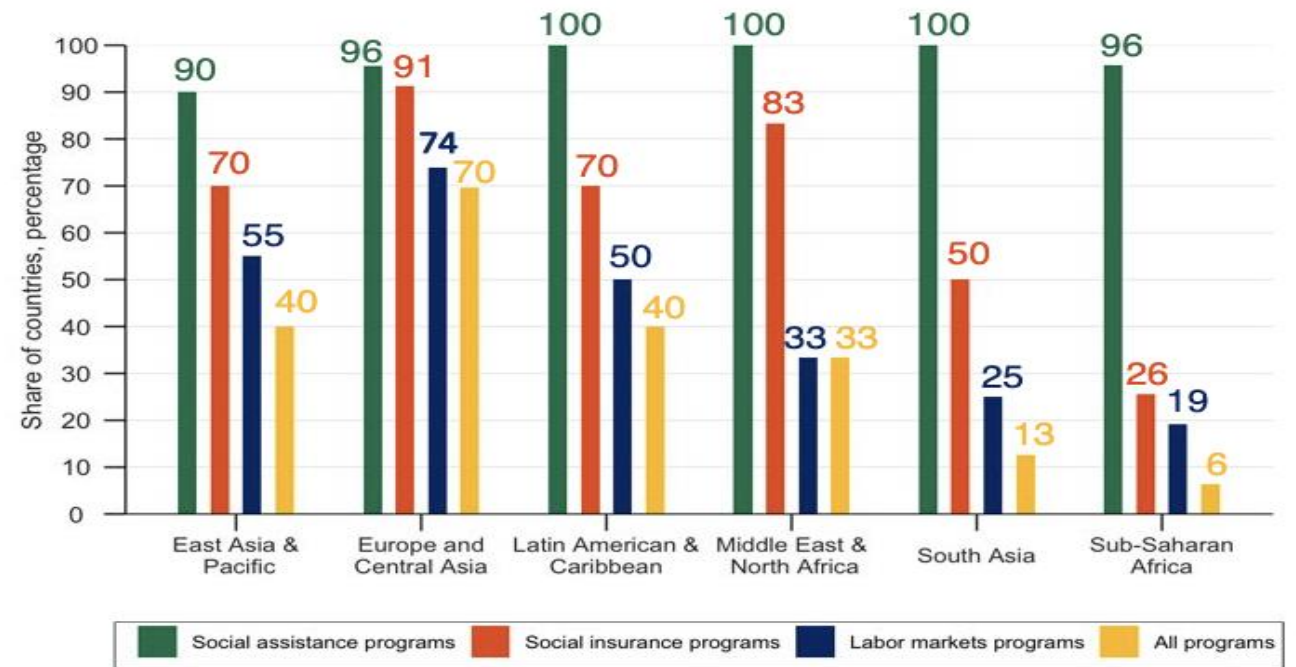
Source: World Bank Group. 2022. Charting a Course Towards Universal Social Protection: Resilience, Equity, and Opportunity for All. © World Bank Group, Washington, DC.

COVID shock and the largest scale up in the history of social protection

- During COVID, we witnessed unprecedented scale-up that didn't occur by accident
- Process of learning, investments and practices over the past 15 years including investments in delivery systems
- In South Asia, very few government led COVID responses were channeled through existing social protection systems, with a majority through ad-hoc disaster relief schemes, along with support from humanitarian partners.

~4000 social protection measures in 223 Economies

Share of countries using Social Protection responses to COVID-19, by region

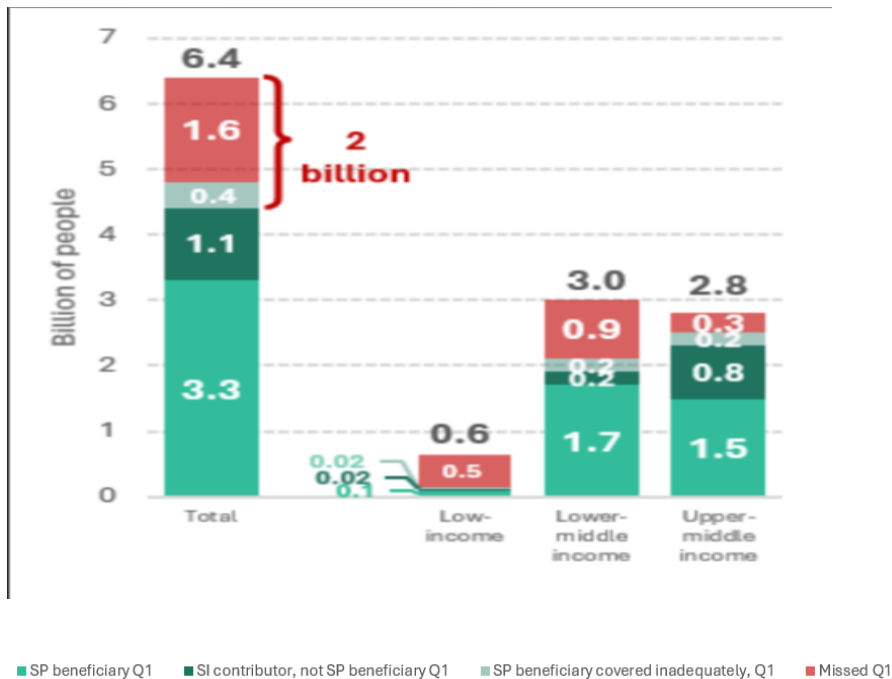


Source: World Bank (2020). Global Social Protection Database.

But there is still a long way ahead: 2 billion people in LICs and MICs remain uncovered or inadequately covered by social protection

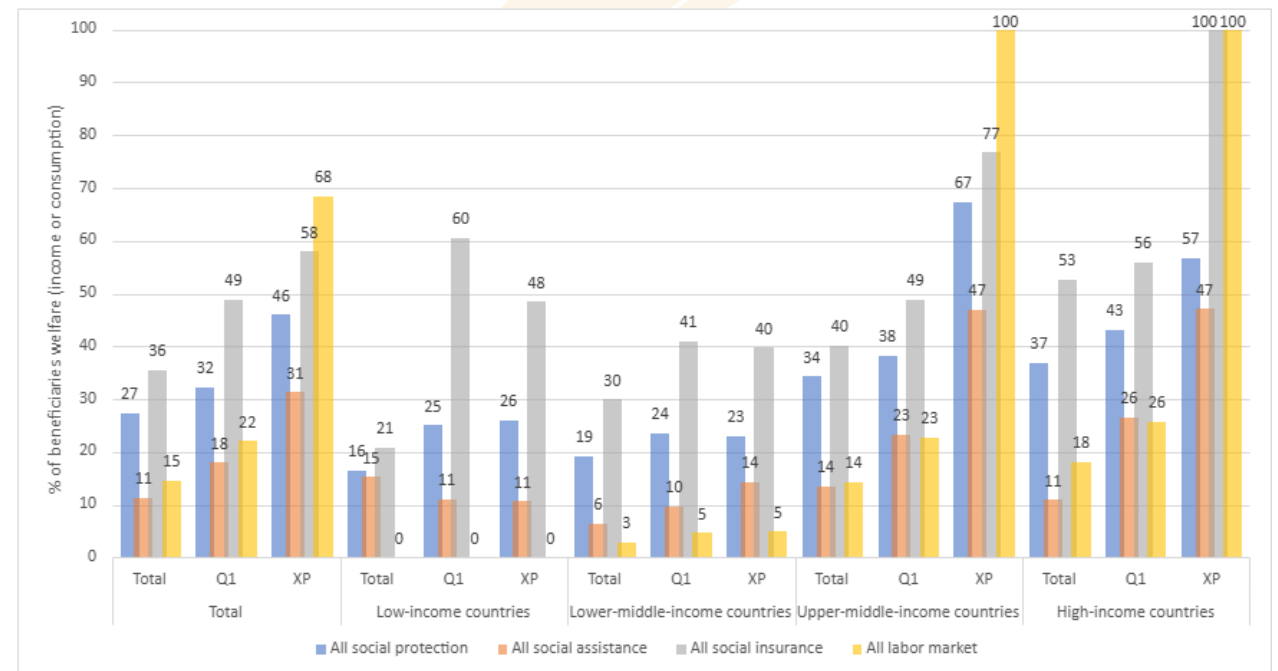
The spending, coverage and adequacy of social protection is not commensurate with poverty reduction or shock-responsiveness needs

2 Billion People in the Global South Are Missed or Inadequately Covered by Social Protection



Source: World Bank (2025). State of Social Protection (forthcoming)

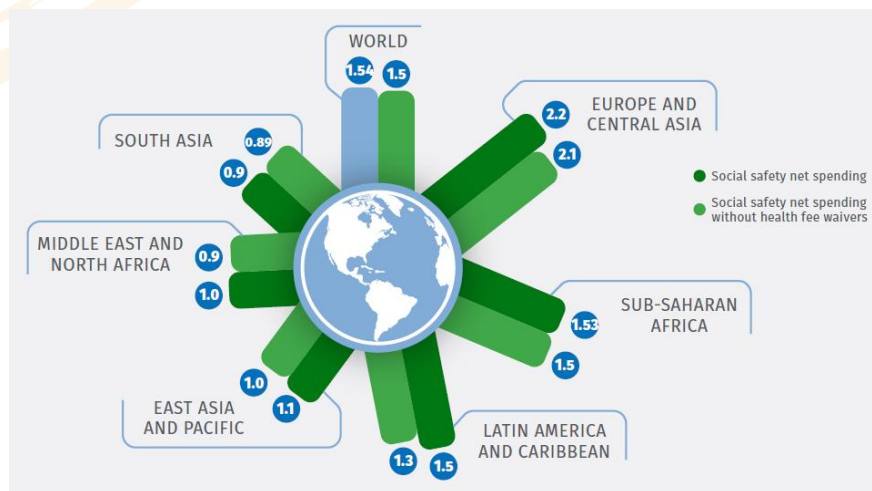
Adequacy of Benefits Remains Low, Especially in Lower-Income Countries



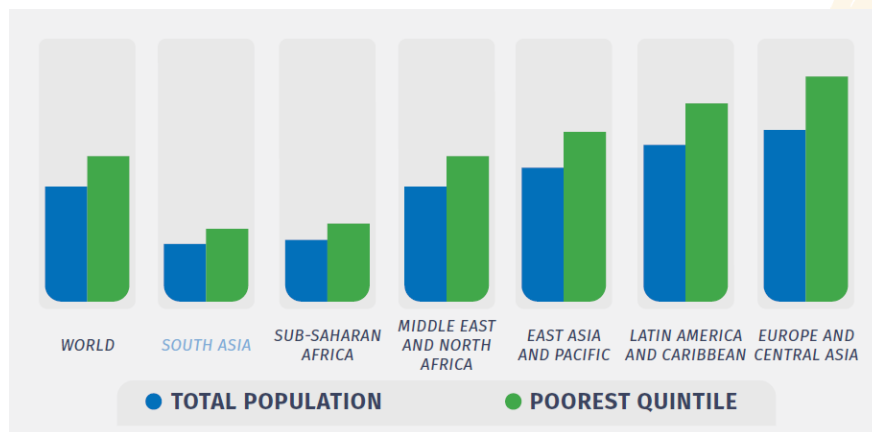
Source: World Bank (2025). State of Social Protection (forthcoming)

Spending, coverage and adequacy of Social safety nets in South Asia is lower compared to other regions ; investments are needed towards **strengthening Adaptive Social Protection**

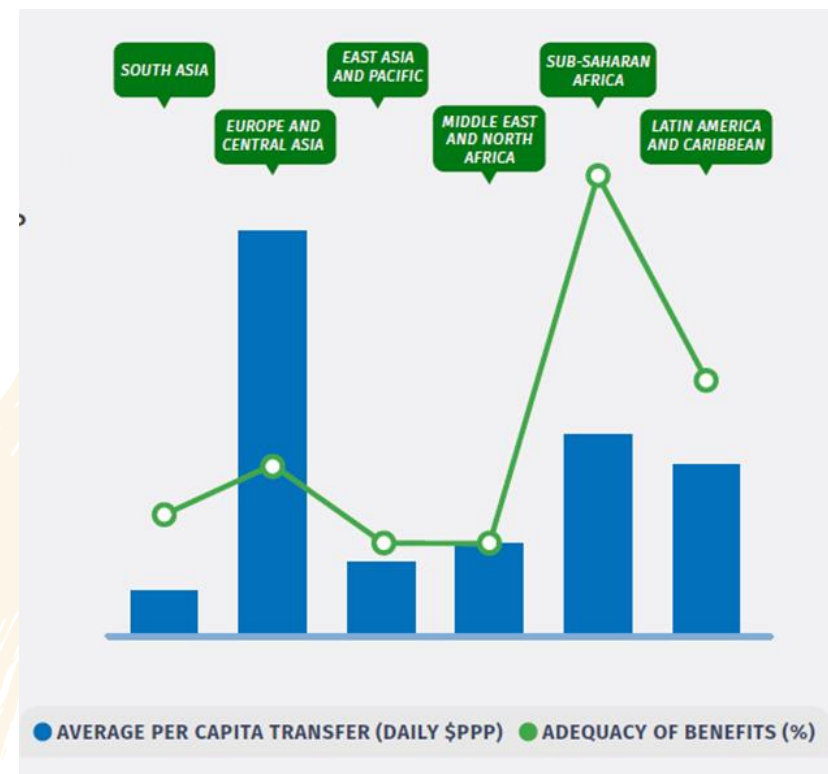
South Asia spends <1% of GDP on average on social safety nets in comparison to a world average of 1.5%



Coverage of social protection or labor programs remains low compared to other regions - only 28 percent of the poorest quintile in the region currently benefit from any form of social protection.



Social protection benefits in South Asia cover an average of only 6 percent of household expenditures.



Kelly Johnson and Thomas Walker, eds. 2022. Responsive by Design: Building Adaptive Social Protection Systems in South Asia. Washington, DC: World Bank



WORLD BANK GROUP

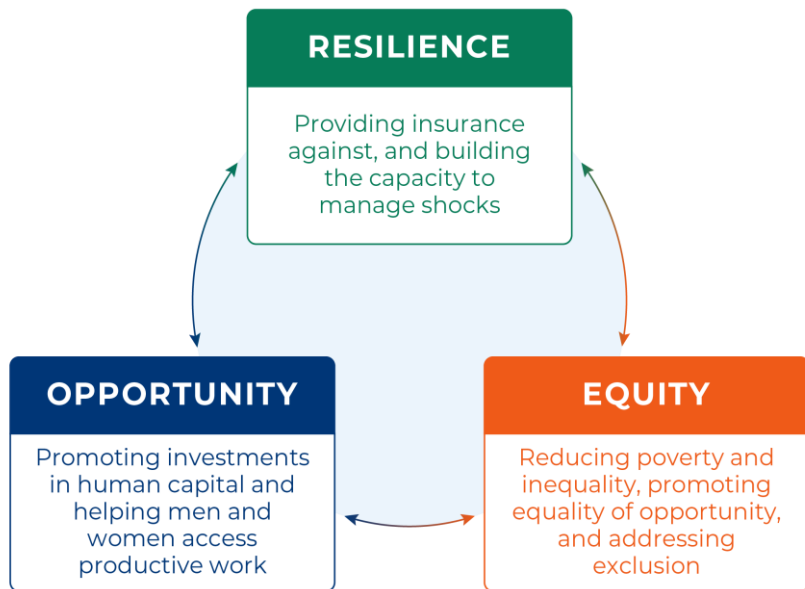
Roadmap to Adaptive Social Protection

Building resilience, opportunity and equity



ASP integrates social, labor, and economic policies to achieve three key outcomes: resilience, equity, and opportunity

ASP is an integrated system of programs financed by contributory and non-contributory programs



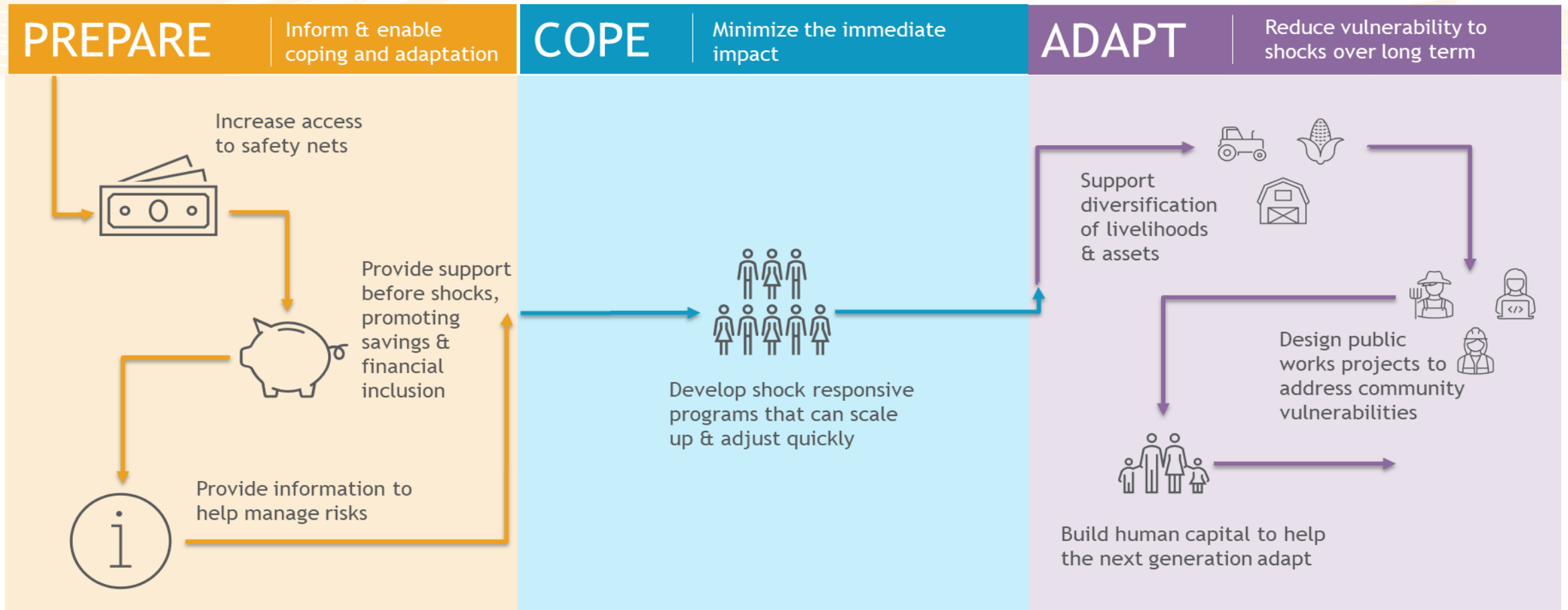
Building ASP Systems via addressing 4 main gaps:

1. **Coverage Gap:** Support those who need protection for when they need it
2. **Flexibility Gap:** Leverage digital technology to build systems to respond to shocks while being responsive to other intertemporal needs
3. **Opportunity Gap:** Layer minimum income support with labor and social insurance programs that support productive employment, jobs transitions, and old age income security
4. **Financing Gap:** Reduce universal subsidies, ensure progressive expenditures (including on pensions) and tax reform for maximum domestic resource mobilization,

Source: World Bank Group. 2022. Charting a Course Towards Universal Social Protection: Resilience, Equity, and Opportunity for All. © World Bank Group, Washington, DC.

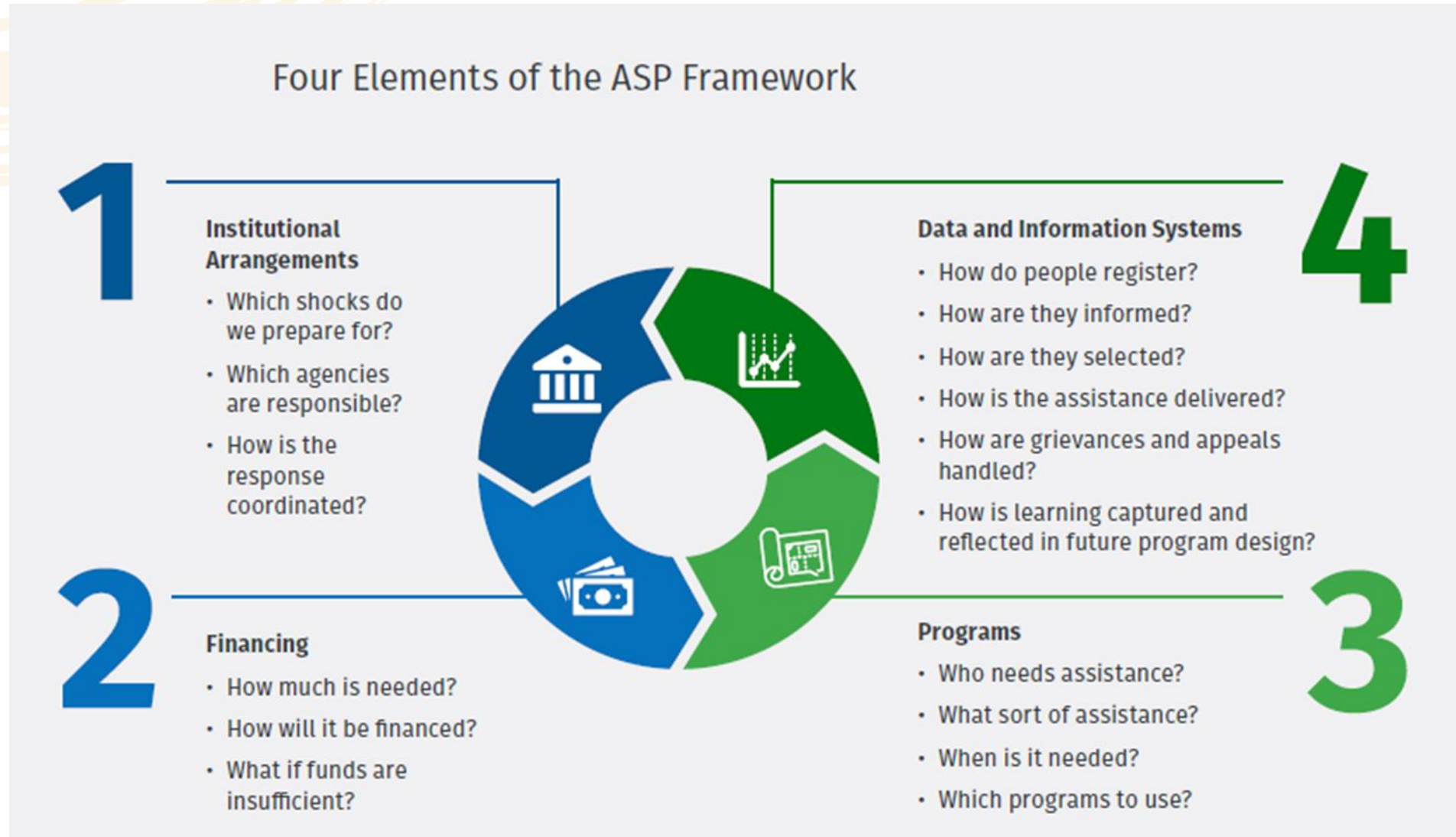
ASP is a primary instrument that directly targets the poor and vulnerable

This is achieved by enhancing the capacity of vulnerable groups to prepare, cope and adapt to shocks and changing circumstances



Source: Bowen et al. (2020). *Adaptive Social Protection: Building Resilience to Shocks*. International Development in Focus. Washington, DC: World Bank.

Operationalizing Adaptive Social Protection requires investments across four elements



ASP is inherently multi-sectoral, requiring leadership and coordination across various actors (including external partnerships)

- A variety of institutional arrangements are adopted to implement and coordinate social protection programs -

Assignment to an existing ministry:

- Egypt, Ethiopia, Indonesia, Philippines

Creation of a new ministry:

- Brazil, Peru, Senegal, Cote d'Ivoire, Kenya

Establishing a semi-autonomous agency under an existing ministry:

- Argentina, Honduras, Mozambique, South Africa

Fully autonomous agency:

- Pakistan

Office under a central authority (e.g., Presidency, PM's office, MoF, etc.) :

- Dominican Republic, Morocco

- However, there are some key elements to ensure that institutional arrangements (supported by strong Government leadership) can help in achieving the ASP objectives -

Robust Legal or Policy Framework

- Establishing a clear role of ASP in the country's DRM framework
- Developing ASP specific guidelines or policies

Clarity in Roles and Responsibilities

- Clear specification of roles and responsibilities of both government and non-governmental actors
- Specifying institutional coordination and reporting mechanisms

Predictable financing

- Establishing clear linkages of ASP responses to financing mechanisms

Implementation ecosystem

- Having prepared administrative and technological resources

Financing ASP involves a mix of ex-ante and ex-post financing instruments based on the severity and frequency of hazards

Overview of Disaster Risk Financing Instruments

There are multiple financing instruments that allow governments to finance the cost of disasters.

These instruments can be categorized as those arranged before a disaster (ex ante) versus those mobilized after a disaster (ex post). The list below offers examples of financial instruments that have been used to finance post-disaster activities.



EX-ANTE FINANCING INSTRUMENTS

- 1 DISASTER RESERVE FUND**
A dedicated disaster response fund, where undisbursed funds can be rolled over.
- 2 CONTINGENCY BUDGET**
A separate budget line that is drawn down in the event of a disaster shock.
- 3 CONTINGENT CREDIT**
A loan arranged in advance that provides immediate liquidity once a predetermined trigger is met.
- 4 (SOVEREIGN) RISK TRANSFER INSTRUMENTS**
Instruments such as insurance and catastrophe bonds that allow governments to transfer disaster risks to the markets and rapidly access payouts in the event of a major disaster.

EX-POST FINANCING INSTRUMENTS

- 1 BUDGET REALLOCATION**
Redistribution of funds from other programs to cover emergency response and recovery needs
- 2 BORROWING**
Raising of funds by issuing bonds or contracting loans from recovery and reconstruction.
- 3 TAX INCREASE**
Temporary or permanent tax increases as a last resort to finance post-disaster activities
- 4 INTERNATIONAL AID**
External development partners' assistance, which is often unpredictable.

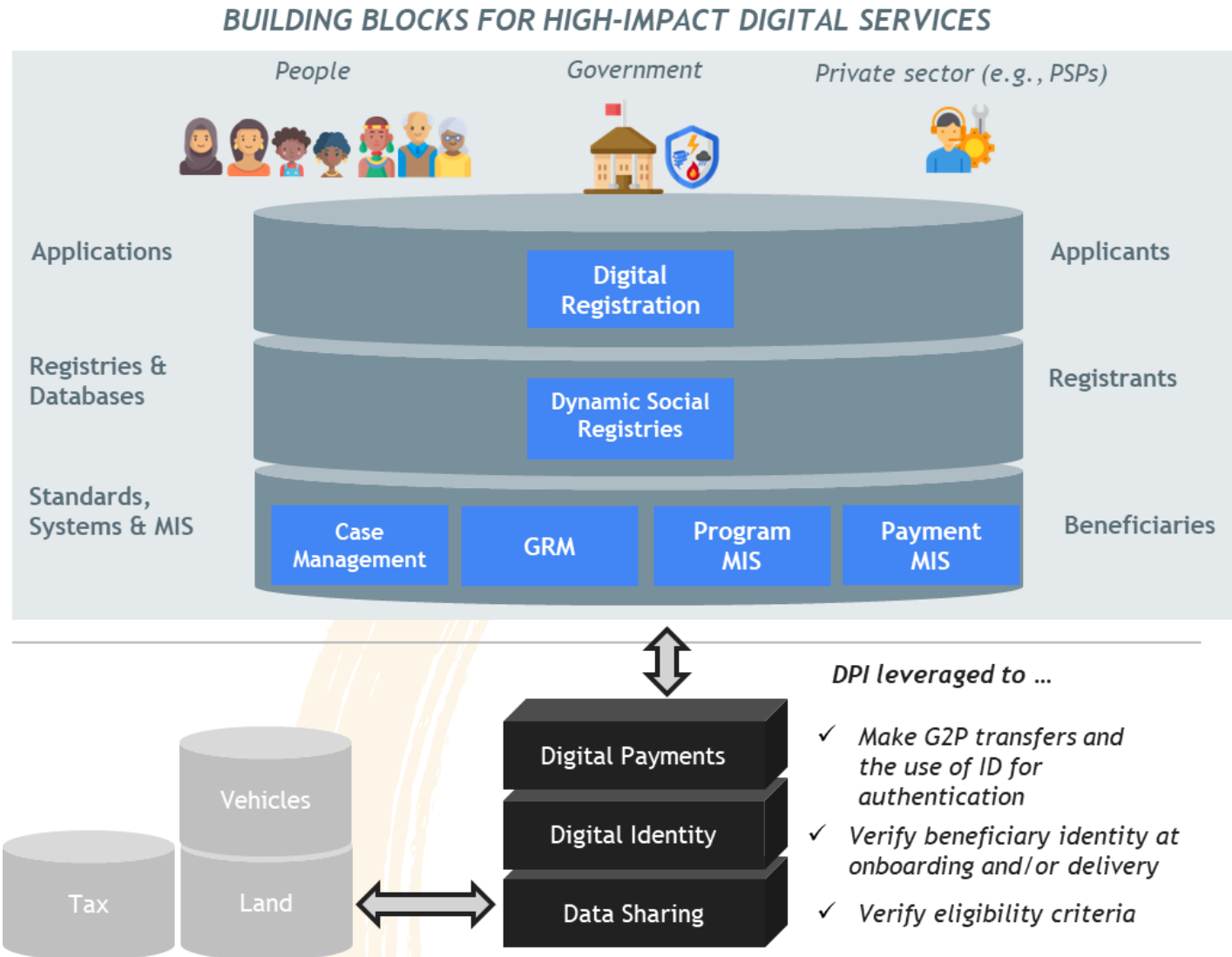
Program adjustments and expansions play an important role in adaptive social protection to support capacity to prepare, cope and adapt

- **Support to preparedness** -
 - Increase access to social protection for the most vulnerable - **horizontal expansion, indexation**
 - Facilitate savings to create a buffer for smaller shocks - **role of social insurance**
 - Leverage behavioral change sessions to disseminate information on risk, preparedness and adaptation
- **Support to coping** -
 - Safeguard existing beneficiaries, including with increased benefit amounts - vertical expansion
 - Reach non-beneficiaries through shock responsive social protection - horizontal expansion, piggybacking, emergency programs
 - Consider waiving program rules - CCT conditions, recertifications, etc. - Design adjustments
- **Support to adaptation** -
 - Livelihood diversification, including through productive inclusion
 - Public works and the creation of resilient community assets
 - Human capital for intergenerational adaptation through opportunity and mobility

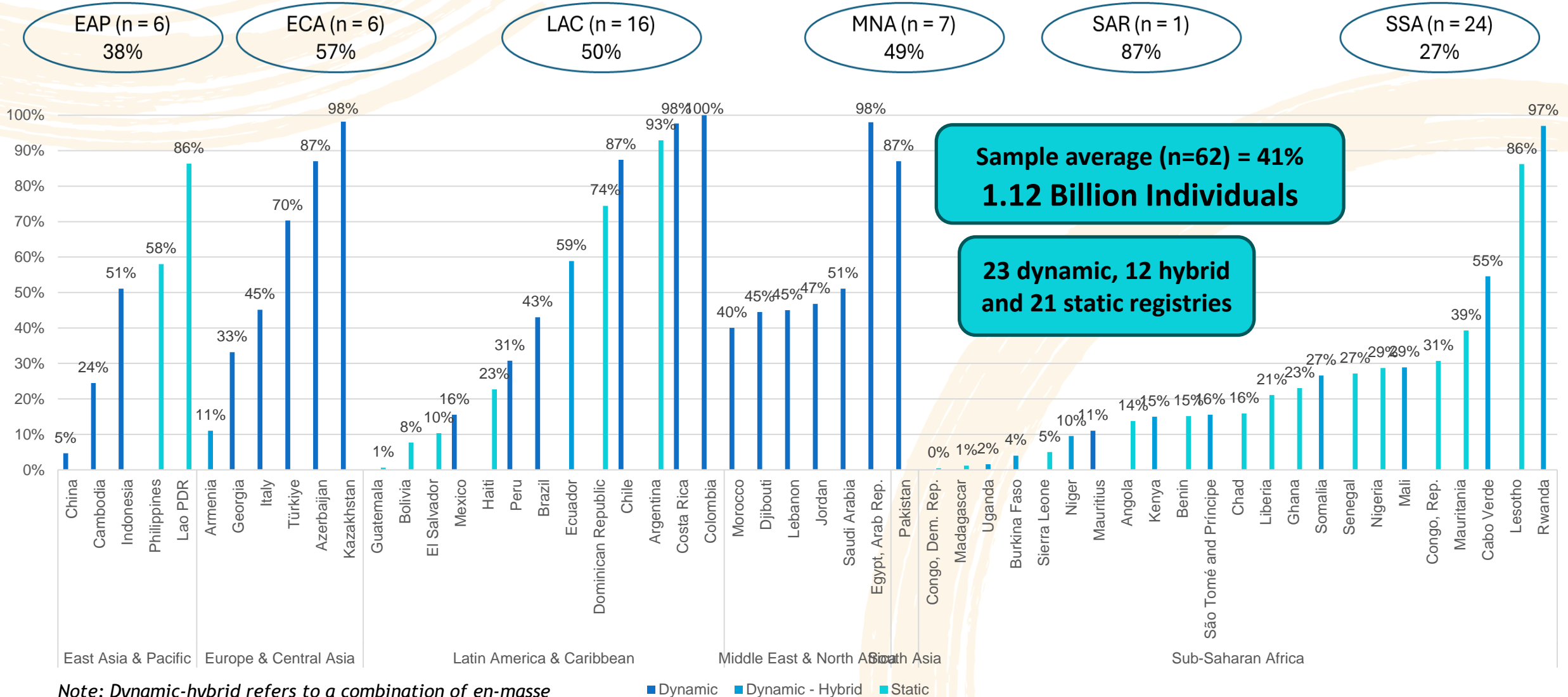
Digital Delivery Systems are central to building Adaptive Social Protection Systems

Digitize social protection to:

- Improve efficiency and reduce costs
- Enhance access
- Improve frontline service delivery
- Better identify poor and vulnerable
- Enable adaptiveness for timely response to shocks



Social Registries play a major role in the ASP delivery framework



Note: Dynamic-hybrid refers to a combination of en-masse updates as well as on-demand registration

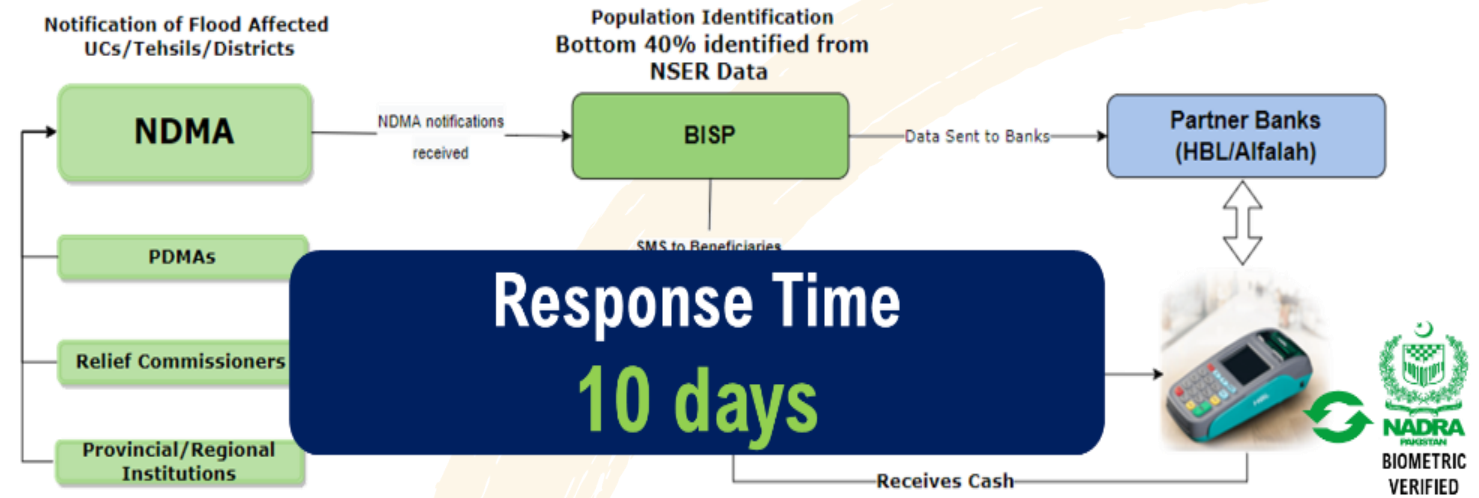
■ Dynamic ■ Dynamic - Hybrid ■ Static

Social Registries are being used to support shock responsiveness through various means

Pakistan is the only country in the South Asia Region with a Social Registry

Foundational IDs and Digital Payment Systems are also critical for shock responsiveness to verify beneficiaries and deliver payments

Pakistan: Flood Response 2023 - Reducing response time from 2 months after Digital Transformation to Dynamic Registry



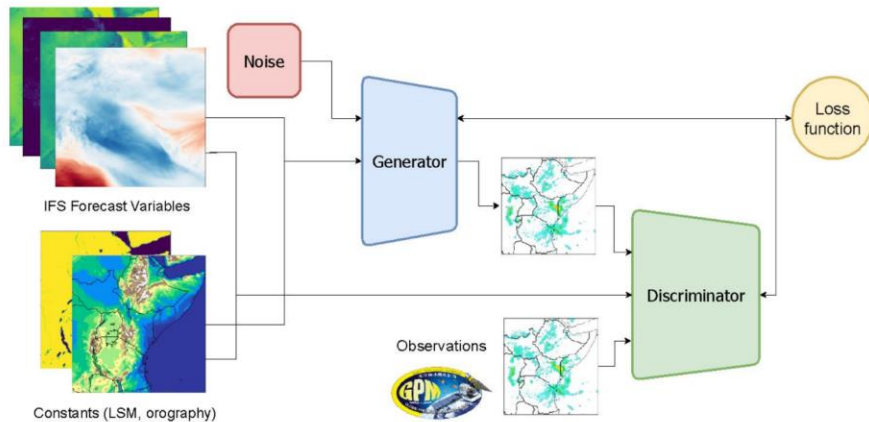
National Disaster Management Authorities (NDMA) with the support of respective Provincial Governments notified flood affected areas

Using BISP's National Socio-Economic Registry bottom 40% population was identified and through BISP's biometric payment system, Rs. 70 billion (~ US\$ 280 million) disbursed to 2.76 million affected families.

* US\$ 1 ≈ Rs. 250

Artificial Intelligence is increasingly being used to enhance digital delivery systems for improved shock-responsiveness, with scope for further adoption

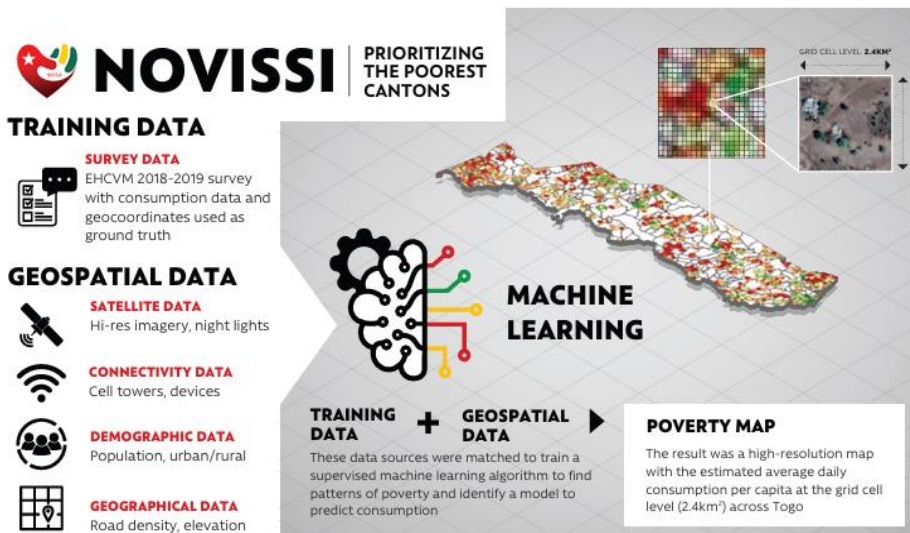
Conditional Generative Adversarial Network



Source: Kenya Meteorological Department

Kenya - Strengthening early warning systems for anticipatory action (SEWAA): Use of machine learning to improve weather forecasts for social protection response planning in the event of floods, pests and droughts.

World Food Programme (WFP) in collaboration with Google Research (SKAI) - artificial intelligence (AI) and satellite imagery to enable real-time insights and actionable intelligence for effective decision-making during disaster response (used to support responses for Türkiye Earthquake (2023), Hurricane Ian (2022) and the Pakistan Floods (2022)).

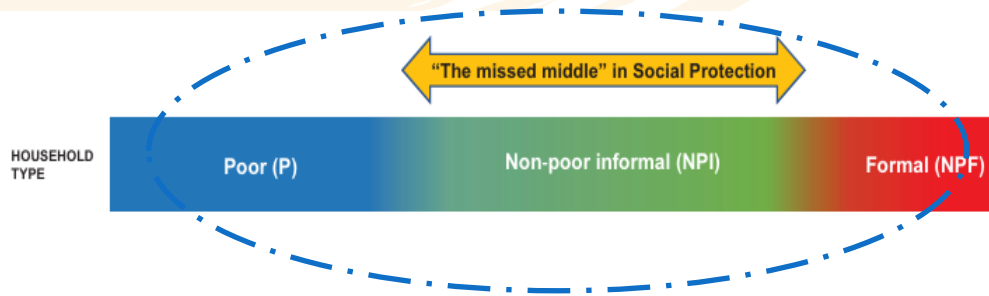


Source: Original figure for this publication based on Chi et al. (2021) with inputs from Josh Blumenstock.

World Bank (DIME) - Predicting food crisis outbreaks using natural language processing of news streams - machine learning model incorporating the news indicators to generate monthly district-level predictions of food insecurity, complementing traditional early warning systems

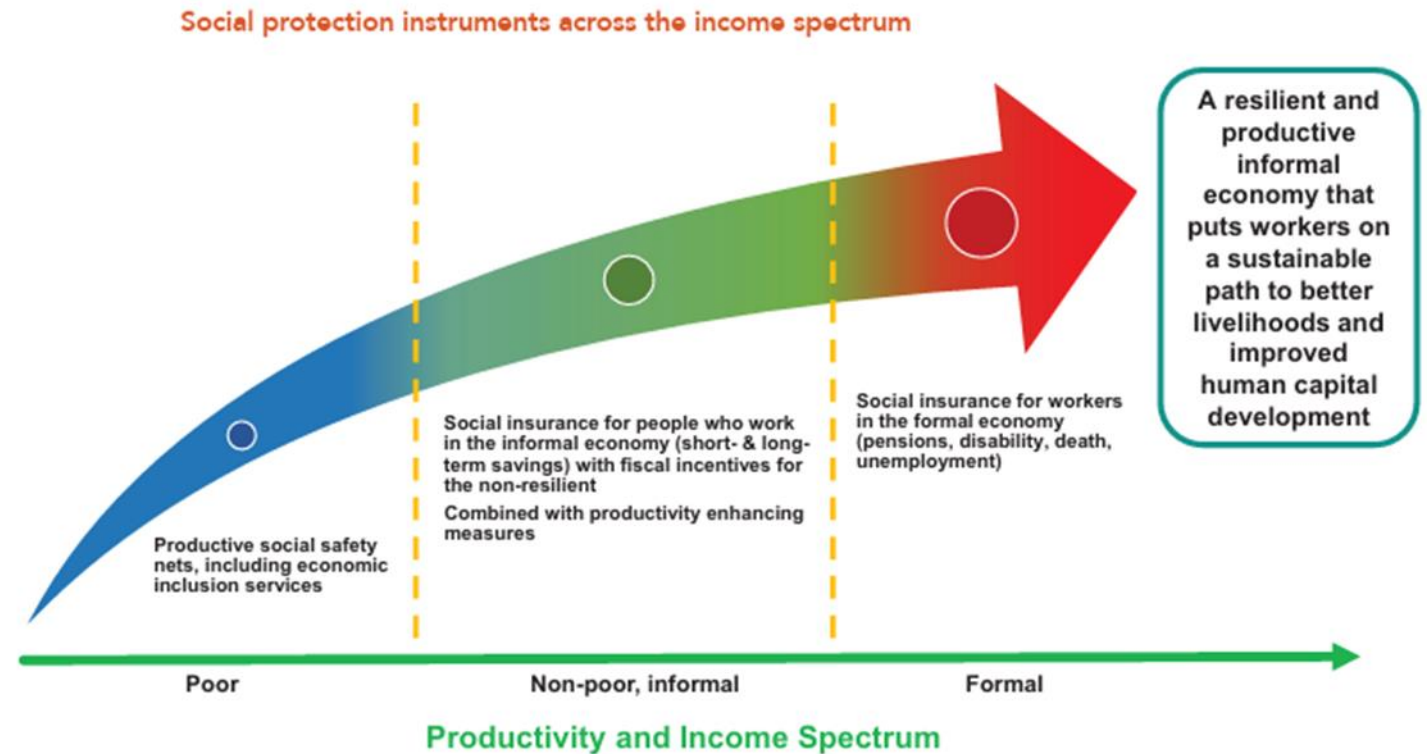
Novissi (Togo) - Using AI/ML, Satellite and Mobile Phone Data for selection of the poorest cantons based on a model producing micro-estimates of consumption, followed by selection of the poorest individuals using a predictive model to estimate daily consumption for each of the country's 5.83 million mobile phone subscribers

Challenges in Adaptive Social Protection require innovative solutions to expand coverage : Voluntary savings schemes offer potential for covering the informal sector and building resilience



Source: Guven, et al, 2022

- The design of these programs must respond to the distinct characteristics of the informal economy
- Such schemes should be designed to encourage savings



Source: Guven and Karlen 2020.



WORLD BANK GROUP

Thank you