

## TC Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Strengthening adaptive social protection systems in Latin America and the Caribbean
▪ TC Number:	RG-T4446
▪ Team Leader/Members:	Tejerina, Luis R. (SCL/SPH) Team Leader; Bagolle, Alexandre (SCL/SPH) Alternate Team Leader; Jimenez Mosquera, Javier I. (LEG/SGO); Suarez Vazquez, Gines (CSD/RND); Lim Chae Hyun (SCL/SPH); Casco, Mario A. (ITE/IPS); Chavez Mendoza Cecilia (SCL/SPH); Leuliet-Kang, Donghyun (SCL/SPH); Delfs Ilieva Isabel (SCL/SPH); Mendez Florencia Magdalena (SCL/SPH); Silveira, Sheyla (SCL/SPH); Medellin Almanza, Nadin Fabiola (SCL/GDI)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	03-27-2024
▪ Beneficiary:	REGIONAL (Argentina, Brazil, Barbados, Bahamas, Belize, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Peru, Panama, Paraguay, Suriname, Uruguay, Venezuela)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$600,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	06-01-2024
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	SCL/SPH-Social Protection & Health
▪ Unit of Disbursement Responsibility:	SCL/SPH-Social Protection & Health
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Diversity; Gender equality; Institutional capacity and rule of law; Persons with Disabilities; Social inclusion and equality

### II. Objectives and Justification of the TC

- 2.1 The Technical Cooperation (TC)'s general objective is to strengthen the capacity for preparation and response to adverse events of the social protection systems in Latin America and the Caribbean (LAC). The specific objectives are: (i) strengthen social registries and payment mechanisms as tools for preparation and response to shocks; (ii) strengthen the adaptation capacity of social programs and services; and (iii) disseminate and exchange good practices and experiences between LAC countries.
- 2.2 Poor households are more exposed to natural disasters and suffer more from their impact. In the LAC region, an estimated 78 million poor people or more live in areas that are highly exposed to climate-related shocks (Bagolle et al 2023). In affected areas, disasters cause significant losses and increased risk of poverty. In Central

America, it has been estimated that the increased intensity of hurricanes can cause losses of 0.9% to 1.6% of Gross Domestic Product (GDP) and can increase extreme poverty by 1.5%. On average, when flooding or storms occur, poor people lose two to three times more than people who are not poor (Hallegatte and Rozenberg, 2017). Poor households also have fewer resources to prepare for and recover from the effects of climate shocks. For instance, they have fewer formal and informal support networks, as well as reduced access to formal savings and credit mechanisms, and insurance (Dabla-Norris et al., 2015; Nazrul and Winkel, 2017). Certain population groups, such as women, children, and elderly people are more affected by the impacts of climate shocks. Beyond their impact on the poor, extreme weather events and disasters affect the livelihoods of vulnerable groups; that is, of people and households that are not currently in poverty but are at risk of descending into poverty due to shocks. Finally, shocks and adverse events can cause significant disruptions in the functioning of social services (particularly care services for children and elderly people who are especially vulnerable to climate change) and therefore imply the need to adapt these services and programs.

- 2.3 Governments in the region have been quick to react to crises, but generally after the fact and without a pre-arranged plan for doing so. One of the limiting factors for these responsive features of social protection systems to work is the need for a broad coordination with different government stakeholders that play a role in emergency situations. Any time lost in helping households results in inefficiencies due to improvisation or lack of coordination among government agencies. On the contrary, the gain from having emergency response available one month earlier is 0.8% of per capita income over the long term (Hill et al 2019). In the case of droughts, a difference of four months in delivering help to households can increase the costs from US\$50 to US\$1,300 (Clarke y Vargas 2013).
- 2.4 Adverse events also particularly affect children as part of the vulnerable populations. For example, droughts reduce the quality and quantity of food production and contribute to malnutrition (FAO IFAD UNICEF, 2018), floods affect learning (Khalid et al., 2022) and unpredictable catastrophic events threaten the mental health of families by causing anxiety, depression and stress (Hayes et al., 2018; Wind et al., 2020) which translates into less time spent caring and playing with children and even increases in the use of violence in the home (Näslund-Hadley et al., 2020). Vulnerability is exacerbated when a disability is present due to factors related to mobility difficulties, pre-existing medical conditions, structural social (stigma and discrimination) and physical, in addition to the fact that they may experience more health problems, new disabilities, malnutrition and abuse during and post disaster.
- 2.5 In addition to climate shocks, vulnerable population suffer from environmental degradation. It is estimated that more than 24 million poor people live in areas of high ecosystem value that are in a process of rapid degradation. Considering that the livelihoods of poor households depend disproportionately on natural capital (such as forests resources, or soil and water quality), environmental degradation can deeply affect their wellbeing, especially in poor rural areas of the region. In this context, social protection programs, such as cash transfers or economic inclusion programs can support poor households in developing resilient livelihoods, while contributing to natural capital conservation (Bagolle et al, 2023).
- 2.6 As the established partner in social protection in the Region, the Bank has received increased demand from member countries to help strengthen social protection systems that can respond quickly to assist the population in the face of all these shocks

and help design tools, facilitate the sharing of best practices and creating use cases for more efficient systems. The discussion on establishing a regional network is currently underway with several countries, including Argentina, Chile, Ecuador, Peru, Colombia, Brazil, Paraguay, Panama, Costa Rica, the Dominican Republic, El Salvador, Suriname, Guyana and Belize. The creation of this TC aims to respond to the demonstrated needs from countries in creating a space of information exchange and discussion. r

- 2.7 The construction of adaptive social protection systems requires strong information systems, governance and coordination that cover many Government and civil society institutions, infrastructure to deliver services to both remote and densely populated areas. To meet this demand, the Bank has been preparing a series of tools, guidelines and studies.
- 2.8 This TC will build on the progresses made under the “Support for the Development of Comprehensive and Responsive Social Protection Systems for the Resilience of Vulnerable Households” - ([ATN/AC-18441-RG](#), [ATN/MD-18440-RG](#), [ATN/OC-18439-RG](#)), which financed the generation of knowledge products (position paper on protection and climate change), diagnostic tools (maturity models), and supported the design of five social protection operations with preparation and shocks response components. It will also support the implementation and strengthening of key tools for preparation and response to shocks, such as social registries, payment mechanisms, and the adaptation of programs and services in countries with higher exposure and vulnerability to adverse events, especially those related to climate change. To ensure the lessons learned from the TC mentioned above, this TC aims to ensure to prioritize and expand strategic dialogues especially in the Bank’s Regional Policy Dialogue, as well as to solidify multisectorial teams to facilitate a comprehensive approach to tackling complex issues such as social policy, climate change and risk management. The [ATN/AC-18441-RG](#), [ATN/MD-18440-RG](#), [ATN/OC-18439-RG](#) contributed in the design of adaptation to climate change in four countries: El Salvador, Honduras, Haiti and Panama. This TC aims to scale up these efforts, applying the lessons learned to more countries in the region, and enhancing the monitoring and evaluation processes to better measure the impact and effectiveness of the progress. Furthermore, lessons learned highlighted that establishing coordination spaces with international cooperation actors and multilateral development banks, such as Economic Commission for Latin America and the Caribbean (ECLAC) and the World Bank (WB) in the region, has been crucial in addressing poverty, shock response and climate adaptation and in reducing the duplication of efforts. This TC will formalize these relationships through joint action plans to ensure a more aligned approach to shared goals.
- 2.9 **Strategic Alignment:** The Program is consistent with the “IDB Group Institutional Strategy: Transforming for Scale and Impact” (CA-631) and is aligned with the objectives of: (i) reducing poverty and inequality, through strengthening adaptive social protection systems to identify and safeguard vulnerable populations who are disproportionately affected by climate shocks. These groups are more exposed and have fewer resources to manage these disruptions; (ii) addressing climate change, by developing technical proposals that focus on the escalating threats posed by climate-related shocks, including rapidly intensifying phenomena like El Niño, droughts, and typhoons in the region, and (iii) bolstering sustainable growth, through promoting investment in digital infrastructure that ensures resilience and inclusivity of population affected by the climate events. Especially regarding the institutional strategy objective

of addressing climate change, this is very well aligned with the Sustainable Development Goal (SDG) Indicator 13.1.1 as this program aims to strengthen resilience and adaptive capacity. The Program is also aligned with the operational focus areas of: (i) gender equality and inclusion of diverse population groups; (ii) institutional capacity, rule of law, and citizen security; (iii) social protection and human capital development; and (iv) sustainable, resilient, and inclusive infrastructure.

- 2.10 Additionally, this TC highlights the priority areas of the fund financing Window 2 - Social Development (W2E) (GN-2819-14), specifically with the Priority Area 1: Climate change and environmental sustainability, as this TC aims to strengthen the adaptation of climate consequence; Priority Area 3: Effective, efficient, and transparent institutions, by strengthening and supporting the capacity building of the digital transformation of interoperable social services; and Priority Area 5: Inclusive social development, by identifying the vulnerable populations and ensuring the social protection of the most vulnerable populations before the climate shock. Furthermore, this TC is aligned with “*America en el Centro*”, a Bank’s initiative, specifically with the thematic area of risk management for disasters and preparedness for climate induced social challenges.

### III. Description of activities/components and budget

- 3.1 The TC will aim to generate four main products: (i) the creation of a regional learning network for the strengthening of social registries; (ii) the generation of knowledge for the creation of inclusive and shock-responsive social registries and payment mechanisms; (iii) strategies for the adaptation of social services and programs for preparation and response to shocks; and (iv) the publication of two case studies and two technical notes on successful experiences of adaptation of social protection systems to climate change.
- 3.2 **Component 1: Support for the creation of a network and knowledge base for social registries (US\$350,000).** This component will fund the implementation of a network for social registries of the region including a platform for a community of practice and a schedule of six webinars per year on issues selected by the network. This includes an in-person meeting of the network. It will also fund the implementation of diagnostics and best practices documentation through case studies of social registries and the implementation of a needs assessment tool developed under [ATN/AC-18441-RG](#), [ATN/MD-18440-RG](#), [ATN/OC-18439-RG](#).
- 3.3 **Component 2: Adaptation of systems and services to Climate change (US\$250,000).** This component will focus on the broader Social Protection System and will fund the development of technical proposals to adapt different types of social services to climate change. These include for example early childhood development centers, long term care facilities, services to persons with disabilities and productive inclusion programs. The potential disruptors of climate include not only direct natural disasters, but also indirect sanitary and economic events caused by climate events such as pandemic and inflation of basic food basket. The component will also fund the organization of seminars, the creation of case studies and best practices from experiences in the region and the world on successfully adapting social protection systems to climate change.
- 3.4 **The total amount requested for the two components under this TC is US\$600,000.** The funds will be provided by OC SDP Window 2 - Social Development (W2E). The disbursement and execution period will be 36 months. The following table provides further detail on the resource allocation for each component.

**Indicative Budget (US\$)**

Activity/Component	Description	IDB/ Total Fund Funding (W2E)
<b>Component 1: Support for the creation of a network and knowledge base for social registries</b>	Organization of a platform for a community of practice, six virtual webinars, one in-person meeting, and case studies	350,000
<b>Component 2: Adaptation of systems and services to Climate change</b>	Development of technical proposals to adapt different types of social services to climate change	250,000
<b>Total</b>		<b>600,000</b>

**IV. Executing agency and execution structure**

- 4.1 The Bank will be executing this TC given the high level of complexity and coordination required between countries in the region. The Social Protection and Health Division (SCL/SPH) has the capacity and technical expertise required to carry out these processes.
- 4.2 The activities to be executed under this TC have been included in the Procurement Plan and will be executed in accordance with the procurement methods established by the Bank, namely: (i) hiring of individual consultants, as established in AM-650 standards; (ii) contracting of consulting firms for services of an intellectual nature in accordance with the Policy for the Selection and Contracting of Companies for Operational Work executed by the Bank (document GN-2765-4) and its associated operating guidelines (OP-1155-4); and (iii) contracting of logistics services and other services other than consulting, in accordance with the IDB Corporate Procurement Policy (GN-2303-28).
- 4.3 In accordance with the Annex II OP-619-4, the Bank is responsible, with no required justification, for the selection and hiring of consultancy services, as this TC is defined as Research and Dissemination therefore a Bank initiative.
- 4.4 The SCL/SPH will coordinate closely with the respective country offices of Argentina, Chile, Ecuador, Peru, Colombia, Brazil, Paraguay, Panama, Costa Rica, the Dominican Republic, El Salvador, Suriname, Guyana and Belize of which agencies of social registries demonstrated interest and actively engage in creating a regional network. The operational actions and advances will be shared with these country offices. All knowledge products derived from this TC will be the Bank's intellectual property and will be published through the Bank's web page and other means accounted for in the indicative budget such as the webpage for digital material of the Social Sector (Social Digital). If activities in one of the participating countries are required, the team will obtain the country's no objection before the start of the activities.<sup>1</sup>

**V. Major issues**

- 5.1 The TC presents minimal risks due to the explicit demand from member countries, as reflected in their request for participation. However, a notable challenge lies in ensuring effective coordination with other multilateral organizations such as WB and

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<sup>1</sup> Before any intervention in a country, the team will coordinate with the corresponding country office and obtain the non-objection letter.

the ECLAC. To address this, the Bank has been proactively engaging with both the WB and the ECLAC harmonizing activities in this sector and pooling resources to maximize the impact of establishing the network. A critical area of focus has been the development of a robust framework for coordination. This involves regular strategic meetings between these multilateral institutions, shared platforms for information exchange with member countries, and joint decision-making processes to ensure all activities align with the collective goal of the network.

- 5.2 Another potential risk involves the sustainability of the network. In response, the Bank is designing a dynamic governance structure that promotes adaptability between the abovementioned multilateral institutions. This structure includes a rotational facilitation model, where different multilaterals take turns leading the network meetings and knowledge-sharing webinars. This not only ensures a balanced distribution of leadership responsibilities but also encourages continuous engagement and investment by all participating organizations.

## **VI. Exceptions to Bank policy**

- 6.1 There are no exceptions to the Bank policy.

## **VII. Environmental and Social Aspects**

- 7.1 This TC does not intend to finance pre-feasibility or feasibility studies for specific investment projects or environmental and social studies associated with them; therefore, the requirements of the Bank's Environmental and Social Policy Framework (ESPF) do not apply to this TC.

### **Required Annexes:**

[Results Matrix\\_89611.pdf](#)

[Terms of Reference\\_30354.pdf](#)

[Procurement Plan\\_69902.pdf](#)