



Shockwatch & Social Protection:

Shock Response Readiness Appraisal Toolkit

Anna McCord

June 2013

Acknowledgements

The author is grateful to the invaluable inputs of Tim Conway, Isabelle Cardinal, Tim Waites, and Heather Kindness of DFID in the initial development of this project. Thanks are also extended to colleagues in government, civil society and the Development Partner community in Mozambique and Zimbabwe who took part in the initial testing of the toolkit, particularly the late Victor Novele and colleagues in DFID Mozambique, Kerry Sylvester and Lourdes Fidalgo of ANSA Mozambique, Sam Cooke of DFID Zimbabwe and Kerina Zvogbo. The author is also grateful to Andy Norton of ODI for comments on earlier drafts of this toolkit.

This toolkit was completed with financial support from DFID.

Overseas Development Institute
203 Blackfriars Road,
London SE1 8NJ, UK

Tel: +44 (0)20 7922 0300
Fax: +44 (0)20 7922 0399
www.odi.org.uk

Disclaimer: The views presented in this paper are those of the author(s) and do not necessarily represent the views of ODI or our partners.



This material has been funded by UK aid from the UK Government, however the views expressed do not necessarily reflect the UK Government's official policies.

Table of contents

Acknowledgements	ii
Abbreviations	v
Executive summary	vii
 Introduction	 1
 1 Key Concepts	 4
What is shock readiness?	4
Readiness for what?	4
Needs	5
Response	5
Shocks	6
Risk	7
Social protection	7
2 Shocks: assessing the range and likelihood of potential shocks	9
Categorising shocks	9
Frequency	11
Key questions	12
Approaches	12
Sources	12
3 Identifying potential impacts	14
Economic Shock Impacts	15
Environmental Shock Impacts	17
Political Shock Impacts	17
Key Questions	17
Approaches	18
Sources	18
4 Identifying vulnerable populations	18
Those vulnerable to food price crises	19
Urban Populations	19
Government service users	20
Changing impacts over time	20
Who should be included in social protection provision?	20
Relative and absolute needs	21
Transmission Channels	22
Key questions	24
Approach	24
Sources	25
Shock needs-assessment summary	25
5 Overview of current provision and previous shock responses	27
Mapping Current Provision	27
What are most appropriate instruments? Discussion of benefits of alternative instruments	29
Lessons from previous shocks and contingency plans	30
Discussion	30
Key Questions	31
Approach	31
Sources	31
6 Analysis of shock-response capacity	32
Technical Factors driving response capacity	32
Institutional Factors	33
Political economy considerations	35
Fiscal space	37

Key Questions	38
Sources and Approach	39
7 Drawing conclusions regarding shock readiness and using the diagnostic process to identify strategic action points	39
Identification of Priority Actions to Promote Future Shock Responsiveness	40
Key Questions	40
Approach	41
References	42
Appendix 1: Diagnostic Approach Summary	44
Appendix 2: Check List of Key Questions and potential sources of information	46
 Figures	
Figure 1: Determinants of need	5
Figure 2: Determinants of response readiness	5
Figure 3: The main components of the recent 'Triple F' crisis	6
Figure 4: The main shocks to which countries are vulnerable	7
Figure 5: Main categories of shock	10
Figure 6: Impact of financial crises on poverty	16
Figure 7: Transmission of high food prices from world to individual child level, showing underlying conditions and (in boxes) possible changes	23
Figure 8: Process of needs identification	26
Figure 9: Steps in analysing shock-response capacity	38
 Tables	
Table 1: Key social protection instruments to be reviewed	8
Table 2: Information sources by shock type	13
Table 3: Impacts of main shocks	15
Table 4: Impacts of 'Triple F'-type shocks on vulnerability at the household level	22
Table 5: Key social protection instruments adopted as shock responses	28
Table 6: Shocks: Assessing the range and likelihood of potential shocks to which a country is at risk	46

Abbreviations

ALMP	Active Labour Market Programme
CaLP	Cash Learning Partnership
CBT	Community Based Targeting
CFSA	Crop and Food Security Assessment
CFW	Cash for Work
CT	Cash Transfers
DFID	Department for International Development (UK)
DP	Development Partner
DRI	Disaster Risk Index
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FEWSNET	Famine Early Warning System Network
FFW	Food for Work
GIS	Geographic Information Systems
GDP	Gross Domestic Product
GFM	Global Focus Model
GFRP	Global Food Crisis Response Program
IEG	Independent Evaluation Group
ILO	International Labour Organisation
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
IOM	International Office of Migration
ISSA	International Social Security Association
LICs	Low Income Countries
MICs	Middle Income Countries
NEETS	Not in Employment, Education or Training
NGOs	Non-Governmental Organisations

OCHA	Office for the Coordination of Humanitarian Affairs
PAD	Project Appraisal Document
PER	Public Expenditure Review
PMT	Proxy Means Test
PRSP	Poverty Reduction Strategic Plans
PSNP	Productive Safety Nets Programme
PWP	Public Works Programme
RSR	Rapid Social Response
SPSR	Social Protection Sector Review
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VAM	Vulnerability Analysis Mapping
VFF	Vulnerability Financing Facility
WDR	World Development Report
WFP	World Food Programme

Executive summary

This toolkit is intended to inform the development and re-orientation of national social protection strategies to enable them to better cope with future shocks, and has been prepared for an audience of national or donor stakeholders. The diagnostic approach presented in the toolkit enables an appraisal to be made of the readiness of the social protection sector to respond to shocks in low- and middle-income countries, with the aim of informing planning and resource allocation decisions and identifying priority actions to feed into national strategy development. Shock readiness is the extent to which existing or planned social protection provision can meet the anticipated needs of vulnerable populations resulting from the impact of endogenous or exogenous shocks which adversely affects livelihoods and labour markets. This toolkit guides development actors in appraising the shock readiness of the social protection sector at national level and developing an appropriate policy response.

Since the occurrence of the international food, fuel and financial shocks which were experienced simultaneously between 2007 and 2010, (commonly referred to as the ‘Triple F’ crisis) with significant adverse effects on poverty in low- and middle-income countries, there has been a growing interest in the potential role of the social protection sector in responding to future shocks. Concern regarding the future recurrence of these shocks, and the implications for the poor, as well as for the broader economic wellbeing and political stability of these countries, has led to a focus of thinking around how social protection can be used to mitigate the effects of such shocks. This has centred, within the donor community, on the promotion of ‘shock ready’ social protection provision. It is this concern, linked to a recognition of the increasing vulnerability of MICs and LICs – arising from their increasing integration into the global economy – which has led to the development of this toolkit. The toolkit is intended to assist development partners in assessing the readiness of the social protection sector to respond to the shocks, relating primarily, but not exclusively to food, fuel and financial shocks, which low and middle income countries may face in the future, with a view to informing programming decisions, and ultimately reducing vulnerability to future shocks.

This toolkit guides the user through a systematic appraisal of existing social protection provision, in terms of its readiness to respond to shocks, and enables her/him to consider critically the feasible set of response options within a particular institutional, political and fiscal context. The toolkit facilitates a comprehensive analysis of needs (identifying the major shocks, their effects, and the populations vulnerable to adverse impacts as a consequence) and responses (entailing a review of current social protection provision; previous crisis responses; technical, institutional and fiscal capacity; and political preferences) in order to enable an informed judgement regarding shock readiness to be made. To contextualise and guide the user, the appraisal is broken into seven sections, and for each key issues are discussed and a list of key questions, suggested methodological approaches, and guidance on potential sources of information provided.

This process entails the accommodation of significant uncertainty and evidence gaps. However, working systematically through the issues and questions outlined in this toolkit, adopting a range of approaches and reviewing of a mix of primary and secondary evidence, and drawing on a range of qualitative and quantitative data, policy documentation, and key informant interviews, will enable an informed judgement to be made of the extent to which shock-response planning is in place. Crucially, it will allow a user to determine the extent to which responses in the sector are likely to be commensurate with need in a range of nationally relevant shock scenarios.

This analysis can be used to inform discussion regarding options for the development of future shock-responsive social protection provision and enable context specific programming decisions to be reached.

Introduction

Shock readiness is the extent to which existing or planned social protection provision can meet the anticipated needs of vulnerable populations resulting from the impact of an endogenous or exogenous shock which adversely affects livelihoods and labour markets. This toolkit is intended to guide development partners in appraising the shock readiness of the social protection sector at national level.

Since the occurrence of the international food, fuel and financial shocks, which were experienced simultaneously between 2007 and 2010 (commonly referred to as the ‘Triple F’ crisis), with significant adverse effects on poverty in low- and middle-income countries, there has been a growing interest in the potential role of the social protection sector in responding to future shocks. Concern regarding the potential future occurrence of one or more of these three shocks, and the implications for the poor, as well as for the broader economic wellbeing and political stability of these countries, has led to a focus of thinking around how social protection can be used to mitigate the effects of such shocks. This has centred, within the donor community, on the promotion of ‘shock ready’ social protection provision. It is this concern, linked to a recognition of the increasing vulnerability of MICs and LICs – arising from their increasing integration into the global economy – which has led to the development of this toolkit. The toolkit is intended to assist development partners in country offices in assessing the readiness of the social protection sector to respond to the shocks, relating primarily, but not exclusively to food, fuel and financial shocks, which the countries in which they work may face. It is hoped to inform programming decisions and reduce vulnerability to future shocks.

This toolkit was produced in association with a literature review examining social protection responses to the 2007-10 ‘Triple F’ Crisis which discusses the issues highlighted in this toolkit in detail.¹ For ease of use this toolkit is not referenced, except where references directly assist in the appraisal process, as issues raised in the text are fully discussed in the literature review. However an extensive bibliography is included, and web addresses given for relevant resources mentioned in the text.

Toolkit objectives

This toolkit is intended to inform the development and re-orientation of national social protection strategies to make them better adapted to cope with future shocks, and has been prepared for an audience of national or donor stakeholders. The diagnostic approach presented in this toolkit enables an appraisal to be made of the readiness of the social protection sector to respond to shocks in low- and middle-income countries, with the aim of informing planning and resource allocation decisions and identifying priority actions to feed into national strategy development. Shock readiness is the extent to which existing or planned social protection provision can meet the anticipated needs of vulnerable populations resulting from the impact of endogenous or exogenous shocks which adversely affects livelihoods and labour markets. This toolkit guides development actors in appraising the shock readiness of the social protection sector at national level and developing an appropriate policy response.

This toolkit aims to enable the user to carry out a systematic process to assess existing social protection provision, in terms of its readiness to withstand shocks. It also enables the user to consider critically the feasible set of response options. It seeks to equip policy-makers, donors and programme designers with a set of practical tools to enable accurate analysis of needs and the adequacy of response options. It also guides analysis of available

¹ McCord, A (2013) Review of the literature on social protection shock responses and readiness. ODI Shockwatch Series.
<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8385.pdf>

institutional and fiscal resources, and political economy considerations (with regard to governmental and development partners), which can be linked to future response options.

The toolkit assists with a comprehensive analysis of needs (identifying the major shocks, their effects, and the populations vulnerable to adverse impacts as a consequence) and responses (entailing a review of current social protection provision; previous crisis responses; technical, institutional and fiscal capacity; and political preferences) in order to prepare an objective assessment of shock readiness and identify priority actions to feed into national strategy development to promote future shock responsiveness. To contextualise and guide the use of this approach, a discussion of issues relating to both shocks and responses is set out, as well as key questions, a methodology, and proposed further sources of primary and secondary information.

Roadmap of toolkit sections

This toolkit provides conceptual, technical and practical guidance on how to carry out an appraisal process. It outlines the steps which need to be taken to make an appraisal of social-protection shock-response readiness, together with suggested methodologies, information sources and summary questions to guide the appraisal process. This toolkit comprises four parts: the first outlining the key concepts and questions which need to be addressed (section one), the second (sections two to four) guiding an assessment of need, the third (sections five and six) outlining how to assess response options, and the final part drawing conclusions regarding shock readiness within the sector (section seven).

The seven sections of the toolkit are:

1. key concepts in the shock-readiness discourse;
2. assessing the range and likelihood of potential shocks to which a country is at risk;
3. identifying the potential impacts of different types of shocks;
4. identification of vulnerable populations;
5. reviewing current social protection provision and previous shock responses;
6. appraising shock-response capacity, in terms of technical, institutional fiscal and political factors determining response; and
7. drawing conclusions regarding response readiness, the feasible set of future response options and the identification of priority actions to feed into national social protection strategy development.

Working through each of the seven sections in order will enable a full appraisal to be made of shock-response readiness and future response options. The first section provides details of the conceptual framework that informed the toolkit development. Sections two to six provide a series of ‘how to’ discussions, addressing: i) the identification of likely shocks, ii) an analysis of needs resulting from shocks, iii) an appraisal of adequacy of existing social protection provision to respond to the analysis of determinants of response and lessons from previous shock responses, iv) the feasibility and desirability of scaling up (taking into account technical, fiscal and political economy concerns). Section seven provides guidance on drawing conclusions regarding shock readiness in terms of the feasible set of response options, the identification of priority actions to promote future shock readiness and integration into national social protection strategies

The diagnostic approach outlined in this toolkit is summarised in Appendix 1, while a checklist of the issues explored in each of the seven sections, the key questions to be explored and relevant information sources, are set out in Appendix 2, and a list of useful resources is provided in the bibliography.

Approach

This toolkit guides the user in the identification of the **shocks** to which a country is most vulnerable, the resulting **impacts** that are likely to have significant effects on poverty and vulnerability, the **populations** which are most at risk and the adequacy of existing and

planned **instruments** in terms of responding to these needs. It includes a review of the **technical, institutional, political economy and fiscal factors** influencing likely outcomes. By considering these factors in turn, the ‘shock readiness’ of the social protection sector can be evaluated.

In each section of the appraisal process the main issues are introduced and discussed, key questions are set out, appropriate methodologies are listed and key sources of information are suggested.

An appraisal using this toolkit will require a mix of **qualitative** and **quantitative** approaches. The balance between primary research (i.e. documentation of existing social protection provision, data analysis, budgetary analysis,) and secondary research (i.e. literature reviews² and key informant interviews) will be determined by two considerations: i) the availability and quality of existing material, and ii) the time and skills available for the assessment.

In many middle-income countries (MICs) and most low-income countries (LICs), current data on populations and vulnerability is severely constrained, as is robust and up-to-date data that can be used to analyse the actual (or to model the potential) macro- and micro-economic effects of previous, current and potential future shocks. In addition, there is often little information on which to base analysis regarding the relative likelihood of the occurrence of a range of potential shocks. Similarly, the actual implementation of existing social protection provision may differ significantly from technical design as set out in policy documentation. For these reasons the process of shock-readiness analysis is necessarily one of considerable uncertainty. Hence the methodology adopted needs to accommodate this uncertainty and will ultimately be based on informed judgements rather than empirical evidence alone. The approach outlined in this toolkit is designed to enable as informed a judgement as possible, in the context of these constraints.

In some contexts, shock and response analysis may already have been carried out by government or development agencies, either in relation to specific shocks and populations, or more universally. In such contexts overviews of existing provision may have been completed, and shock response activities and responsibilities may have already been allocated. Identifying the extent to which this analysis has already been carried out is a critical first step in shock response analysis.

² This encompasses reviews of the grey and published literature, as well as government policy documentation and development partner (DP) literature.

1 Key Concepts

Before introducing the shock-readiness analysis process, the following section outlines the key concepts informing the toolkit, which may be useful when defining the scope of the appraisal process.

What is shock readiness?

Shock readiness is the extent to which the set of institutions providing social protection in a given country are prepared in terms of scenario planning, early warning, needs analysis, instrument design, financing, and delivery mechanisms to deliver an effective response to populations in need during a period of shock-induced economic or labour market disruption.

Shock readiness is often examined in terms of whether existing social protection provision can be scaled up (the primary question highlighted in the literature). This is an important issue, which can be determined by reviewing a series of technical and institutional factors. However, the scalar extension of existing instruments (in terms of both value and coverage) may or may not represent an appropriate or adequate response to all shocks and affected populations. That is to say, existing instruments may not address the needs of populations affected by given shocks. For example, the working-age poor are often deliberately excluded from cash-transfer provision in many LICs and MICs. So, where the aim is to support casual wage labourers who were significantly affected during the food crisis (Compton et al., 2010), or those formal-sector workers newly unemployed as a result of the financial crisis, the scalability of existing cash-transfer programming may not be the most relevant determinant of shock readiness.

Rather, the following questions are all crucial in determining shock readiness:

1. Can the design and implementation modalities of existing programmes accommodate rapid alterations in terms of eligibility criteria?
2. How easily and quickly can new instruments be introduced?
3. Are plans in place to protect fiscal allocations for existing social protection and basic service provision?
4. Are plans in place to scale up the social protection and basic service provision available?

Hence, readiness may be assessed as the extent to which i) existing programmes can be extended in value, eligibility criteria and coverage to meet likely shock-related needs (scaling up), ii) new programmes can be introduced to compensate for any inadequacies in existing coverage, taking into account a range of potential institutional and fiscal constraints, and iii) existing provision of social protection and basic health and education services is ring-fenced.

Readiness for what?

In assessing shock readiness, it is important to consider the question ‘readiness for what?’ In the literature, there is a tendency to focus on the adequacy of social protection provision in terms of readiness to ‘scale up’ to meet the needs of those affected by a 2008-style economic crisis. Primarily, this means responding to commodity price inflation (food and fuel) and/or the labour market effects (underemployment or unemployment) of a financial shock (which require different responses and may implicate different vulnerable groups).

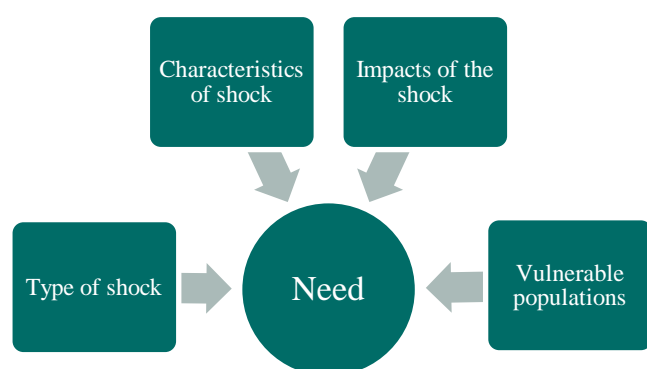
However, while this toolkit focuses on social protection responses to food, fuel or financial shocks, it does not limit analysis to these shocks, but rather guides the appraiser, on the

basis of open-ended enquiry, to examine the readiness of existing systems to respond to a rapid increase in need, which might result from a sudden change in the ability of populations to meet basic commodity and service requirements caused by a range of exogenous and endogenous shocks, which encompass economic, environmental and also political factors.

Needs

The need for a social protection shock response is assessed in terms of four factors: i) the type of shock(s) affecting a country; ii) the characteristics of the shock(s); iii) the impacts of the shock; and iv) the population(s) vulnerable, as illustrated in Figure 1 below. These issues are examined in sections two to four of the toolkit.

Figure 1: Determinants of need

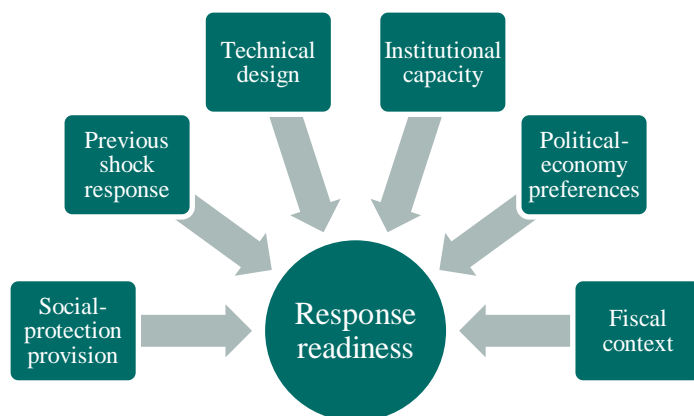


Source: Author

Response

In turn, response readiness in the social protection sector is assessed by an analysis of i) current social protection provision; ii) responses to previous crises; iii) technical capacity; iv) institutional capacity; v) political economy preferences; and vi) fiscal capacity, as shown in Figure 2. These aspects of response readiness are examined in sections four to six.

Figure 2: Determinants of response readiness

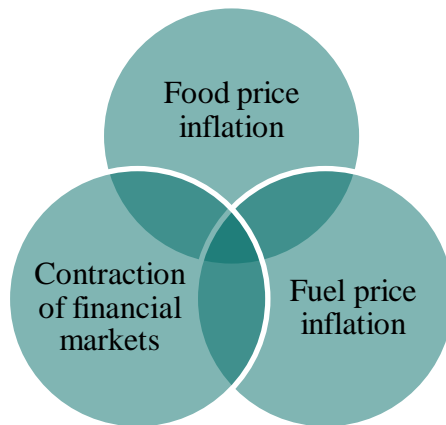


Source: Author

Shocks

In the development discourse the term shock is often used to refer to the various forms of economic shock (food and fuel price inflation, and financial shocks) which were experienced simultaneously around the world between 2007 and 2010 and are commonly referred to as the 'Triple F' crisis, as illustrated in Figure 3 below.

Figure 3: The main components of the recent 'Triple F' crisis

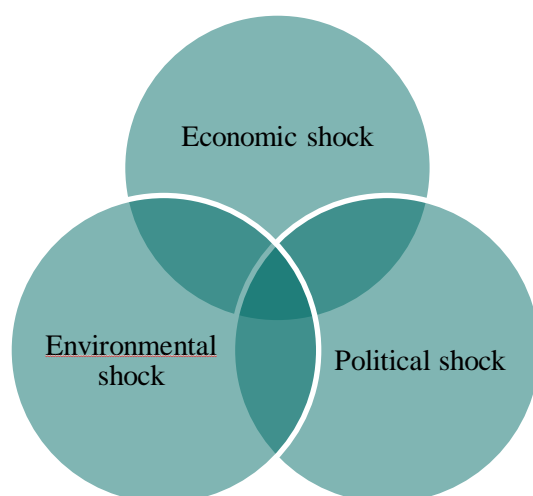


Source: Author

Discussion of future shocks in the literature refers predominantly to economic shocks similar to those of 2007-10. However, while there has been a focus on the question of how social protection can address the specific set of risks linked to the economic shocks (relating primarily to food, fuel and finance) implied by increasing regional and global integration, other forms of shock may be identified as priorities at national level which are not directly linked to these economic factors, most notably environmental and political shocks. In any context there is likely to be interplay between economic, environmental and political shocks that will often result from a combination of internal (domestic) and external (regional or international) factors, and this interplay will determine the nature of the ensuing crisis and how the effects are distributed across populations.

In analysing shock readiness at national level, an assessment should focus on food, fuel and financial shocks, but should also adopt an open-ended approach in order also to accommodate various forms of environmental and political shock. This will enable a better analysis of the multidirectional linkages between the three main types of shock, and ensure that the analysis is nationally relevant.

Figure 4: The main shocks to which countries are vulnerable



Source: Author

The shocks examined in this exercise may be sub-national, national, regional or global in nature, and may be endogenous (related to changes within a particular country) or exogenous (caused by external factors).

The analysis is however limited to the readiness of social protection to respond to *covariate* shocks, in which communities or whole populations are affected, rather than *idiosyncratic* shocks affecting individual households, such as lifecycle events (e.g. birth, death, illness or other events relating to individuals and their households).

Risk

In the context of any particular shock, the key question is the risk, or adverse impact, that it implies. Risk is determined by the vulnerability of affected populations, and this is dependent on their particular characteristics and ability to cope with a particular shock. Risk may be defined as,

the probability of harmful consequences, or expected losses (deaths, injuries, property, livelihoods, economic activity disrupted or environment damaged) resulting from interactions between natural or human-induced hazards [shocks] and vulnerable conditions. (UNDP, 2004)

Social protection

The definition of 'social protection' differs across countries and institutions. This toolkit does not attempt to provide an exclusive definition of social protection, but rather provides guidance in relation to the range of social protection interventions that attempt to prevent or compensate for income loss and any reductions in access to and availability of basic goods and services, as a result of shocks.

Hence, the term social protection is used here to refer to the set of interventions implemented to ensure access to basic goods and services in compensation for a lack of, or insufficient, income, in order to protect against poverty and social exclusion. These interventions can be in response to both ongoing needs and specific shocks. They fall into

two main categories, those preventing or reducing income loss, and those compensating for income loss, which include i) active labour market policies (ALMPs), ii) social security provision, iii) social assistance, iv) the provision of basic social services (health and education), v) commodity subsidies and vi) emergency provision. Each of these instruments is frequently adopted to compensate for lack of access to and availability of basic commodities in response to shocks. The first four are consistent with the definition of social protection adopted in the ILO Social Protection Floor (ILO, 2012), while the fifth and sixth are complementary interventions frequently adopted in response to shocks. These responses are set out in Table 1 below.

Table 1: Key social protection instruments to be reviewed

Function	Category of intervention	Specific instruments
Prevention/reduction of income loss	Active labour market policies (ALMPs)	<ul style="list-style-type: none"> • Employment/wage subsidies • Revision of working hours • Increase in minimum wage • Training • Public Employment Programmes
Compensation for income loss/inflation	Social security for those in <i>formal-sector employment</i> (contributory)	<ul style="list-style-type: none"> • Unemployment insurance • Sickness and disability benefits • Contributory pensions • Health insurance
	Social assistance for those in <i>informal-sector employment</i> , or <i>unemployed</i> (non-contributory)	<ul style="list-style-type: none"> • Cash transfers targeted on the basis of household poverty (may exclude households with working age labour) or specific demographic characteristics (e.g. the elderly, children, those with disabilities) • Public Works Programmes
	Basic service provision (may be universal or targeted)	<ul style="list-style-type: none"> • Health fee waivers or subsidies • Education fee waivers or subsidies
	Commodity subsidies (may be universal or targeted)	<ul style="list-style-type: none"> • Basic food subsidies • School feeding • Fuel subsidies • Input subsidies
	Emergency provision (where normal livelihoods are suspended)	<ul style="list-style-type: none"> • Food- and cash-transfer programmes • Emergency Cash for Work or Food for Work (CFW or FFW) programmes • In-kind transfers (household items, tents, etc.)

Source: Author

Emergency provision should not be reviewed in detail in a social protection readiness assessment, as social protection provision is not synonymous with humanitarian aid for dependent populations, but should be appraised briefly in situations where population sub-groups are experiencing the suspension of normal livelihoods, as it represents a complement to conventional social protection provision.

2 Shocks: assessing the range and likelihood of potential shocks

The first step in carrying out a shock-readiness appraisal is to identify the major types of shocks to which a country or region is vulnerable. This means documenting both the main shocks experienced over recent decades, and forecasting any additional anticipated shocks.

For each type of shock key characteristics should be noted:

- category of shock;
- geographical location and spread;
- urban or rural nature;
- frequency;
- duration; and
- severity.

Categorising shocks

It is valuable to discriminate between potential (latent) as well as previously experienced (patent) shocks where possible. Both *macro* (systemic) shocks, which have an effect nationwide (and possibly also regionally or globally), and *meso* (covariate) shocks, which can affect groups of households or communities in particular localities should be included in this assessment (OECD, 2009: 20-21).

It is important to ensure that both *systemic* and covariate *non-systemic* shocks are considered. Systemic shocks relate to events that repeat over time with a known pattern of probabilities, while covariate non-systemic shocks are

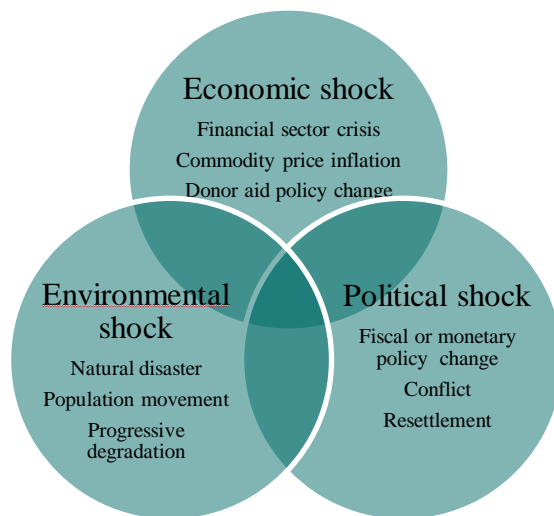
‘characterised by [a] short or imperfect record of occurrence, or, because of the environmental or socio-economic changes, data on past events are potentially a poor basis [for] estimating the probability of future events and their magnitude (uncertainty).’ (Clay et al, 2011).³

A further category of shock which may be relevant is that of *catastrophic shocks*, events with a low frequency, but involving high losses that wholly undermine the livelihoods of individuals and cause extreme socio-economic costs and disruption, (this includes market failure on a localised, regional or economy-wide scale).

Furthermore, most shocks are likely to fall into one of the three broad categories of economic, political or environmental, or some combination of these, as illustrated in Figure 5.

³ Following Clay et al (2011), stochastic household level non-systemic shocks are excluded from this analysis, which focuses on covariate risks.

Figure 5: Main categories of shock



Source: Author

Hence these three categories may be used as a checklist to guide appraisal:

- Economic (including financial and commodity price shocks and donor aid policy shifts)
- Environmental (including natural disasters, population movements and humanitarian crises)
- Political shocks (including fiscal or monetary policy changes, conflict or resettlement)

These categories are interlinked and are not necessarily mutually exclusive, and any country or region may be vulnerable to one or more of these types of shock either separately or simultaneously. Having identified the shocks themselves, it is necessary to consider the likely impacts across a range of sectors, including the economy, the government treasury, agricultural and industrial sectors, and labour and commodity markets, and to assess the potential scale and duration of impacts.

Economic shocks

The food, fuel and financial crisis of 2007-10 is the most recent example of an economic shocks affecting countries at a macro level. The restrictions in global capital availability resulted in economic effects that were compounded by the simultaneous shortages in food and fuel that resulted in rapid commodity price inflation. Other examples of major economic shocks are the South American 'Tequila crisis' of 1994/5, the Asian financial crisis of 1997, and the Latin American financial crisis of 1998 which were driven by a combination of regional financial contagion and domestic policy. Such crises may result from a combination of national, regional and global events, but can also be nationally generated (as in the case of the hyperinflation and commodity price crisis in Zimbabwe during the mid-2000s, which was a direct consequence of national policy decisions relating to industrial and monetary policy, or the 2013 fiscal crisis in Rwanda following the massive reduction in donor aid in the wake of Rwandan military interventions in DR Congo). Such shocks typically lead to economic slowdown, currency devaluation, commodity price inflation, rises in underemployment and unemployment in both the formal and informal sectors, and fiscal contraction.

The impact of externally induced economic shocks will be determined by the level of regional or international integration of an economy, and the internal reach will be dependent on the extent to which urban and rural populations are integrated into market-based economic activity (as opposed to subsistence agriculture), and the export and import profile of a country and regions, in relation to basic commodities.

Food-price shocks can be either internally driven, resulting from political or environmental factors, or externally driven, by changes in international food production and demand, resulting in reduced availability and, as a consequence, price inflation.

Environmental shocks

Environmental shocks are events such as droughts or floods, which may result from ongoing processes of climate change, or seasonal or unpredictable climatic events. They can also occur as the result of mass population movements resulting from conflict or political policies, for example, where there are spontaneous population movements out of insecure areas, or deliberate resettlement linked to agribusiness, or natural-resource-exploitation policies, or where development takes place in environmentally vulnerable locations. In each case, disrupted livelihoods can result in the adoption of adverse coping mechanisms, leading, for example, to accelerated deforestation or erosion. Depending on causes and the speed of onset, such shocks may be more or less predictable. For example, seasonal flooding around certain water courses occurs with a rapid onset, but in a largely predictable manner, while unseasonal weather patterns that induce food insecurity are less predictable, (although full-scale drought is slower onset and hence more predictable in the medium term). Such shocks can result in both the acute disruption of livelihoods, reduced production, food insecurity and displacement, and chronic impoverishment and vulnerability.

Political shocks

Political shocks may take various forms, and can contribute directly to economic and environmental crises, either directly or indirectly, resulting in the disruption of livelihoods and economic activity, a reduction in the provision of services, disturbance to market-based provision of basic commodities, and the impoverishment and instability associated with all three. This may be a direct result of political decisions such as, for example, population displacement or resettlement resulting in a loss of livelihoods; the banning of organisations providing services or commodities to the poor; or military activity which prompts reductions in donor financing, and hence fiscal contraction. Each of these can result in reduced access and/or availability of basic goods and services and create a need for increased social protection provision. Market responses to policy decisions can include the breakdown of markets, food and fuel price inflation and economic slowdown, and political instability and uncertainty; associated physical unrest can further drive economic decline, and result in shortfalls in foreign direct investment (FDI) or donor funding.

Conflict-related shocks arise when unrest inhibits access to, and availability of, services and commodities, and may also result in the disruption and displacement of populations so that they are no longer able to support themselves through conventional livelihoods, rendering them to some degree dependent on external support.

Frequency

As well as reviewing the type of shocks to which a country is vulnerable, it is important to consider the likelihood and frequency of the shocks identified, in order to assess the threat they represent and their relative importance. However, information regarding likelihoods is in most cases subject to a degree of uncertainty. While there may be a basis for assessing the likelihood of the occurrence of some forms of shock, such as some natural disasters (riverine flooding, cyclones etc.) for others there is no basis for such an assessment, and hence any judgement regarding the shocks against which the adequacy of a social-

protection system is to be appraised is necessarily based on incomplete knowledge (Clay et al, op cit).

Key questions

- What shocks have affected the country in last decade, or may be anticipated in the future?
- When, how often, and under what conditions have these shocks occurred?
- What is the likelihood of shock occurrence?
- When severity and frequency are considered together, which shocks should be prioritised for response analysis?

Approaches

The main approaches to be adopted in terms of shock identification are literature review and key informant interview.

Sources

A range of sources are available to inform this shock-appraisal process. In a given country this is likely to include documentation from relevant government departments, civil society, UN agencies, donors, and international NGOs.

Many agencies will have carried out some form of scenario planning as part of their multiannual planning processes or disaster-risk analysis, and some development partners may have commissioned specific risk-assessment studies (for example, where available, DFID Multi-Hazard Risk Assessments developed to inform country resilience strategies may be of value, or risk assessments included in Poverty Reduction Strategic Plans (PRSPs)), Business Cases (in the case of DFID) or Project Appraisal Documents (PADS) in the case of World Bank projects. Certain agencies are likely to be aware of specific risks pertinent to their institutional mandates, with, for example the Ministry of Finance and IMF having insights into economic and fiscal risks; UN agencies such as OCHA having information on humanitarian risks; Ministry of Agriculture, and agencies engaged in food security and the production of crop appraisal or early-warning data (for example the FEWS NET), such as USAID, WFP or FAO, having insights into slow onset environmental shocks; and agencies mandated for natural-disaster readiness data having information on risks such as flooding. Insights into politically created and politically sensitive shocks (relating, for example, from mass-resettlement policies, political oppression, or political breakdown) which may not be readily discussed in official documentation may be most readily available from NGOs or INGOs, or the media. Key sources of shock analysis documentation are set out in the box below, and web references are set out in Appendix 1.

Shock datasets

The WFP (World Food Programme) provides a series of publications, reports and updates on food security under its Vulnerability Analysis Mapping (VAM) activities at country level.

FEWS NET (Famine Early Warning Systems Network) is a USAID-funded activity that collaborates with international, regional and national partners to provide early warning and vulnerability information on food security, livelihoods and markets, providing monthly reports on current and projected food insecurity, alerts on emerging crises and specialized reports on weather hazards, crops, market prices, and food assistance. Monthly food security updates are provided for 25 countries.

OCHA (the Office for the Coordination of Humanitarian Affairs) has developed a 'Global Focus Model' (GFM) covering 147 countries to analyse 'hazards, vulnerabilities and response capacity at the country-level', which is updated each year. The GFM provides a composite hazard index based on global datasets and includes conflict and humanitarian issues, in addition to natural disasters.

UNDP and UNEP (United Nations Development Programme, and United Nations Environment Programme) have developed a Disaster Risk Index (DRI), which aims at monitoring risk, taking into consideration various types of natural hazards, including such as droughts, floods, cyclones and earthquakes in order to guide appropriate contingency planning. This approach is based on GIS (Geographic Information Systems) modelling overlain with a model of population distribution in order to identify affected populations; it assesses vulnerability by crossing exposure with selected socio-economic parameters.

Web information for these sites is available in Appendix 1.

Institutionally there are a number of potential sources of information that can feed into shock analysis at country level. These are listed in table 2 below.

Table 2: Information sources by shock type

Type of shock	Government agency	Development partner/other
Economic	Ministry of Finance	DFID IMF World Bank
Fiscal	Ministry of Finance Ministry of Planning Ministry of Health Ministry of Education Ministry of Social Welfare	World Bank ILO
Sudden onset environmental	Disaster Management Unit	WFP
Drought (food security)	Ministry of Agriculture	WFP FEWs NET FAO
Political shock		Civil Society Media Bilateral donors
Humanitarian shocks	Disaster Management Unit	UNOCHA UNHCR IOM WFP

It is necessary to consider the quality of data from each agency and to take into consideration the political interests, priorities, preferences informing analysis, as well as the constraints as to what can and cannot be said by different actors. Some shocks may receive more attention due to the institutional interest of key actors (donors or government) but this may not necessarily reflect their relative significance in terms of frequency or impact and may be more informed by political interests (e.g. in terms of accessing resources), than

relative need. Civil society actors and the media may be more able to highlight shocks arising from political actions (resettlement or natural-resource exploitation, suppression of service provider activity, etc.), particularly where they are independent of government, donor financing interests, or diplomatic constraints.

3 Identifying potential impacts

Having identified the shocks, it is next necessary to identify their potential impacts and the specific populations affected, as shocks may be experienced differently depending on the vulnerability of different populations, which is determined by their geographic, socio-economic and demographic characteristics and will differ depending on the particular shock experienced. For this reason it is necessary to assess the relative vulnerability of different segments of the population in different shock scenarios, taking into account geographic, demographic, socio-economic, livelihoods and labour market characteristics and considering their impacts on income loss, and reduced access and availability of basic goods and services.

The key impacts which should be considered for each kind of shock are set out in table 3 below;

Table 3: Impacts of main shocks

Shock	Area of Impact	Impacts
Economic	Macro-economic performance	Reduced portfolio flows Changes in FDI Lowering of remittance income Reduction in demand for exports Reduction in production Reduction in GDP Increase in deficit IMF requirement for deficit control/reduction Inflation
	Fiscal adjustment	Reduction in tax revenue Shift in donor flows Reduction in national budget Sectoral reallocations Reduction in service provision (availability) Increased fees and subsidy reduction (access)
	Labour market	Unemployment Underemployment (reduced hours and/or reduced remuneration) Changes in conditions of employment
	Commodity prices	Food price inflation Fuel price inflation (transportation costs plus secondary impacts)
Environmental	Livelihoods	Loss/disruption of livelihoods Reduced production
Political	Conflict/instability	Loss/disruption of livelihoods Population movement Reduced service provision
	Macro-economic performance	Inflation Reduction in availability of commodities and services Reduced import capacity Reduction in FDI and aid flows Reduced service provision

Economic Shock Impacts

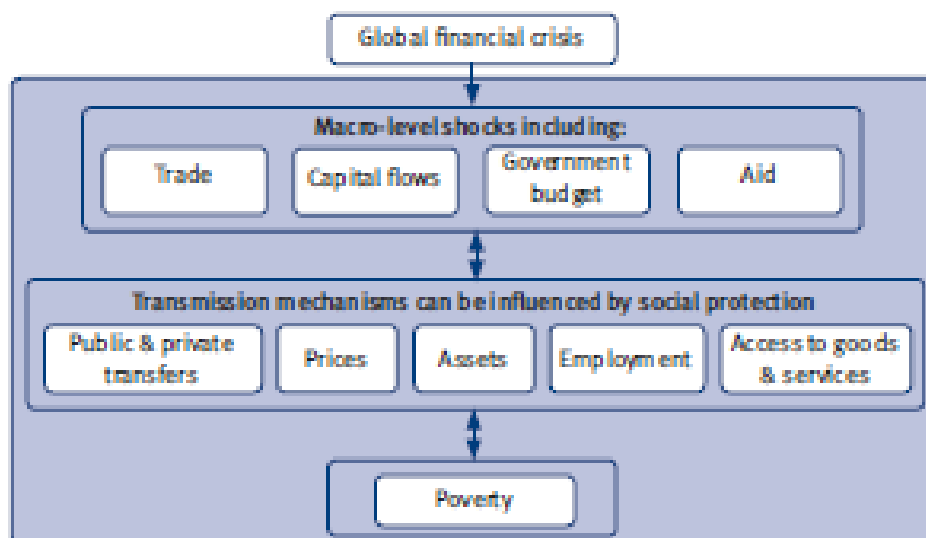
Macro-economic performance

An economic shock is likely to result in a reduction in regional and global demand for exports which may occur in the short or medium term, and affect the sectors that are most dependent on exports to markets in shock-affected industries. This is likely to contribute to a reduction in GDP growth, which may be exacerbated by a fall in FDI, and also remittances, resulting in an increase in national debt and potentially also significant contractionary pressures on overall government expenditure.

Depending on the degree of integration into the global economy, the reduction of external demand may reduce domestic production and result in business failures and increases in unemployment in export-oriented sectors, as well as slowing internal demand. In the context of fuel price shocks, countries engaging in exploration and development of alternative fuel

sources may experience an increase in FDI. The main effects of financial crises on poverty are summarised in Figure 6 below.

Figure 6: Impact of financial crises on poverty



Source: McCord and Vandemoortele, 2009

Fiscal impacts

A reduction in GDP growth rates will result in a fall in anticipated tax income and, together with reductions in donor income, flows will reduce resources available for the national budget. Unless there has been ring-fencing of allocations to the social sector (health, education and social protection provision) these ministries may well experience significant reductions in their allocations, as they are frequently seen as soft targets for funding cuts, being politically weak compared to core ministries such as defence and civil administration. This may result in a reduction in service provision and cost increases (through subsidy reductions and increased fees) affecting both availability and access to health and education services, and potentially also a reduction in coverage and generosity of social protection provision, with the suspension of some instruments. Where social protection expenditure is ring-fenced, this may be to protect social security provision for workers in the public-sector, rather than social assistance for the poorest.

Some international community actors, most notably the IMF, may press for fiscal contraction in order to ensure macro-economic stability; such concerns tend to override protection of social-sector provision.

Commodity market impacts

Shocks may result in a decline in the domestic production of key commodities, and an increased reliance on imports. Where countries are already reliant on imports of key commodities such as food and fuel, regional or global scarcity will result in inflation. The effect of such shocks in terms of price and availability will be determined by the ability of regional or international markets to respond and also by the availability of sufficient foreign exchange to enable purchase. The consequence may be reductions in both the availability of key commodities and access to them, as a result of elevated prices.

Where shocks result in a reduction of domestic production, the ability of the agricultural and manufacturing sectors to re-enter the market competitively and reclaim their regional or international market position after a period of reduced production will be crucial in determining the duration of productivity impacts after a crisis.

Labour market impacts

Economic shocks typically result in economic slowdown as the consequence of falls in both domestic and external demand (depending on the degree of international integration). This is likely to cause significant disruption to labour markets results in increases in both unemployment and also underemployment, which can take various forms, including reduced working hours or remuneration rates, as well as changes in the terms of employment, often with a deterioration in conditions and benefits. This affects those in both formal- and informal-sector employment, and casual wage labourers tend to be the worst affected in both rural and urban areas. The higher the dependence on wage labour, the greater the likely impact, with both unemployment and underemployment being likely to reduce income and hence access to basic commodities and services.

Environmental Shock Impacts

Environmental shocks relating to short or rapid onset crises have major negative impacts on livelihoods, including reduced productivity and overall production, which may be particularly affect subsistence producers or those dependent on crop sales. In some instances shocks may result in the total suspension of previous livelihoods activities, and in some instances also displacement, requiring a greater degree of provision than that conventionally offered through social protection.

Political Shock Impacts

Politically induced shocks may result from either deliberate policy choices or governance related challenges, which trigger domestic and external responses. Poor economic or monetary policy can result in weak macro-economic performance leading to inflation, economic slowdown, unemployment, reduced fiscal space and hence decreased service provision, and instability. Shocks related to poor governance, such as the failure of democratic processes or unsanctioned military activity may also slow economic activity, and potentially contribute to a reduction in fiscal space resulting from reductions in FDI and donor aid flows, contributing to fiscal contraction and potentially also a reduction in service provision as well as increasing instability with the associated challenges to livelihoods. Policy shocks may also result in large scale population movements, either as a result of humanitarian crises or deliberate resettlement policies, which are likely to impact on livelihoods and vulnerability and hence social protection needs.

Key Questions

Economic Shocks

Macro-economic

- How dependent is the economy on external markets for its exports and what are the likely implications for these markets in various shock scenarios?
- How dependent is the economy on imports of basic commodities?
- How important is the role of remittances?

Fiscal

- What are the implications of fiscal contraction on access to, and availability of, key services (health, education and social protection)?
- To what extent, if at all, is spending on health, education and social protection ring-fenced by government and donors?
- Are governments under pressure to reduce spending in these sectors as part of fiscal stabilisation and deficit-reduction plans?
- Is countercyclical funding for key sectors available from alternative sources?
- How have budgets changed and how do budgets compare to actual funds released to the relevant line ministry?

- What is the process for the prioritisation of reduced resources within health education and social protection sectors?
- What are the implications for pre-existing sectoral development plans?

Labour Markets

- What is the impact of the shock on different segments of the labour market?
- Which sectors are most affected?
- What is the likely duration of this disruption?

Commodity markets

- To what extent are key commodity markets (food and fuel) dependent on imports?
- Are imports available to compensate for domestic reduction and can markets function to process them?
- Are there sufficient foreign-exchange reserves to purchase additional imports?
- What are the implications for access (cost) and availability?

Environmental

- What are the likely impacts of environmental shocks on productivity, population movements and livelihood coping mechanisms?

Political

- To what extent are current or future policy decisions likely to result in significant reductions in existing provision of services (e.g. due to fiscal contraction or prohibition of agencies delivering services) or increase the need for provision (e.g. due to disruption of livelihoods resulting from economic slowdown or forced resettlement)?

Approaches

Assessing the potential impacts of the main types of shock identified will require a combination of national literature reviews, to examine the main transmission mechanisms through which previous shocks have impacted on the economy, markets and livelihoods, and also interviews with key informants drawn from a range of sectors, including macro-economics, labour economics, agronomics, environment and climate change, and governance.

Sources

Here the key sources will be within the DP community and government while INGOs may be able to offer alternative viewpoints, particularly with regard to the impact of political shocks on needs and response options.

4 Identifying vulnerable populations

For any given shock and context, different populations may be differently affected by shocks depending on their particular characteristics and vulnerability and it is necessary to look at the specificities of each situation, gathering and analysing labour market information and, where available, recent survey data, to gain an understanding of the dynamics of crises in terms of the affected populations.

Those vulnerable to food price crises

For example, in relation to food price inflation it is casual wage labourers, who are dependent on food purchase who are among the most vulnerable (Compton et al., 2010), in both rural and urban contexts, rather than those engaging in subsistence agriculture who are less integrated into labour markets. An analysis of the impacts of the food crisis, drawn from a multi-country review, is set out in the box below.

Populations affected by the 2007/8 food price spike

The available evidence indicates that high food prices increased malnutrition, and the greatest poverty effect was an increase in the depth of poverty of the already poor, rather than an increase in the number of poor (headcount). The effects were worse in poor net-food-importing countries, although there were also significant adverse effects in net-food-exporting countries, with the situation worse where it was exacerbated by regional supply and demand pressures affecting market performance, such as those resulting from conflict or rapidly growing consumer demand resulting from growth.

The poorest households – including many female-headed households and those with a large proportion of dependents – were worst hit everywhere. These households spend a higher proportion of their income on food and have less access to credit and savings. The main impact of rising food prices was therefore on increasing the depth of poverty in those already poor (the so-called poverty gap) rather than on the numbers of people newly pushed over the poverty line (the poverty headcount).

The worst-affected groups were casual wage labourers (both rural and urban), land-poor farmers, petty traders, and producers of commodities whose terms of trade declined against food grains: for example, pastoralists in Kenya, cotton farmers in Benin, and tea workers in Bangladesh. Salaried workers in the formal sector generally fared better than others.

While most of the high-profile protests about food prices came from urban areas, many of the poorest and worst-affected people live in rural areas. Existing social protection and financial systems often do not reach this group. The structure of land ownership and production patterns in most poor countries meant that only a minority of farmers and agribusinesses were able to benefit from rapidly rising prices.

Source: Adapted from Compton et al, 2010

These effects, however, are specific to food crises, and are not widely generalisable to the impacts of other kinds of shocks, inasmuch as regressive effect of rising food prices contrasts with studies on rising fuel prices and the global financial crisis, which have generally found that urban and richer areas are the worst hit, at least in the short term (Compton et al.; 2010).

Urban Populations

The urban working poor are more vulnerable to increases in food and fuel prices, compared to rural populations with subsistence-based livelihoods due to i) their dependence on urban transport systems for their livelihoods, ii) their inability to access domestically produced food, iii) the fact that their incomes are unlikely to increase in line with inflation, and iv) the risk of job loss or a reduction in working opportunities. It is those in employment who will be directly affected by economic slowdown and the income loss resulting from a shift to either unemployment or underemployment, a group that is likely to have been less poor originally than those less affected. It may be that for this group, the impact may be most severe in terms of the relative change in income, but that, nonetheless, they are still less poor in absolute terms than the chronic poor in rural settings.

Hence, those most integrated into the market economy, directly or indirectly, formally or informally, and most dependent on the purchase of commodities experiencing high inflation are the most vulnerable in terms of loss of access to food and basic commodities due to income loss and price inflation. Not all of this group may have been numbered among the poor prior to the shock and hence this group is often described as the ‘new poor’.

Government service users

Conversely, all groups dependent government-provided health, education or social protection provision whether employed formally or informally, or on a casual or contracted basis, are likely to be affected by a reduction in service provision and the suspension or reduction in subsidies for basic health or education arising from economic shocks and the resulting fiscal contraction, because health and education services are rarely protected in such situations. All government-service users are vulnerable to reduced service availability and increased user costs resulting from reductions in subsidised provision.

Changing impacts over time

The impacts of a shock may be differently distributed over time, with formal-sector employees in urban contexts being initially affected by a financial shock resulting in unemployment in the short term, with effects spreading into the urban informal sector, and then being diffused throughout segments of the rural economy which supply a diminishing urban market demand over time. For this reason, it is important to consider the duration of the shock, and to trace the likely transmission mechanisms through which effects are diffused over time, through labour and commodity market linkages.

Hence it is necessary to consider the relative needs of both the new and old poor (those experiencing chronic poverty prior to the shock), to take account of differential impacts on rural and urban populations, and also to consider temporal dimensions of impact.

Who should be included in social protection provision?

Having identified those who might be vulnerable as a consequence of a shock, it is then necessary to consider which groups should be prioritised for social protection support. This choice is essentially subjective, being dependent on the role social protection is expected to play, namely:

- a mechanism to address chronic poverty, and to compensate for increases in the depth of poverty arising from shocks;
- a temporary safety net to support those falling into poverty as the result of a shock;
- a mechanism to protect demand, to stimulate economic activity;
- a mechanism to promote stability and quell latent social unrest.

Each of these objectives have been mooted in response to the recent ‘Triple F’ crisis and proposed as the objectives for the design of future shock-response provision in the literature. The different objectives indicate that social protection provision should be prioritised with regard to different population groups in response to shocks and highlights alternative ‘vulnerable’ populations.

The chronic poor

If supporting the chronic poor and those for whom the depth of poverty has increased due to the crisis is the objective of social protection provision, then the first question to consider whether they are covered by existing provision - often those particularly vulnerable, such as casual labourers, are not included in existing social protection provision, which tends to

exclude the able-bodied poor in the informal sector in many LICs, although this group is likely to be supported through state-provided health and education provision. Inasmuch as the chronic poor are covered it is relevant to consider whether provision is protected.

The ‘new poor’

In the case of temporary safety-net provision, it is those directly affected by the crisis, who have lost income and purchasing power: the ‘new poor’, which is likely to include the urban poor (working or otherwise). The aim would be to promote consumption smoothing on a temporary basis by increasing income/reducing costs. These groups may have been ‘poor’ or ‘near poor’ prior to the shock, and are likely to be poor, post shock. For the sake of brevity, this group are referred to as the ‘new poor’

Consumers

Those temporarily affected by a shock (the ‘new poor’), whose consumption previously constituted a major driver of economic growth (in many cases formal- or informal-sector workers in urban settings) are also important if the anticipated function of social protection is to protect demand and stimulate economic growth at a time of financial crisis. Protecting demand in the context of a shock may be a key political incentive underlying an expansion of social protection provision. In such cases the priority may not be to target the poorest, but those most relevant as drivers of demand.

Those articulating dissent

In terms of the stabilisation function of social protection, it is another group who would be key social protection beneficiaries, who may not conform to either the new or old poor categories set out above, and who may not have been employed even prior to the crisis, namely the urban youth. Given the global crisis of NEETS (Youth Not in Employment, Education or Training) the 2008 crisis and subsequent ‘Arab Spring’ provoked a recognition of the need to address youth unemployment in particular and to support this group given their potential destabilising role, particularly in fragile or post-conflict situations, in which shocks can create a flash point for unrest (WDR, 2012).

Relative and absolute needs

All four functions outlined above are drivers of the perceived need to focus on social protection provision in the wake of a shock and each has driven responses in different contexts and among different actors. So, in assessing shock readiness, there is a need to identify which populations are affected, and also how these populations fit into different conceptions of social protection. It is also necessary to consider the differing distribution of vulnerability among urban and rural populations, wage labourers, subsistence farmers, and informal- and formal-sector workers depending on the nature of the shock experienced. Against this, shock readiness and adequacy can be assessed.

This implies that it is important not just to appraise needs in absolute terms, in which case the needs of the chronic poor may be objectively the most severe, but also to consider whether the change in status of the near poor to poor, or other latent frustrations exacerbated by the crisis such as urban youth unemployment, should also inform national and donor perspectives on the function of social protection in relation to shocks. There may well be divergent views among and between government and development partner agencies in terms of priority groups for support in the wake of a shock, which are linked to their own institutional priorities and mandates, and which may result in some contestation of appropriate policies. It is necessary to understand these in the context of institutional priorities and preferences, and set them within a political economy analysis taking into account diverse incentives among different actors.

Transmission Channels

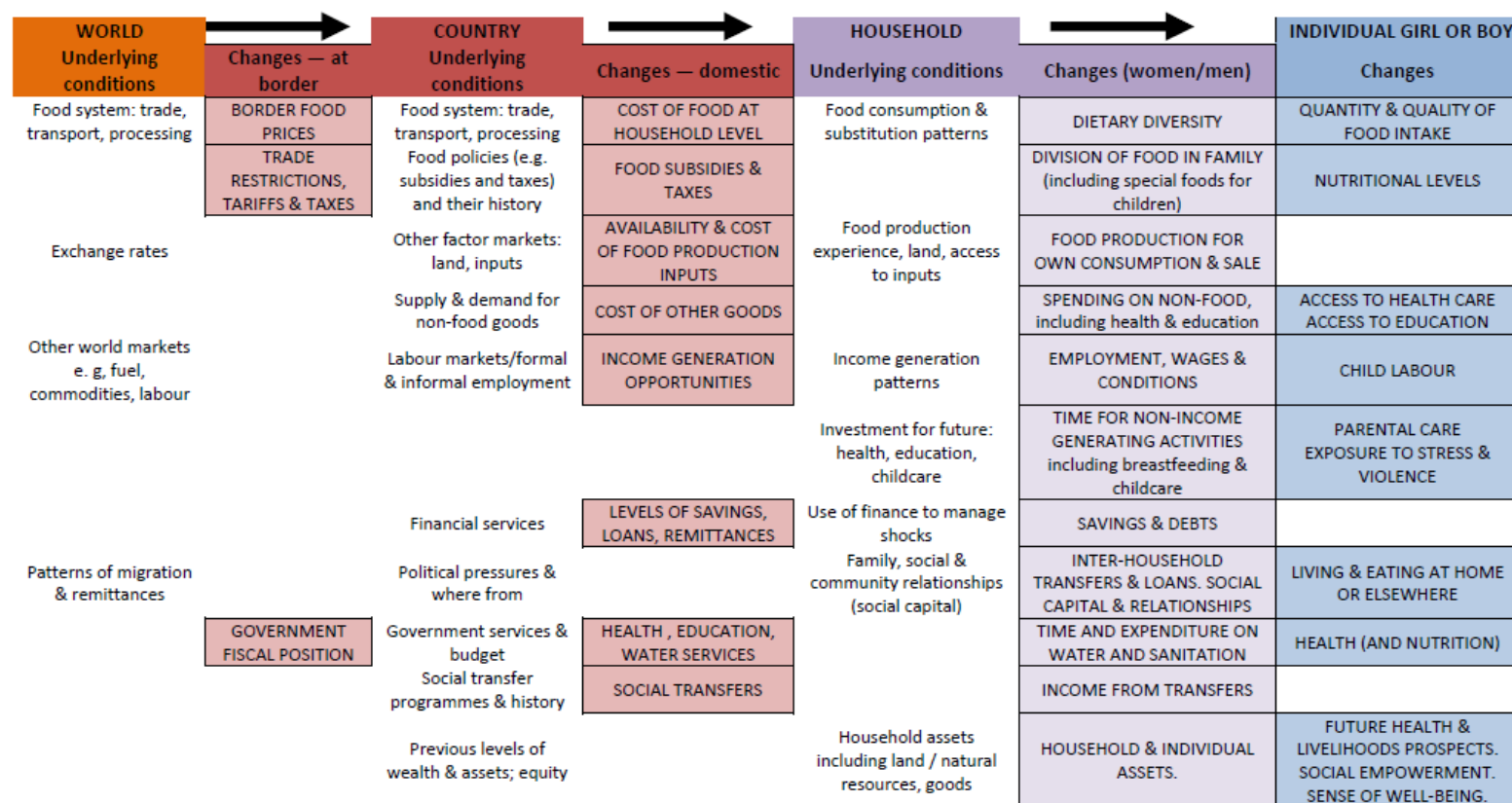
The discussion above regarding how the main impacts of ‘Triple F’ shocks translate into vulnerability, and the factors determining the severity of the impacts, is summarised in Table 4 below for reference.

Table 4: Impacts of ‘Triple F’-type shocks on vulnerability at the household level

Nature of Impact	Vulnerable group	Nature of Vulnerability	Determining factors
Reduction in global demand	Formal-sector employees	Unemployment	Degree of economic integration into global economy
	Informal-sector workers	Reduction in working hours	Extent of transmission of labour-demand effects to rural areas
	Households dependent on remittances	Reduction in wage rate <ul style="list-style-type: none"> ● reduced wage income ● reduced access to services & commodities 	Importance of remittances as % of household income
Fiscal contraction	Those dependent on government-service provision (health, education or social protection)	Reduction in availability of services	Extent to which basic service provision is ring-fenced
		Increased cost of access to services	
Commodity price shocks (food)	Those dependent on food purchase	Inability to access basic commodities due to increased cost and/or reduced availability	Dependence on food imports
	Casual wage labourers		Dependence on food purchase rather than own production
			Extent to which inflationary commodities are consumed by poor
Commodity price shocks (fuel)	The urban poor	Reduced ability to access basic fuel or transport services	Whether rising commodity prices are offset by domestic production

Figure 7 illustrates this summarised approach in more detail, setting out the main linkages from rising food prices to changes at the level of world, country, household and individual, mediated by the underlying factors at each level, which will affect the nature and severity of the impacts. However, the authors of the figure recognise that causality is complex, and that effects result from multiple causes and feedback loops, and that such analysis is essentially dependent on informed judgements regarding ‘plausible linkages’ as much as empirical data analysis (Compton et al., 2010).

Figure 7: Transmission of high food process from world to individual child level, showing underlying conditions and (in boxes) possible changes



Source: Compton, Wiggins and Keats, 2010

Key questions

- What are the characteristics of populations which are affected/likely to be affected, in the case of the shocks and impacts identified above?
- Are there systems and/or plans in place to gather and analyse data on vulnerable populations in the shock context?
- Is there a registry of current beneficiaries and groups considered vulnerable?
- Where vulnerable groups have been identified through a pre-existing process, how robust is that process? Are criteria for identification of the vulnerable acceptable?
- Are all relevant groups identified within the appraisal of existing shock-scenario analysis?
- Where impact modelling has been carried out, what is the basis for the modelling assumptions adopted? (for example, previous crises, micro simulations)
- Is there a need to carry out primary data analysis to ascertain actual or modelled need?
- What are the main data sources which are available for analysis – consider their usefulness and relevance in terms of: when were they completed; do they cover all the country; is the dataset complete; is the dataset contested; are the data correct; are impact indicators adequate?
- How might institutional and political preferences colour the identification of vulnerable populations in need of support?
- How long are the various impacts likely to last?

Approach

A mix of methodologies may be employed to identify the vulnerable groups, depending on the definition of vulnerability and objectives of the intervention, as discussed above. Key approaches will be data analysis, literature reviews and key informant interviews with development partners (DPs), key government and UN agencies.

It is important to consider what national data on poverty and vulnerability is available, and whether analysis of actual or modelled impacts on different population groups has been carried out, or whether evidence from other shocks nationally or internationally can be used to inform judgements regarding which groups are likely to be vulnerable.

If primary data analysis is necessary, it is important to consider the extent to which available data can be used to assess vulnerability in terms of timeliness, accessibility and value for analysis. To this end it would be valuable to carry out a review of available data and the extent to which they can be used to ascertain vulnerability. These are likely to include: i) national household survey data, ii) datasets generated by other development actors (ministries, NGOs, DPs) on particular groups or areas, and iii) national central registries used to identify the poorest and target service provision.

It is also important to identify whether systems are in place to gather data at the point of, or soon after, a shock, in order to ascertain vulnerability.

National Survey Data

Real time data on which to base a real time quantitative analysis of vulnerability and the identification of affected or potentially affected populations is, in most cases, not available. National household-survey data is often collected on a three-to-five-year schedule, or even less frequently. Inasmuch as recent data of adequate quality is available, it may be possible to carry out micro-simulations of the effects of various shocks to identify how different segments of the population are likely to be affected (by region, decile, urban/rural, labour

market profile etc.⁴). Such analysis may already have been carried out by DPs or government. One shortcoming of such analysis, which should be born in mind however is that the behavioural models underlying such simulations reflect the pre-shock structure of labour markets, and so need to be considered in the context of a broader appraisal of known post-shock changes.

Special Interest Surveys

Data collected by various agencies on specific population groups or geographical areas may be of value, and in some situations the identification of vulnerable populations (however defined) may already have taken place. Here, however, there may be some contestation of the quality of different datasets and their analyses. This could occur when, for example, different agencies argue that different population groups should be prioritised for support (which may reflect government or donor priorities). For this reason, there is a need to make a judgement regarding the information available, and to cross check it with a variety of sources. It is important to understand the criteria adopted by agencies assessing which segment of the populations should be prioritised for support, and the concerns driving this prioritisation, which may include food security, stability or the protection of market demand.

Sources

As noted above, agencies such as OCHA, WFP, and FEWS NET are likely to be able to provide at least part of the analysis required in terms of the identification of different vulnerable groups.

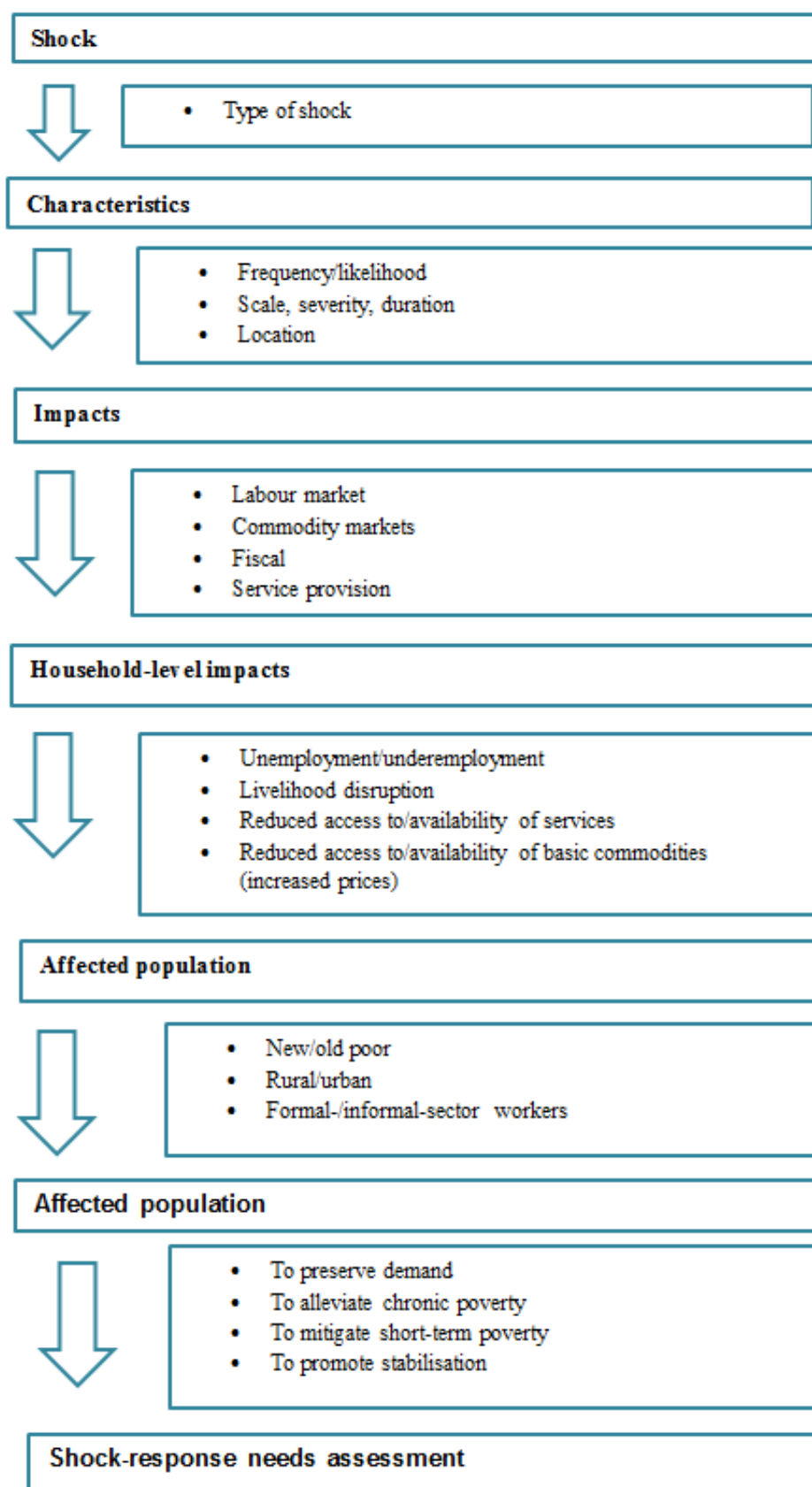
In each case there is a need to identify the characteristics of the vulnerable population(s), the size of the population implicated, their physical location, and some measure of their shock-response needs.

Shock needs-assessment summary

Having assessed the shocks to which country is vulnerable, ascertained their likely impacts and assessed which populations might be vulnerable, on the basis of a range of objectives, it is possible to make an assessment of the scale, location and characteristics of those in need of shock-response support through the social protection sector. This process of needs analysis is summarised in Figure 7.

⁴ See for example Habib, Narayan, Olivieri, and Sanchez-Paramo, (2010) who used a micro-simulation approach to assess the poverty and distributional effects of the 'Triple F' crisis in Bangladesh, Mexico, and the Philippine, which enabled them to assess the likely impact of the crisis in terms of headcount poverty in each country, and to identify the effects on different socio-economic groups.

Figure 8: Process of needs identification



5 Overview of current provision and previous shock responses

Having identified vulnerable populations and the ways in which they are likely to be affected by various shocks, it is necessary to move into the second phase of the appraisal, assessing the readiness of the social protection sector to provide support for these groups.

First it is necessary to map existing social protection provision and previous shock responses as outlined in this section, and then to review shock-response capacity in terms of technical, institutional political economy and fiscal considerations (section six), before making an appraisal of the shock-response capacity.

Mapping Current Provision

In order to assess shock readiness of the social protection sector, it is first necessary to identify the programmes currently in operation, and those which were adopted in response to previous shocks. The main instruments that have been used in recent years to provide a response to shock impacts in terms of i) preventing or reducing income loss, and ii) compensating for income loss/inflation to protect access to basic goods and commodities, are set out in Table 5 (copied from Table 1 above).

Table 5: Key social protection instruments adopted as shock responses (as in Table 1 above)

Function	Category of intervention	Specific instruments
Prevention/reduction of income loss	Active labour market policies (ALMPs)	<ul style="list-style-type: none"> • Employment/wage subsidies • Revision of working hours • Increase in minimum wage • Training • Public Employment Programmes
Compensation for income loss/inflation	Social security for those in <i>formal-sector employment</i> (contributory)	<ul style="list-style-type: none"> • Unemployment insurance • Sickness and disability benefits • Contributory pensions • Health insurance
	Social assistance for those in <i>informal-sector employment</i> , or <i>unemployed</i> (non-contributory)	<ul style="list-style-type: none"> • Cash transfers targeted on the basis of household poverty (may exclude households with working age labour) or specific demographic characteristics (e.g. the elderly, children, those with disabilities) • Public Works Programmes/Public Employment Programmes
	Basic service provision (may be universal or targeted)	<ul style="list-style-type: none"> • Health fee waivers or subsidies • Education fee waivers or subsidies
	Commodity subsidies (may be universal or targeted)	<ul style="list-style-type: none"> • Basic food subsidies • School feeding • Fuel subsidies • Input subsidies
	Emergency provision (where previous livelihoods are not viable)	<ul style="list-style-type: none"> • Food- and cash-transfer programmes • Emergency Cash for Work or Food for Work (CFW or FFW) programmes • In-kind transfers (household items, tents, etc.)

Having identified which instruments are in place, it is necessary to gather key design information for each, in order to appraise their potential for expansion in response to shocks. The key design features to be analysed are set out in the box below;

Key social protection design features

- Target group and eligibility criteria
- Coverage (absolute numbers and percentage of eligible population)
- Geographical distribution of programme
- Demand (entitlement) or supply driven (rationed)
- Targeting approach (for example, community based targeting, categorical, proxy means test.)
- Value of transfer
- Duration of provision
- Transfer delivery mechanisms (for example, hand delivery of cash, electronic transfer to bank, mobile phone transfer)
- Institutional location (for example, Ministry, Prime Minister's Office)
- Programme cost and budget
- Funding sources (domestic, donor)
- Scale up plans/triggers in place
- Lessons from use in previous shock experiences
- Cost of provision

What are most appropriate instruments? Discussion of benefits of alternative instruments

The main instruments are discussed in turn below in terms of their potential shock responsiveness.

Active labour market policies (ALMPs)

ALMPs relating to terms of employment (e.g. job subsidies, reduction in hours worked) can be rapidly implemented, post crisis, but would be better facilitated if the framework for their negotiation and implementation were in place in advance. However, such interventions are linked to formal-sector employment, which is limited in most LICs and many MICs, implying that such interventions would have only limited coverage and be restricted to protecting employment in the formal sector. Interventions, such as reduction in the minimum wage, could potentially provide compensation for reduction in working hours in contexts where such legislation is honoured, but again the likelihood is that the impact would be limited, particularly in LICs.

Social security provision

Social security, in the form of contributory pensions and unemployment benefits and disability payments, is linked to formal employment and, as such, reaches only a small percentage of the workforce, typically less than five per cent. Such programmes can address the needs of the 'new poor', but only inasmuch as this includes formal sector workers, particularly in relation to the impacts of financial crises offering a temporary safety net to enable consumption smoothing; they potentially also have an urban stabilisation function. However, such programmes cannot be rapidly scaled up in response to crises as they are conditional on a minimum period of contributions, and hence cannot rapidly accommodate a new caseload. However, they can be adapted at the margins: for example, by increasing the benefit value, reducing contribution requirements (reducing age at which members become eligible for pension receipt) or increasing the duration of payments, as in the case of the unemployment benefit.

Such programmes will not reach all formal sector workers, they will exclude almost all informal-sector workers, and those not engaged in the labour market. However, notwithstanding these limitations to coverage in this sector, it is relevant to review any plans for programme expansion as crisis response, as potentially a share of the ‘new poor’ may be included under such provision.

Where large scale food distributions are ongoing in a non-crisis context to address chronic or seasonal food insecurity, there may be a possibility of using existing delivery mechanisms to scale up provision should a shock occur, depending on pipeline food availability, and the existence of adequate trigger mechanisms for extended provision.

Social Assistance

Where there is a large informal sector, social assistance can potentially be scaled up to provide support in response to a crisis on a larger scale, and to a different population from social insurance, providing compensation for lost income and rising prices of goods and services among eligible populations. However, the potential to scale up is determined by a number of key design factors, detailed below.

Public works Programmes

Established PWP may be scaled up in response to a shock in support of the working-age poor excluded from transfer-based provision, although there are not many examples of this, and typically new PWP are set up in response to crises. However, most existing PWP in LICs are limited in terms of the amount of labour they are able to absorb, due to the high technical and capacity requirements of programme development and implementation, and so access even under normal conditions tends to be rationed. Existing PWP tend to focus on rural rather than urban employment provision, and so are not typically available to the ‘new poor’.

Subsidies

Where subsidies are in place there may be options for extending them, in response to crises – for example increasing the value of subsidies on basic commodities, such as food to compensate for price rises. Where such programmes are not in place, new schemes can be introduced rapidly in the wake of a crisis. They are not easy to target and hence can be inefficient, but where other options cannot be readily implemented, subsidies are an attractive immediate option to governments.

Fuel subsidies are typically regressive, offering greater benefits to the rich, but food subsidies by contrast tend to be progressive and, where commodities consumed directly by the poor are targeted, their effectiveness may be improved. Food subsidies can be implemented and expanded rapidly in support of a range of potentially vulnerable groups, but will entail some degree of inclusion error, which may be costly, and such programmes can be difficult to scale back or withdraw after they have been introduced.

Lessons from previous shocks and contingency plans

It is relevant to examine the instruments used in previous shocks to respond to shocks, as an indicator of both instrument preferences and capacity, and to explore whether there are contingency plans in place for replication in a new crisis context. Inasmuch as contingency plans are in place for shock responsive implementation and/or countercyclical financing of social protection provision, this should be considered relative to the scale and implied cost of programming to meet the needs identified above.

Discussion

Furthermore, there is a need to consider which instruments are currently in use; which, if any, have been identified for scale up; and which were used in the past and with what

efficacy. To ascertain this, key information is required about programming, i.e. the type of programme, eligibility, scale, coverage, location, generosity, delivery mechanisms and cost.

Where systems of provision have been established, based on either social assistance or insurance, there is greater potential for rapid scale up, with marginal changes to existing programming – although support will be limited to those groups eligible under normal conditions, with social insurance excluding informal-sector workers, and cash transfers generally excluding workers per se. Social-assistance provision for the majority of the population in most LICs, however, is very small scale and low coverage, typically oriented to grants for children and the elderly, with some limited schemes for the working-age poor, usually labour constrained.

This illustrates the difficulty in reaching informal-sector workers in shock responses (or conventional social protection provision), as argued by the IEG;

Informal sector workers easily fall between the cracks in the absence of programs that are able to provide support for the ‘missing middle’ of the scale (IEG, 2012:151).

This omission is important to consider when appraising shock readiness for supporting different vulnerable groups.

While microfinance measures (micro-credit, savings and insurance) are not generally included as social protection interventions, it may also be relevant to consider the extent and coverage of micro-insurance and credit as they may have a complementary role to play in reducing vulnerability among certain populations as part of a shock response.

Key Questions

- What social protection provision is currently in place?
- To what extent does existing provision have the potential to match the needs of the vulnerable population groups identified above in the most likely shock scenarios? (taking into account geographical, demographic, socio-economic and labour market characteristics and needs)
- Do those who are vulnerable to shock impacts map onto those covered by existing and planned provision?
- Is the design of current instruments amenable to rapid expansion?
- Are contingency plans in place and how adequate are they for meeting anticipated needs and affected population groups?
- Is countercyclical funding provision in place to finance an expansion of provision?

Approach

A combination of literature reviews and key informant interviews with key development partners (DFID, UNICEF, the ILO and the World Bank) and the relevant government will be necessary to construct a picture of provision and the characteristics thereof.

Sources

It may be that a mapping of provision is readily available. DFID, UNICEF and the World Bank, among others, have in recent years commissioned a number of studies to provide summary data on social protection provision in a number of countries, and the International Social Security Association (ISSA) Social Protection database offers descriptions of social

protection schemes by country.⁵ Such information may be comprehensive or partial, reflecting the interests of the agency commissioning the study, or out of date, and so may need to be reviewed, and updated or expanded, to gain a full overview. The range of relevant documents may include Public Expenditure Reviews, Social Protection Sector Reviews, or Social Protection Status reports (see Appendix 1 for more information on sources).

6 Analysis of shock-response capacity

Having identified the shocks, their impacts, vulnerable populations, and previous and current shock-response provision, the next step is an appraisal of the key determinants of shock responsiveness and scale up capacity. This needs to be considered in terms of the technical, institutional, political economy and fiscal factors, which will be key in determining shock response.

Key determinants of shock response

- Technical design of existing programmes
- The institutional context
- Political factors
- Fiscal space for shock response:

Technical Factors driving response capacity

The technical characteristics of existing social protection provision can play a role in determining its effectiveness as a form of shock response. Key design characteristics determining shock responsiveness in social protection instruments, which should be considered when reviewing existing provision, are outlined below.

Automatic stabilisers

Some forms of social protection provision can function as automatic stabilisers, increasing in coverage countercyclically as unemployment or poverty increases, with the best example being unemployment insurance provision. However, such social security provision of employment insurance tends to be extremely limited in most LICs and many MICs, often extending to less than 5% of the workforce, and excluding most informal-sector workers. Cash-transfer provision can also fulfil this function, but only where provision is demand driven, rather than supply driven, which is not the case in most LICs, where access to social assistance is typically highly rationed. Hence, it is important to review both social-assistance and social-insurance provision in order to assess the extent to which it is designed to fulfil an automatic stabiliser function.

⁵ ISSA Social Security Database <http://www.issa.int/Observatory/Social-Security-Observatory>

Payment mechanisms

Scaling up of cash-based payments may be constrained by physical delivery capacity, which may require significant increases in human investment. Electronic payment mechanisms, for example, through electronic bank or mobile phone transfers have the potential to be extended rapidly without facing physical constraints. These are also amenable to accommodating increases in transfer values in line with rising commodity costs, although amending the value of dedicated card-based transfer mechanisms may require significant input time in terms of reprogramming or reissuing, which may increase unit cost, reduce speed and diminish viability, and will be determined by the extent to which external commercial inputs are required to effect such changes. The ability to accommodate increases in transfer value to compensate for rising commodity costs is highly relevant to the adequacy of any shock-response transfer.

Targeting

The targeting approaches adopted may also influence shock-response potential. Universal targeting is quicker and easier to implement than closely targeted programming, and may be combined with geographical targeting to improve resource allocation to poorer areas. However, most existing social-assistance provision is targeted, using demographic, community-based-test or proxy-means-test approaches (CBT and PMT respectively). The simpler the criteria, the easier the expansion and responsiveness, but this may entail some degree of targeting error.

Where complex administrative processes are used to target populations, for example, using PMT, then rapid identification of new beneficiaries may not be viable. However, where targeting is based on an existing registry of the poor, including data on vulnerable groups not currently covered by existing provision, it is relatively easy to scale up to the next band of poor people, although the data may not accommodate inclusion of the 'new poor'. Hence the targeting approaches and data available within existing systems will play a role in determining the feasibility and potential speed of programme expansion.

Conditionality

The association of conditionality with social-assistance transfers renders them less amenable to rapid scale up due to the administrative requirements of compliance monitoring. If such conditions may be waived in a shock response, rapid scale up of such programmes is more feasible.

Eligibility criteria

The extent to which changes in eligibility criteria can be accommodated within a programme to include an additional target group will play a role in determining an instrument's shock responsiveness. Marginal changes increasing eligibility within already participating households, for example, increasing or reducing the age of eligibility, may be readily achievable, although these are conditional on the availability of relevant data within the programme. To include different beneficiary groups, however, may be more difficult, if, as is normally the case, data on groups previously ineligible for programme participation are not readily available. For example, many poverty targeted cash transfer programmes deliberately exclude households with available labour, and hence neither formal- nor informal-sector workers experiencing reduced labour demand can be supported through marginal changes to such programmes, as they are not eligible to participate in such programmes, limiting their potential shock-response function. Only cash-transfer programmes that can accommodate changes in eligibility criteria and that can operationalize this by accessing data enabling them to reach a different target group can flexibly assist alternative groups of beneficiaries.

Institutional Factors

The discussion of the possibility of adapting eligibility criteria above indicates the critical importance of data availability. In most contexts, real time data on those newly vulnerable

due to crisis is unavailable. In some instances, survey and monitoring systems can be rapidly developed to assess impacts and requisite responses, as in the case of Indonesia in 2009 but, in most cases, current data will not be available as a basis for programme development. In such contexts, the existence of key institutions such as **national registries** with data on programme beneficiaries may be relevant as a basis for programme expansion, as they typically include data on a wide range of actual or potential programme beneficiaries. In some instances, registries may include either recent census data, or information on households just above the cut-off point for poverty-targeted eligibility, offering the possibility for scaling up where impoverishment of the near poor is the concern.

Institutional mandates relating to crisis-response activity can also affect the extent of different agencies' shock readiness. Some institutions have mandates as the allocated agencies with responsibility for reacting to certain types of crisis, often specified in line with their institutional mandates and operational preferences. One example is national disaster-response agencies, which may coordinate a range of departmental and development partner inputs often in the wake of natural disasters, or the WFP, in the cases of food shocks. Most such agencies are prepared to respond to specific sets of crises: notably, humanitarian, natural-disaster, or conflict-related crises, rather than financial crises, although WFP in many countries monitors food prices and can respond rapidly through food distribution where the food pipeline is available.

Responses are most effective where there are pre-existing crisis response **coordination plans** and policies in place with **trigger mechanisms**, and pre-allocated responsibilities. In some cases pre-positioned stocks are in place, in cases where in-kind goods such as food are in use. Such responses are most likely where vulnerability to various types of environmental or political shocks is anticipated; populations are assessed to be vulnerable; and there is a presence of emergency-response agencies in situ.

In such a context many agencies have **contingency plans** and associated funding resources (for more on this, see the section on fiscal space, below) which may be triggered under certain circumstances. In such contexts, particularly where food security is a concern, there are several agencies which may take a mandate to develop **early warning systems**. Examples are the USAID FEWSNET, which monitors food production and access (through price monitoring) in many countries prone to food insecurity, and the WFP's crop and food security assessments (CFSA). Such assessments can be crucial in facilitating shock readiness and timely responses, usually in the form of food transfers or FFW, although this depends on the extent to which such analysis triggers effective responses. The extent to which early warning information actually triggers effective responses in humanitarian contexts is not always adequate (see for example Chatham House, 2012).

The presence of **civil society** in the form of NGOs and INGOs can also be a major factor in determining shock-response capacity. Civil society agencies can sometimes deliver when formal mechanisms for support are dysfunctional, and they can be an agent of emergency provision of social assistance, in the form of cash or voucher transfers or public-works employment, although again this is typically in humanitarian or fragile contexts where alternative social protection mechanisms are limited or not functioning. The Cash Learning Partnership (CaLP) is a good source of information on emergency social protection programming.⁶ Such interventions typically focus on assisting those experiencing acute food insecurity or livelihoods disruption rather than the chronic poor, and it is important to ascertain for each agency the characteristics of their anticipated beneficiary population.

While government, DP and INGO crisis-response plans are often in place in contexts of predictable slow- or rapid-onset crises (e.g. famines or seasonal floods respectively), such responses are less likely to be institutionally prepared for in contexts of sudden-onset

⁶ Extensive information on cash-transfer programming in humanitarian contexts is available at www.cashlearning.org.

financial crises, or crises in countries that are not fragile, subject to acute food security crises or prone to natural disasters and hence lacking an existing resource base of agencies engaging in shock-response activities.

In such contexts, there are not likely to be articulated mandates for existing social protection agencies in expanding provision. In many LICs where social protection provision may be fragmented across a range of actors, or where systems providing basic social assistance are under development, institutional capacity is often severely constrained in the attempt to roll out the provision of ongoing social-assistance transfers on a regular and predictable basis for the chronic poor. Such agencies may face severe constraints in terms of personnel, beneficiary databases and MIS in performing this core function. In such contexts the requirement to develop social protection provision which can also function as a shock-response system, may be perceived as a distortion of their primary mandate. Despite donor interest in social protection institutions taking on this additional role (for example as anticipated in the World Bank Rapid Social Response Trust Funds literature, (see World Bank, 2012b) the requirement for programming which can be rapidly scaled up, and potentially used to service additional target groups may be beyond the institutional capacity, mandate or aspirations of existing national social protection institutions.

In assessing the institutional context it is necessary to consider existing institutional capacity and mandates and also to review processes for monitoring and early warning; triggers; the extent of institutional coordination; and shock response pre-planning, as well as which population groups are included in such provision. The preconditions for effective shock responses in relation to humanitarian crises has been identified as the existence of clear institutional roles, coordination mechanisms and harmonised programming (Chatham House, 2012), and this is also true for responses in non-fragile contexts. Without such institutional clarity even effective early warning systems may fail to trigger appropriate responses (ibid).

The IEG has presented a similarly stark analysis of the importance of effective institutional systems in delivering rapid shock responses, highlighting the critical importance of **pre-existing** systems;

‘Interventions that involved institutional change and capacity building were unlikely to respond to immediate needs. Only where program parameters could be adjusted (temporarily or on short notice) – essentially only well-structured programs with strong information basis – might institutional changes be introduced that could contribute to crisis mitigation. [...] Institutional change, such as pension reform, drafting and passing regulations, training staff, building information systems, and altering targeting formulas and parameters, takes time to materialize in outcomes.’
(IEG, 2012: 146)

This fundamental insight is confirmed by the ILO, who conclude that:

‘The downturn of 2008/9 has once again served as a reminder of the importance of having schemes already in place before crisis strikes in order to be able to provide social security to the unemployed and all those affected.’ (ILO, 2010:105)

Political economy considerations

It is also important to consider the political economy of social protection provision in terms of shock responsiveness, as this is likely to influence the allocation of institutional capacity and fiscal resources, and decisions regarding which population group are identified as priority social protection recipients in crises. To some extent, this relates to the choices

outlined in Section 4 in terms of the function social protection is intended to play, and hence which groups will be prioritised for support (replicated in the box below).

The various functions of social protection

- A mechanism to address chronic poverty, and to compensate for increases in the depth of poverty arising from shocks
- A temporary safety net to support those falling into poverty as the result of a shock
- A mechanism to protect demand to stimulate economic activity
- A mechanism to promote stability and quell latent social unrest

Source: McCord, 2013

If governments are focused on the provision of basic social protection for the chronic poor, then shock-response programming to address acute needs may not be prioritised within government agencies; however, if there is a concern to prevent impoverishment among the ‘new poor’, to protect demand or pre-empt unrest, there is likely to be more interest from governments and donors to support an extension of the existing social protection shock response.

Donors, politicians and government agencies are influenced by institutional and political mandates, policy priorities and ideology, which create a range of incentives for responding to some needs over others and adopting particular instruments. For example, donor response capacity and programme preferences may be driven by the financing instruments to which they have access. For example, the World Bank tends to promote responses that are consistent with the Rapid Social Response (RSR) Trust fund criteria used to finance immediate shock responses, or WFP activities are consistent with Emergency Operation Programming options (EMOP). Or, response capacity and preferences can reflect institutional instrument preferences, with the ILO supporting the growth of development of social security systems primarily for the formal sector, with limited coverage in the short term, but the potential for expansion in response to future crises.

Similarly, institutions may have organisationally driven preferences in terms of which population group they identify as the priority for support, with the WFP, for example, highlighting the needs of the acutely food insecure, while other agencies may focus on the needs of the chronic poor in terms of provision priorities. There may even be dissent among different agencies, lobbying for the interest of groups consistent with their own institutional mandate to be prioritised in terms of in-country shock response.

Political administrations may prioritise support to their own supporter groups or seek benefits through rent extraction and corruption. In contexts of political instability, there may be political economy incentives to support potentially politically disruptive populations, even if these are not the most vulnerable, resulting, for example, in social protection programming oriented to the needs of urban youth (often PWP), or fuel subsidies in cases where stability, rather than absolute need, is the main driver of resource allocation. For these reasons it is necessary to consider the priorities of key actors in terms of the role of social protection in shock responses when assessing readiness. Conversely, the needs of other populations living in extreme chronic poverty, or at risk of loss of access to services and goods due to crises may be deliberately excluded from the national debate: for example, populations resettled as a result of government infrastructure or land-management policies, or marginal groups excluded from the national debate.

Finally, in some countries where institutions are striving to develop basic social protection provision, the issue of shock-responsive social protection may not be a live debate, and there may be no national discussion on future shock-response planning, as the focus is on responding to the certainty of current chronic poverty rather than the risk of future acute risks.

Fiscal space

Finally, it is necessary to review the fiscal space for social protection responsiveness, and whether there are measures in place to i) protect existing social protection budget allocations in the context of a crisis, or ii) provide countercyclical financing for scaling up or expanding provision.

The characteristics and financing modalities of existing social protection may have a bearing on how likely they are to be protected in the context of a fiscal crisis. For example, where programmes have a legislative or constitutional basis, their vulnerability to budget reduction is less of a risk than if they are purely discretionary. Similarly, if they are financed from specific tax revenues, then in the context of a financial slowdown, available funds may shrink pro-cyclically, reducing resources as the crisis progresses. Where programmes are financed from general revenue or donor funds, the overall fiscal envelope is likely to shrink in line with domestic, and also donor-resource constraints. In the context of an international financial crisis, this implies reductions in social protection spending, given the relatively weak domestic priority often accorded to social protection, and the weak negotiating position of ministries providing social protection. While many low- and middle-income countries adopted mildly expansionary fiscal stances in the immediate wake of the financial crisis, spending contracted in most in the years after the crisis as national income shrunk (Ortiz and Cummins, 2013).

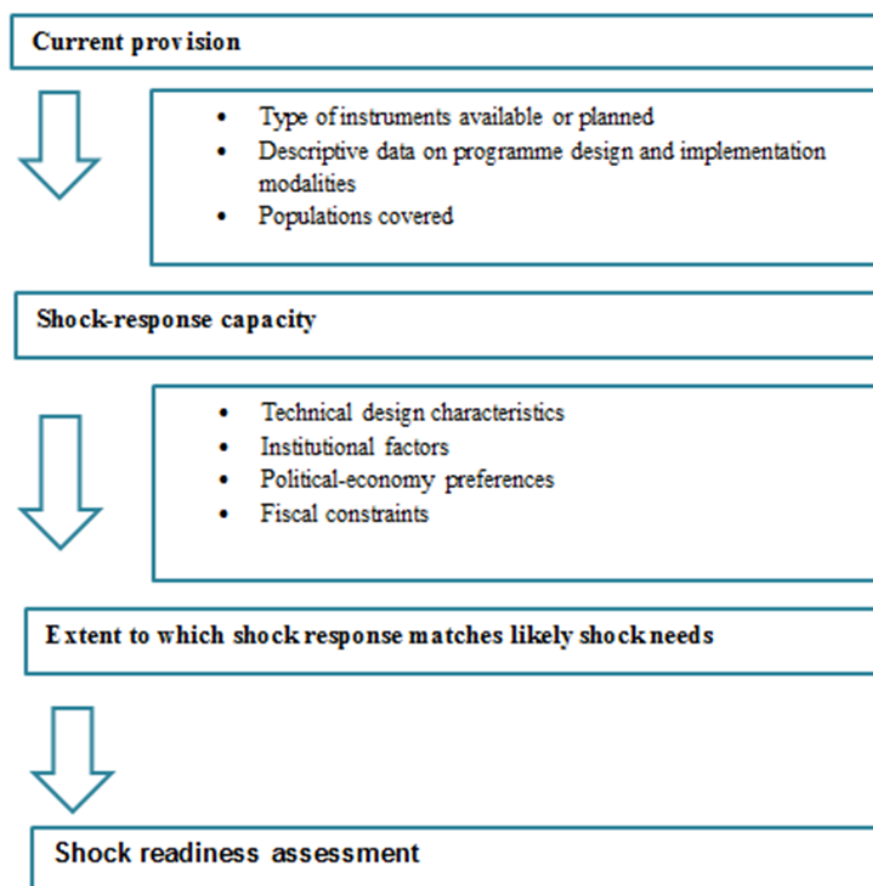
The extent of such constraints will also affect the extent to which new or expanded provision can be financed. To this end, a review of domestic and donor financing plans for the social protection sector is required. This needs to include a review of how the sector is financed during non-shock periods, to appraise its vulnerability, and an analysis of any countercyclical financing plans in place, both domestic and donor based. This might include an assessment of individual DP contingency funding plans, and multilateral funding options, including the World Bank's multi-donor RSR trust fund, or regional specific funds such as the African Risk Capacity (ARC) facility (a pan-African disaster-risk pool to provide governments with fast-disbursing contingency funds to finance drought responses). Reviewing the conditions of such funds would also be of value, as some, such as the RSR, provide primarily seed funding, to catalyse alternative funders, rather than making provision for large scale programme expansion available in response to shocks. Similarly governments may have plans to mobilise reserves or contingency funds to protect social expenditure, or facilities for debt financing. In such cases it is appropriate to examine the mechanism which triggers financing disbursements, and any conditions applying to the use of such funds.

Calculating the cost of provision implied by the needs identified above, based on extrapolations from current social protection budgets on the basis of a small number of key instruments (for example, cash transfers, unemployment insurance, subsidies), will provide an indication of the scale of contingency financing required, and the implications for the government treasury. This would enable an assessment to be made of the scale of expansion that could be made feasible using existing or countercyclical funding.

Having completed a review of the technical design of the systems and instruments in operation, the institutional context, the broader political economy of shock response, and the fiscal environment, the analysis to enable an assessment of the shock readiness of the system is complete.

A checklist summarising the process for response assessment is illustrated in Figure 9 below.

Figure 9: Steps in analysing shock-response capacity



Key Questions

Technical Design

- What are the design specifications of the major instruments in place and are they consistent with rapid scale up and expansion, (taking into account targeting approaches, payment modalities, conditionalities, the extent of contribution-based provision)?

Institutional Context

- What institutions are planning shock-responsive social protection programming?
- Are early warning systems in place, linked to triggers for action?
- Are there coordinated plans and a division of labour across agencies for shock response?

Political Economy

- What are the preferred approaches to shock response by different donors and government?
- How might government policy priorities affect the nature of shock responses?
- Do planned responses cover the groups potentially affected by different crises equitably, or prioritise the needs of certain groups over others?
- Are institutional priorities and funding sources driving their interpretation of needs and selection of response instruments?
- Are agencies mandated to deliver ongoing social protection for the chronic poor also expected to allocate financial and human resources to shock-response provision, and do social protection agencies accept this mandate?

Fiscal

- Is financing in the social sectors ring-fenced against spending reductions in situations of fiscal contraction?
- Are national government or donor contingency plans in place to ensure access to countercyclical spending on social-sector provision?
- How do available resources compare to the cost of expanding provision in the sector, in line with scenarios outlined above?

Sources and Approach

The approach adopted for the capacity review of technical design, institutional capacity, political economy and fiscal space will vary depending on the context, and entail a mix of policy analysis, budget analysis and key informant interviews with the agencies responsible for social protection provision, the Ministry of Finance and the donor community. The extent of primary evidence to be reviewed will depend on the availability of pre-existing documentation and literature analysing these issues, and the extent to which relevant policy discussion has already taken place.

7 Drawing conclusions regarding shock readiness and using the diagnostic process to identify strategic action points

Having worked through the six sections above, considering the shocks to which a country is vulnerable, the impact of those shocks on a country in terms of a range of dimensions including labour markets, commodity markets, productivity, service provision, and stability, and then considering the distribution of those impacts across the population to identify the most vulnerable groups, an assessment of the needs implied by potential shocks in a national context has been completed. Then, having completed the appraisal of existing provision, examining its characteristics in terms of scale, geographical distribution and technical design considerations which affect the potential to scale up rapidly, considering the institutional context, political economy preferences and fiscal space questions, the analysis of response capacity is also complete.

On the basis of this analysis it is now possible to draw conclusions regarding the readiness of a state to provide a social protection response to future shocks, and an outline of the feasible set of response options and major constraints to provision to be ascertained. This assessment of shock-response readiness is based on an informed appraisal of the overall policy and fiscal context, and making a judgement on the likelihood of the mix of state, development agency and civil society institutions active in the sector to respond effectively and adequately to future shocks, drawing on the process of systematic analysis of the key questions outlined in sections 1-6 above.

This process entails the accommodation of significant uncertainty and evidence gaps. However, working through the issues and questions outlined in this toolkit, adopting a range of approaches and reviewing a mix of primary and secondary evidence including qualitative and quantitative data, policy documentation, and key informant interviews, will enable an informed judgement to be made of the extent to which shock-responsive provision is in place. This will enable national or donor stakeholders to determine the extent to which responses in the sector are likely to be commensurate with need in a range of shock scenarios.

Identification of Priority Actions to Promote Future Shock Responsiveness

The third and final step in the diagnostic process is to identify prioritised action points to develop or adapt national social protection strategies in order to make them better adapted to cope with future shocks as necessary. These action points should be appropriate to the existing social protection context in terms of financial and technical capacity and should not distort ongoing sector development or divert resources away from provision against chronic needs.

Given the main shock scenarios in any given context, one or two key instruments, delivery systems or institutions should be identified based on the diagnostic process above, which could play a role in strengthening future shock response capacity. These would be broad ‘no-regrets’ interventions which would benefit overall sector performance, as well as promoting shock responsiveness, and could include pre-planning policy responses and programme design revisions, agreeing triggers for programme implementation or expansion, or establishing crisis financing processes. In LICs these would be simple, easy to implement interventions relating to low cost instruments, institutions or policies. ‘No-regrets’ policies with a narrower focus should also be considered. While scaling up social insurance provision in the formal sector may not be a priority in terms of extending provision for the poor, this may offer an option for enhancing automatic demand management responses in shock contexts, if the fiscal implications can be contained.

Having identified the key actions with potential to relieve existing constraints to shock responsive provision, engagement strategies need to be developed so that these priorities can be fed into sectoral planning processes and national social protection strategies. In this way national or donor stakeholders can use the analysis of shock readiness to contribute to ongoing national dialogue in the sector, and shock responsiveness can be enhanced to cushion the adverse impact of future shocks.

Key Questions

- In the light of the shocks to which a country is vulnerable, the populations likely to be affected and existing levels of provision, capacity, and institutional commitment to shock response through social protection, how effective is the social protection response to future shocks likely to be?
- What are the main constraints to shock responsiveness?

- What are the priority actions which can be implemented on a ‘no-regrets’ basis to enhance ongoing social protection provision and also improve future shock responsiveness?
- What engagement strategies can be adopted to introduce these sectoral reforms into national social protection strategies?

Approach

The appraisal of shock readiness may be answered by making a judgement based on the responses to the series of issues and questions raised above with the findings presented as a narrative report, structured in line with the seven sections of this toolkit.

In cases where such an appraisal has not formed an explicit part of the national social protection policy dialogue, the diagnostic process may be used as part of an ongoing policy engagement strategy, entailing close collaboration with key government, civil society and development partners to share and test the findings under each section and the conclusions and implications in terms of the priority action points arising.

In this way the appraisal process can serve to stimulate ongoing strategic debate around future preparedness in the sector and support the implementation of ‘no-regrets’ responses which will build overall sectoral capacity while also promoting future response performance.

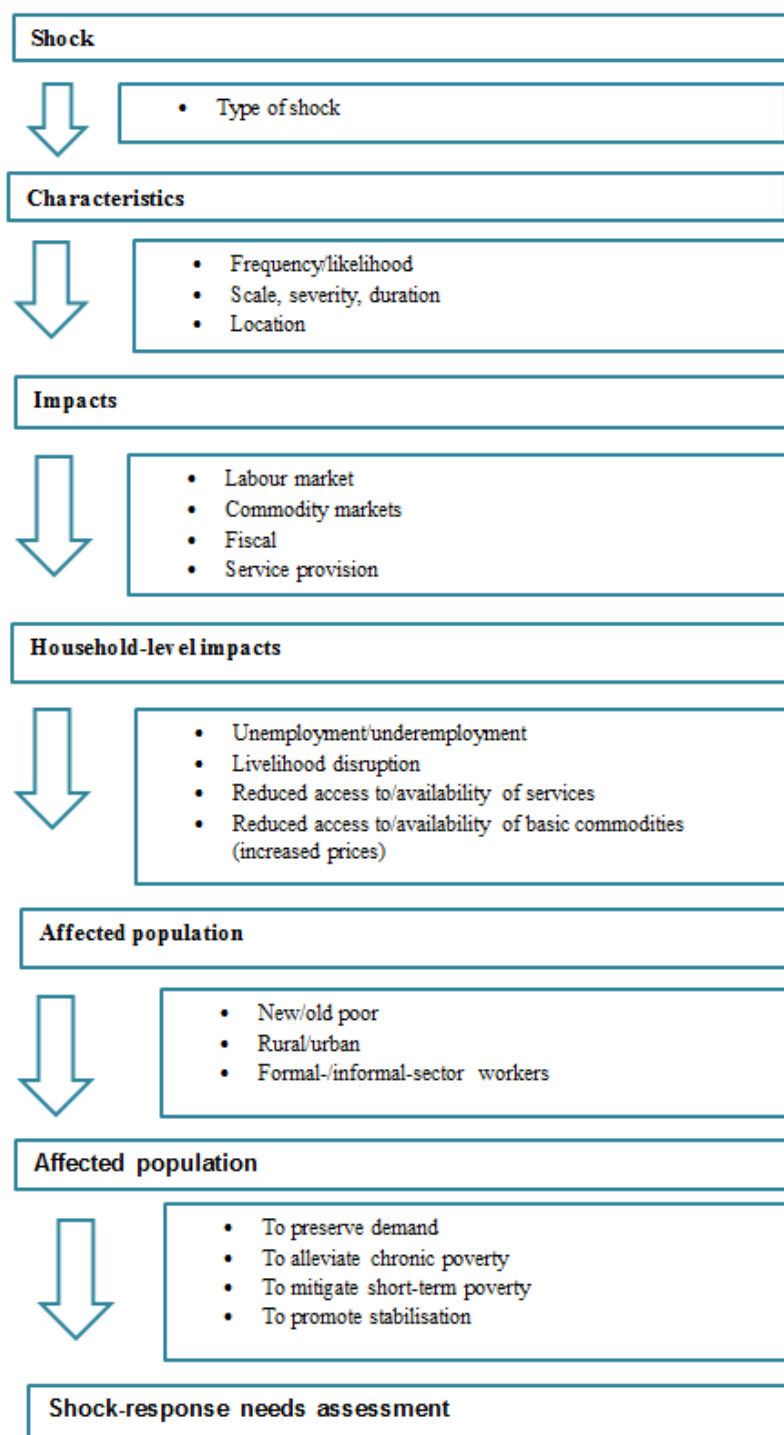
References

- Addison, T., Tarp, F. 2009. 'The global aid architecture and the triple crisis'. Conference paper, United Nations Research Institute for Social Development Conference 'Social and Political Dimensions of the Global Crisis: Implications for Developing Countries', Geneva, 12-13 November.
- Habib, B., Narayan, A., Olivieri, S. and Sanchez-Paramo, C. 2010. The impact of the financial crisis on poverty and income distribution: Insights from simulations in selected countries. *Economic Premise*, March 2010, No. 7. Poverty Reduction and Economic Management Network (PREM). Washington, DC: World Bank.
- Chatham House. 2012. 'Translating Early Warning into Early Action'. Workshop Summary, 11-12 April 2012.
- Clay, E., Keats, S., and Lanser, P. 2011. *Incorporating Global Food Price Spikes into the Risk Management Agenda*. ODI report prepared for UK DFID. London: ODI. <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7336.pdf>
- Compton, J., S. Wiggins and S Keats. 2010. *Impact of the Global Food Crisis on the Poor: What is the Evidence?* London: Overseas Development Institute. www.odi.org.uk/resources/download/5187.pdf.
- Davies, M. and McGregor, J.A. 2009. *Social Protection: Responding to a Global Crisis*. Brighton: Institute of Development Studies.
- Grosh, M., Andrews, C., Quintana, R., Rodriguez-Alas, C. 2011. *Assessing Safety Net Readiness in Response to Food Price Volatility*. Social Protection and Labour Discussion Paper 1118. September. Washington, DC: World Bank.
- Holmes, R. and Jones, N. 2010. *How to design and implement gender-sensitive social protection programmes*. ODI Toolkit. London: ODI. <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6262.pdf>
- IEG (Independent Evaluation Group). 2011. *Social Safety Nets: An Evaluation of World Bank Support, 2000–2010*. Washington, DC: Independent Evaluation Group, World Bank.
- IEG. 2012. 'Support to Social Protection during the Global Financial Crisis', in *The World Bank Group's Response to the Global Economic Crisis—Phase II*. Washington, DC: Independent Evaluation Group, World Bank, 91-107.
- ILO. 2010. 'Responding to economic crisis with social security', in [PLEASE INSERT AUTHORS HERE] *World Social Security Report 2010/11: Providing coverage in times of crisis and beyond*. Geneva: ILO, 105-119
- ISSA (International Social Security Association). 2009. 'Social security systems: Responding to the crisis'. *Social Policy Highlight* 10, November. Geneva: ISSA.
- ISSA. 2012. *Coping with the crisis: Managing social security in uncertain times..* Geneva: The ISSA Crisis Monitor Project, ISSA.
- Lepeshko, N . 2011. *Global Food Price Crisis and Safety Nets Response: Experience of IDA Countries in ECA*. Washington, DC: World Bank.

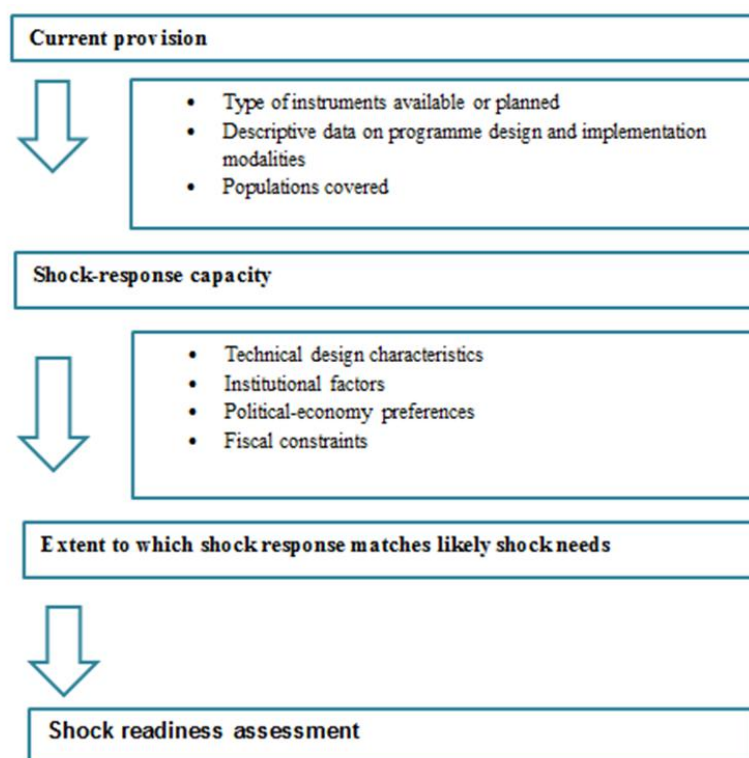
- McCord, A, 2013. *Review of the literature on social protection shock responses and readiness*. Prepared for DFID. London: ODI.
- McCord, A and Fidalgo, L. 2012. *Shockwatch & Social Protection: Shock Response Readiness Appraisal in Mozambique*. ODI case study prepared for DFID. London: ODI.
- McCord, A and Zvogbo, K. 2012. *Shockwatch & Social Protection: Shock Response Readiness Appraisal Zimbabwe*. ODI case study prepared for DFID. London: ODI.
- Marzo, Federica and Mori, Hideki. 2012. *Crisis Response in Social Protection*. Social Protection & Labor Discussion Paper No. 1205. Background Paper for the World Bank 2012-2022 Social Protection and Labor Strategy. Washington, DC: World Bank.
- Ortiz, I, and Cummins, M. (2013) *The Age of Austerity – A Review of Public Expenditures and Adjustment Measures in 181 Countries*. Initiative for Policy Dialogue and the South Centre Working Paper. March. New York: Initiative for Policy Dialogue. http://policydialogue.org/files/publications/Age_of_Austerity_Ortiz_and_Cummins.pdf
- Samson, M. 2009. *The Implications of the Global Financial Crisis for Low-Income Countries*. Cape Town: Economic Policy Research Institute (EPRI).
- World Bank. 2008. ‘Customizing Safety Nets for Different Contexts’. Chapter 10. *For Protection & Promotion: The Design & Implementation of Effective Safety Nets*. Washington, DC: World Bank.
- World Bank. 2012. *Rapid Social Response Program: Progress Report 2012*. Washington, DC: World Bank.
- World Bank. 2009. *Framework Document for a Rapid Social Response Program*. Washington, DC: World Bank.
- World Bank. 2009. *World Bank Group Operational Response to the Crisis*. Washington, DC: World Bank, 2009. Board Paper.
- World Bank. 2012a. Resilience, Equity and Opportunity: The World Bank’s Social Protection and Labor Strategy 2012–2022. Sector Strategy Paper. Washington, DC: World Bank.
- World Bank. 2012b. *Rapid Social Response Program: Progress Report 2012*. Washington, DC: World Bank.
- World Bank. 2013. *World Development Report*. Washington, DC: World Bank.

Appendix 1: Diagnostic Approach Summary

Step One: Needs Appraisal



Step 2: Response Appraisal



Step 3: Identification of Policy Response Options

Identification of priority actions to promote future shock readiness and integration into national social protection strategies

Appendix 2: Check List of Key Questions and potential sources of information

Table 6: Shocks: Assessing the range and likelihood of potential shocks to which a country is at risk

Issues	Key Questions	Sources of Information
Assessing the range and likelihood of potential shocks to which a country is at risk	<p>Which shocks have affected the country in last decade or are anticipated in the future?</p> <p>When, how often, and under what conditions have these shocks occurred?</p> <p>What is the likelihood of shock occurrence?</p> <p>When severity and frequency are considered together, which shocks should be prioritised for response analysis?</p>	<p>DFID Multi-Hazard Risk Assessments https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/191840/Minimum_standards_for_embedding_Diaster_Resilience.pdf</p> <p>DFID Business Cases: http://projects.dfid.gov.uk/</p> <p>FEWS NET: www.fewsnet/</p> <p>Global Humanitarian Risk Index (GHRI): (due for completion 2013) williamscv@un.org</p> <p>OCHA Global Focus Model (GFM): williamscv@un.org</p> <p>Poverty Reduction Strategic Plans (PRSPs) http://www.imf.org/external/np/prsp/prsp.aspx</p>

Issues	Key Questions	Sources of Information
		<p>UNDP and UNEP Disaster Risk Index (DRI): http://nat-hazards-earth-syst-sci.net/9/1149/2009/nhess-9-1149-2009.html</p> <p>World Bank Project Appraisal Documents (PADs): http://search.worldbank.org/all?qterm=PAD</p> <p>World Economic Forum (WEF) Global Risk Report: http://www.weforum.org/reports/global-risks-2013-eighth-edition</p> <p>WFP Vulnerability Analysis Mapping (VAM): vam.wfp.org/</p>
Identifying potential impacts	<p>Economic</p> <p>How dependent is the economy on external markets for its exports and what are the likely implications for these markets in various shock scenarios?</p> <p>How dependent is the economy on imports of basic commodities?</p> <p>How important is the role of remittances?</p>	
	<p>Fiscal</p> <p>What are the implications of fiscal contraction on access to and availability of key services (health, education and social protection)?</p> <p>To what extent, if at all, is spending on health, education and social protection ring-fenced by government and donors?</p> <p>Are governments under pressure to reduce spending in these sectors as part of fiscal stabilisation and deficit reduction plans?</p> <p>Is countercyclical funding for key sectors available from alternative sources?</p>	

Issues	Key Questions	Sources of Information
	<p>How have budgets changed and how do budgets compare to actual funds released to the relevant line</p> <p>What is the process for the prioritisation of reduced resources within health education and social protection sectors?</p> <p>What are the implications for pre-existing sectoral development plans?</p>	
	<p>Labour Markets</p> <p>What is the impact of the crisis on different segments of the labour market?</p> <p>Which sectors are most affected?</p> <p>What is the likely duration of this disruption?</p>	
	<p>Commodity markets</p> <p>To what extent are key commodity markets (food and fuel) dependent on imports?</p> <p>Are imports available to compensate for domestic reduction and can markets function to process them?</p> <p>Are there sufficient foreign exchange reserves to purchase additional imports?</p> <p>What are the implications for access (cost) and availability?</p>	
	<p>Environmental</p> <p>What are the likely impacts of environmental shocks on productivity, population movements and livelihood coping mechanisms?</p>	
	<p>Political</p> <p>To what extent are current or future policy decisions likely to result in significant reductions in existing provision of services (e.g. due to fiscal contraction) or increase the need for provision (e.g. due to disruption of livelihoods and economic slowdown)?</p>	

Issues	Key Questions	Sources of Information
Identifying the vulnerable	<p>What are the characteristics of populations which are affected/likely to be affected, in the case of the shocks and impacts identified above?</p> <p>Are there systems and/or plans in place to gather and analyse data on vulnerable populations in the shock context?</p> <p>Is there a registry of current beneficiaries and groups considered vulnerable?</p> <p>Where vulnerable groups have been identified through a pre-existing process, how robust is that process? Are criteria for identification of the vulnerable acceptable?</p> <p>Are all relevant groups identified within the appraisal of existing shock-scenario analysis?</p> <p>Where impact modelling has been carried out, what is the basis for the modelling assumptions adopted? (for example, previous crises, micro simulations)</p> <p>Is there a need to carry out primary data analysis to ascertain actual or modelled need?</p> <p>What are the main data sources which are available for analysis – consider their usefulness and relevance in terms of: when were they completed; do they cover all the country; is the dataset complete; is the dataset contested; are the data correct; are impact indicators adequate?</p> <p>How might institutional and political preferences colour the identification of vulnerable populations in need of support?</p> <p>How long are the various impacts likely to last?</p>	
Mapping Existing Provision	<p>What social protection provision is currently in place? – list instruments and key design characteristics.</p> <p>To what extent does existing provision have the potential to match the needs of the vulnerable population groups identified above in the most likely shock scenarios? (taking into account geographical, demographic, socio-economic and labour market characteristics and needs)</p> <p>Do those who are vulnerable to shock impacts map onto those covered by existing and planned provision?</p> <p>Is the design of current instruments amenable to rapid expansion?</p>	<p>ISSA Social Security Database; http://www.issa.int/Observatory/Social-Security-Observatory</p> <p>http://siteresources.worldbank.org/EXTPERGUIDE/Resources/PER-SocialProtection.pdf</p> <p>World Bank Atlas of Social Protection (ASPIRE) http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTS</p>

Issues	Key Questions	Sources of Information
	<p>Are contingency plans in place and how adequate are they for meeting anticipated needs and affected population groups?</p> <p>Is countercyclical funding provision in place to finance an expansion of provision?</p>	<p>OCIALPROTECTION/0..contentMDK:22986320~menuPK:8117656~pagePK:148956~piPK:216618~theSitePK:282637,00.html</p> <p>Public Expenditure Reviews Social Protection Sector Reviews Social Safety Net Reviews Social Safety Net Status Reports</p>
Capacity	<p>Technical Design</p> <p>What are the design specifications of the major instruments in place and are they consistent with rapid scale up and expansion, (taking into account targeting approaches, payment modalities, conditionalities, extent of contributions based provision)?</p>	
	<p>Institutional Context</p> <p>What institutions are planning shock responsive social protection programming?</p> <p>Are early warning systems in place, linked to triggers for action?</p> <p>Are there coordinated plans and a division of labour across agencies for shock response?</p>	
	<p>Political Economy</p> <p>What are the preferred approaches to shock response by different donors and government?</p> <p>How might government policy priorities affect the nature of shock responses?</p> <p>Do planned responses cover the groups potentially affected by different crises equitably or prioritise the needs of certain groups over others?</p> <p>Are institutional priorities and funding sources driving their interpretation of needs and selection of response instruments?</p> <p>Are agencies mandated to deliver ongoing social protection for the chronic poor also expected to allocate financial and human resources to shock response provision and do social protection agencies accept this mandate?</p>	

Issues	Key Questions	Sources of Information
	<p>Fiscal</p> <p>Is financing in the social sectors ring-fenced against spending reductions in situations of fiscal contraction?</p> <p>Are national government or donor contingency plans in place to ensure access to countercyclical spending on social sector provision?</p> <p>How do available resources compare to the cost of expanding provision in the sector in line with scenarios outlined above?</p>	
Shock Readiness Appraisal	In the light of existing levels of provision, capacity, and institutional commitment to shock response through social protection, how likely is an effective social protection response to future crises?	
Identification of priority actions to develop or adapt national social protection strategies to improve future shock response	<p>What are the main constraints to shock responsiveness?</p> <p>What are the priority actions which can be implemented on a 'no-regrets' basis to enhance ongoing social protection provision and also improve future shock responsiveness?</p> <p>What engagement strategies can be adopted to introduce these sectoral reforms into national social protection strategies?</p>	

ODI is the UK's leading independent think tank on international development and humanitarian issues.

Our mission is to inspire and inform policy and practice which lead to the reduction of poverty, the alleviation of suffering and the achievement of sustainable livelihoods.

We do this by locking together high-quality applied research, practical policy advice and policy-focused dissemination and debate.

We work with partners in the public and private sectors, in both developing and developed countries.

Readers are encouraged to reproduce material from ODI Reports for their own publications, as long as they are not being sold commercially. As copyright holder, ODI requests due acknowledgement and a copy of the publication. For online use, we ask readers to link to the original resource on the ODI website. The views presented in this paper are those of the author(s) and do not necessarily represent the views of ODI.

© Overseas Development Institute 2013. This work is licensed under a Creative Commons Attribution-NonCommercial Licence (CC BY-NC 3.0).

ISSN: 2052-7209

Overseas Development Institute
203 Blackfriars Road
London SE1 8NJ
Tel +44 (0)20 7922 0300
Fax +44 (0)20 7922 0399