The “3P” framework:
A multi-dimensional approach

Prevention
Insuring against the Impacts of Risk:
Examples of programs:
• Old age and disability pensions
• Unemployment and disability insurance

Protection
Alleviating Poverty Destitution:
Examples of programs:
• Cash transfers
• Food transfers
• Public works programs

Promotion
Promoting Opportunities
Examples of programs:
• Skills training
• Conditional cash transfers
• Labor market intermediation and regulation reforms
The Challenge of Scattered Coverage

Low coverage, particularly in low-income countries
Large variance across and within regions

Source: SP Atlas, World Bank (forthcoming) (excludes remittances and subsidies)
The Challenge of Fragmented Programs

Example: (Ministries) where cash transfer programs in Sub-Saharan Africa are based

The challenge of fragmentation in SP programs

- **Pensions (in Prevention)**
  - Civil Servants
  - Private Sector
  - SOEs

- **Social Assistance (in Protection)**
  - Fuel subsidies
  - Food subsidies
  - Universal child benefits
  - Cash transfers

**Generosity**

**Low Income**

**High Income**
The Challenge of Policy Coordination Across Multiple Sectors
(Example: Skills Building and the STEP framework)
(source: STEPping up skills for more jobs and higher productivity, World Bank 2010)
Moving to systems yields multiple benefits

- Equity
- Broader coverage of population and services
- Diversification and adaptation
- Smarter financing arrangements
- Economies of scale
- Incentive compatibility
Systems: Better social protection for the future

- Goal: Policy coordination to ensure efficiency, equity and incentive compatibility
- Goal: Improving efficiency and efficacy of each program, improving coordination
- Goal: Building the “nuts and bolts” sub-systems to provide one or more 3P functions

**Low capacity contexts**
Few or no functional formal 3P programs

**Emerging capacity contexts**
Existing systems often fragmented, with limited capacity to coordinate

**Better capacity contexts**
Well-functioning programs with aligned incentives and clear institutional roles
Each program has different sub-systems around it

Institutional and governance arrangements (roles, rules and controls)
Eligibility and Targeting mechanisms
Cash transfer mechanisms
Databases and registries
Financing arrangements

Social Assistance
Fuel subsidies
Food subsidies
Cash transfers
Public works
Universal child benefits
Building systems for Social Protection and Labor

Building sub-systems ("nuts and bolts")
- Institutional and governance arrangements (roles, rules and controls)
- Eligibility and Targeting mechanisms
- Cash transfer mechanisms
- Databases and registries
- Financing arrangements

Improving the efficacy and coverage of different systems

Coordinating sub-systems across similar programs

Stretch goal: Policy coordination across different 3P functions

Fuel subsidies
Food subsidies
Cash transfers
Public works
Universal child benefits
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Fuel subsidies
Food subsidies
Universal child benefits
Cash transfers
Building systems for Social Protection and Labor

**Prevention**
Insuring against the Impacts of Risk:
*Examples of programs:*
- Old age and disability pensions
- Unemployment and disability insurance
- Building sub-systems (“nuts and bolts”)
- Improving the efficacy and coverage of different systems
- Coordinating sub-systems across similar programs

**Promotion**
Promoting Opportunities
*Examples of programs:*
- Skills training
- Conditional cash transfers
- Labor market intermediation and regulation reforms
- Stretch goal: Policy coordination across different 3P functions

**Protection**
Alleviating Poverty Destitution:
*Examples of programs:*
- Cash transfers
- Food transfers
- Public works programs
Towards an agenda for donors and partners on building systems

- Help finance and build “nuts and bolts” of systems in poorer countries
- Coordinate explicitly with others so that different donors don’t support different country sub-systems
- Consolidate any new programs with the best sub-systems being used for other programs
- Seek sustainable systems rather than pilots that have little follow-up plans by governments