

International practices and typology of social security measures against climate risks

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► Need for Social Security Against Climate Risks

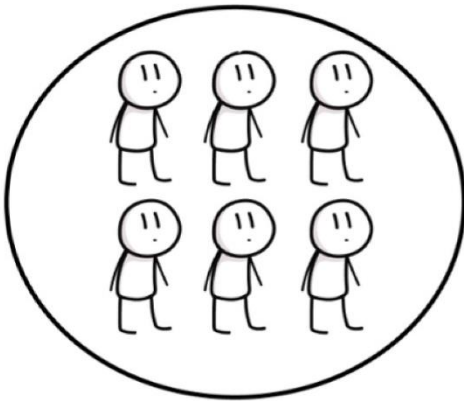
- Increasing frequency and severity of climate-related disasters
- Unequal impact on vulnerable populations
- Limited access to insurance and financial resources

▶ What role can Social Protection (Social Insurance) play?

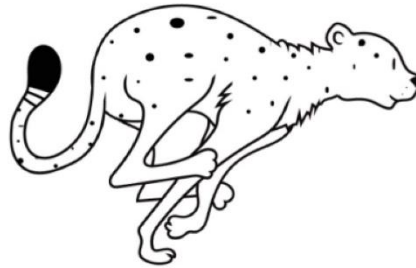
- Social assistance is mainly used for crises response, but often does not cover the growing middle class, which can be targeted by social insurance.
- Social insurance schemes like unemployment allowance are by nature ‘shock responsive,’ as they address life cycle related shocks and can be used for climate shocks as well
- Social protection schemes are primarily state owned and likely to be more sustainable in the long term.

Advantages of Social Security Against Climate Risks

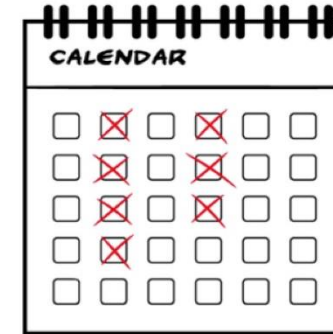
Cover those in need



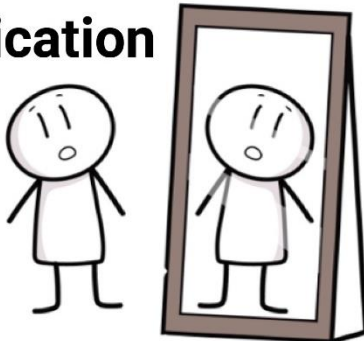
Be quicker!



**More
predictable**



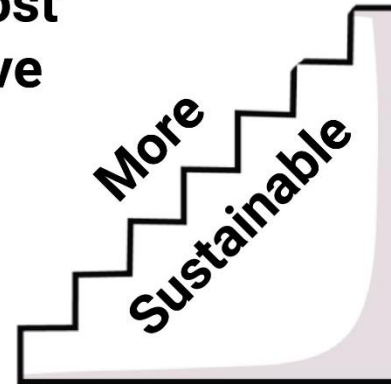
Less duplication



**More cost
effective**



**More
Sustainable**



► Typology of options available for shock responsive social security



Design tweaks

Adjusting the design
of routine social
protection interventions



Piggybacking

Use an existing
programme's
infrastructure



Vertical expansion

Temporarily increase
the value or duration
of benefit for existing
recipients



Horizontal expansion

Temporarily increase the
number of recipients in
an existing programme



Alignment

Align with other current
or planned interventions

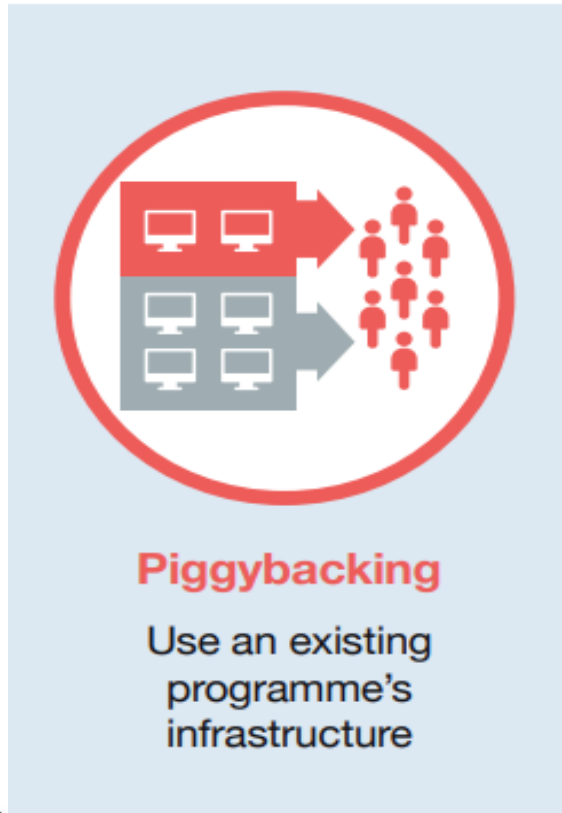
Option 1: Design tweaks



Small adjustments to the design of a routine social protection intervention such as removing or reducing conditionalities or changing the delivery mechanism or schedule.

May strengthen the intervention or introduce flexibility to maintain service in a shock.

Option 2: Piggybacking

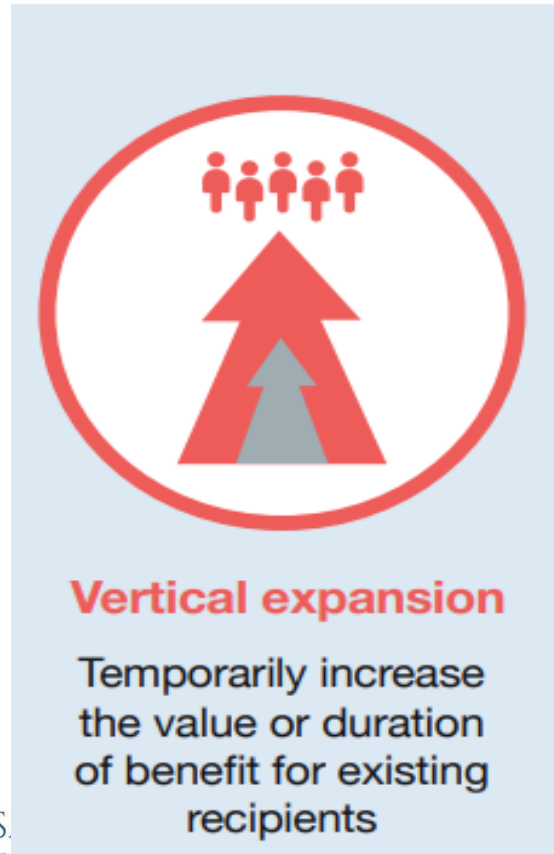


A humanitarian operation is built upon and uses elements of an existing social protection intervention.

E.g., use of an established cash delivery mechanism or drawing on an existing databases.

Be aware not to overload the underlying mechanism.

Option 3: Vertical expansion



Temporary increase to value/duration of support for some or all existing recipients, when there is an increase in need.

NS can provide support to top-up the assistance given via government programmes.

Likely to need complementary interventions to reach those not covered.

Option 4: Horizontal expansion

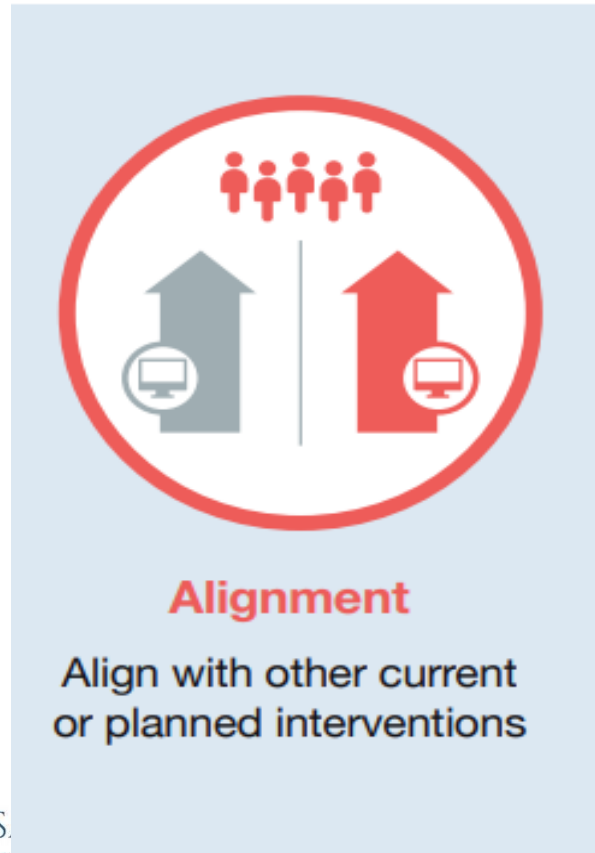


An extension to the programme coverage to include new recipients not regularly part of the programme but in need due to the new circumstances or shocks.

Three options:

1. Extend geographical coverage
2. Enrol new people in existing areas, who meet regular criteria
3. Enrol new people by modifying criteria

Option 5: Alignment



Humanitarian interventions and social protection interventions are aligned in their design and features.

E.g., aligned objectives / targeting method / transfer value / delivery mechanism

► Has social insurance been used for crises response before?

- Argentina: Horizontal and Vertical expansion for floods/volcanic ash and landslides
- Jamaica: Vertical expansion for hurricane
- Fiji: Design tweak for tropical cyclone
- Philippines: Design tweak for typhoon
- And several Covid-19 experiences like Japan, Philippines, Belgium, Austria, Malaysia and Indonesia.

▶ Insights on using Social Insurance for crises

1. Adjustments and changes in qualifying conditions, benefit levels, duration, contribution rates varies from country to country, and depends on the legislative, institutional and financial capacity.
2. Ensuring business continuity with no disruptions to the routine provision of social insurance during climate related disasters is crucial.
3. Continued social security contributions even during disasters are necessary, with support in the form of subsidies from government, if and when employees/employers are unable to pay contributions due to the impacts from the event.
4. Reliable communication channels, online or in-kiosk application facilities, face to face contact points are some of the infrastructural requirements essential for ensuring speedy interventions.

▶ Insights on using Social Insurance for crises (contd.)

5. Declaration of a hazard at the presidential level is necessary in many countries to initiate social protection measures.
6. Subsidies by the government/ministry of labour/employment are often provided when using SI for crises. This can in the long run undermine the corpus required for the future, especially for pay-as-you go/redistributive systems.
7. Swiftiness of data processing is key in any disaster response to make transfer of funds from the government to the affected people significantly quicker.

▶ **THANK YOU**