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Advancing Inclusive and Resilient Urban Development Targeted at the Urban Poor

Knowledge Note: The role of adaptive social protection
in building inclusive and resilient cities

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For Asian Development Bank

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Key points

- Social protection systems in Asia and the Pacific are generally oriented towards addressing chronic, long-term poverty, predominantly in rural areas, but the potential of social protection to address community-wide risks posed by climate change has been demonstrated by government responses to COVID-19.
- Climate change will introduce urban populations to a multitude of threats that can overlap and magnify each other, as demonstrated by the COVID-19 pandemic. These trends are heightening the already precarious environments of urban populations.
- Social protection systems can deliver stronger results when they are adjusted to become 'adaptive', providing a cost-effective way to protect urban populations from climatic/disaster risks and help achieve urban development and climate resilience goals.
- Adaptive social protection consists of two broad pillars: (i) using routine social protection to build long term resilience – including for urban populations – thus helping households to prepare for and respond to shocks; and (ii) introducing reforms which allow the social protection system itself to respond rapidly – and often only temporarily – when a shock hits.

To help build resilient and inclusive cities, governments can: incorporate climate considerations into social protection policies; expand coverage of registries to include potential beneficiaries who face climate and disaster risks; establish an appropriate enabling environment, including coordination structures across sectors; and develop adequate financing mechanisms, such as contingency funds.

A. Overview

The potential for social protection to help address community-wide shocks in Asia and the Pacific is underscored by the compounding crises of climate change and COVID-19. In the course of 2020, for instance, torrential rains inundated approximately one-third of Bangladesh (ABC, 2020) while Viet Nam suffered from the most intense series of tropical storms in decades, including four storms across just three weeks in October (CHN, 2020). The COVID-19 pandemic, which has created an array of damaging health, economic and social impacts, particularly in urban areas, has exacerbated the threats posed to the urban poor by climate change. Over 200 countries/territories have planned or implemented social protection measures to help mitigate the impacts of the pandemic (Gentilini, 2020). Social protection includes social assistance (non-contributory measures such as cash transfers), social insurance (contributory measures such as unemployment benefits or paid sick leave) and labour market programs (including wage subsidies). Across Asia, the majority of responses by governments have consisted of social assistance measures.¹

The social protection responses to recent shocks largely reflect the national systems that are in place across the four countries examined in this note: Bangladesh, Indonesia, the Philippines, and Viet Nam. Each of the countries already has an enabling environment for social protection, including legislative provisions, policy frameworks and coordination mechanisms. The level of financing for social protection is variable but generally somewhat low in comparison to other lower-middle income countries. Prior to COVID-19, routine social assistance programs across the four countries have been overwhelmingly rural, with targeting of beneficiaries based primarily on considerations of chronic (long term) poverty.

¹ Social assistance is generally defined to include a broad range of non-contributory instruments such as poverty targeted cash transfers; old age/disability social pensions or grants; family and child allowances; public works/workfare; in-kind transfers/stamps/vouchers; and school feeding.

This knowledge note considers whether social protection systems in Asia and the Pacific – using the lens of the four countries under review – are well-positioned to support the urban poor in the face of increasing and emerging threats. Urban populations in Asian cities are highly vulnerable to an array of risks, including those presented by climate change, the increasing intensity and level of disasters, and global pandemics such as COVID-19. While the benefits of social protection in such circumstances are well-established, the emerging threats facing urban populations in Asia and the Pacific raises an important question for decision-makers: *how can social protection help to respond to these threats?*

The note explores the extent to which governments can use social protection to address these emerging risks for the urban poor. It finds there is increasing evidence that social protection systems can deliver stronger results when they are adjusted to become ‘adaptive’. There are two components to adaptive social protection: (i) first, using routine social protection to build long term resilience – including for urban populations – thus helping **households** to prepare for and respond to shocks; and (ii) secondly, introducing reforms which allow the **social protection system** itself to respond rapidly – and often only temporarily – when a shock hits.

Looking ahead, the highly dynamic context of rapid urbanization and climate change will only increase the urgency of adaptive social protection reforms in Asia and the Pacific. Over the coming decades, it is clear that governments across the region – and the world – will face heightened challenges in dealing with urban and climatic challenges. The COVID-19 pandemic is an example of the grave and unknown threats that governments can and should be preparing for. While many social protection systems in Asia and the Pacific have already made progress in becoming more ‘adaptive’, there is still much work to be done to establish policy instruments which will be fit for purpose in twenty, thirty and fifty years from now. It is clear that laying strong foundations now will reap rewards over the decades to come.

The note seeks to inform decision-makers in Asia and the Pacific by drawing on a range of international evidence regarding adaptive social protection in urban areas. It commences by outlining the need for adaptive social protection, particularly for poor populations living in urban areas (section B). It then analyses the ways in which existing social protection systems in Asia and the Pacific are not yet sufficiently adaptive (section C). The note concludes with a menu of recommendations which aim to: (i) build the resilience of urban populations in Asia and the Pacific, while also (ii) developing the capacity of the social protection system to respond to shocks (section D).

B. Social protection in Asia and the Pacific, and the case for adaptive social protection

Climate change will introduce urban populations to a multitude of threats that can overlap and magnify each other, as demonstrated by the COVID-19 pandemic. Urban populations are continuing to grow at a rapid rate, with projections showing this trend is particularly pertinent in low- and middle-income countries in Asia and the Pacific. It is estimated that 2.3 billion people in Asia and the Pacific already live in urban areas – representing more than fifty percent of the population (UNESCAP, 2019). Continued urbanization will see that number increase to nearly 3.5 billion by 2050, with 43 cities in ADB’s Developing Member Countries projected to host populations greater than 5 million people (UNESCAP, 2019; ADB, 2017). The Intergovernmental Panel on Climate Change predicts that the stresses of rapid urbanization in Asia will be compounded by the adverse effects of climate change (Hijoka et al., 2014), with Asia expected to experience rises in temperature and sea levels and increasing frequency and severity of floods and tropical storms. Asian cities – including informal settlements – will be especially vulnerable to coastal and inland flooding, heat waves, landslides, and water shortages (ADB, 2012), with potential impacts including lost

productivity, food insecurity, vector-borne illnesses, and damaged or destroyed homes, ecosystems, and health infrastructure, among others. There may also be an intensification of urban migration from exposed rural regions (ADB, 2017).

These trends – together with pandemics such as COVID-19 – are heightening the already precarious environments of urban populations. Urban areas are characterized by an array of underlying vulnerabilities, including poor quality housing, limited legal status, and lack of adequate access to services and infrastructure. Women in urban areas also face particular challenges, including the risk of violence and limitations in access to healthcare and legal aid. Urban migrants are also especially vulnerable, and often account for a high proportion of the urban poor (including up to 75 percent in Ha Noi and Ho Chi Minh City in Viet Nam). COVID-19 has highlighted the volatility of urban economies; informal workers – many living in urban areas and lacking any form of social protection, aside perhaps from health insurance – have been particularly hard hit by the impacts of the pandemic, underlying their broader vulnerability to other threats such as climate change and disasters. And while monetary poverty in urban areas may be lower than rural areas, looking only at income presents an incomplete picture of vulnerability. For instance, while income poverty in Indonesia’s urban areas was 8.4 percent in 2014, multidimensional poverty was more than double – at 18.5 percent (OPHI, 2015). Inequality is also substantially higher in Indonesia’s urban areas (Gini coefficient of 0.422) compared to rural areas (0.340) (ADB, 2014).

When planning for the future and considering the wide range of urban vulnerabilities, existing social protection systems in Asia and the Pacific are inadequate for challenges that lie ahead. As is set out in more detail in Section 3, there are many obstacles to social protection systems across the four countries in terms of their capacity to be adaptive. For instance, social assistance in Bangladesh is predominantly oriented towards addressing poverty and vulnerability over the medium- to long-term, as shown by the large number of social assistance programs that are designed to support rural populations who are income poor. Climate change is not mainstreamed into the design of social protection initiatives across the four countries, and the low coverage of urban populations – in countries such as Viet Nam – either by programs or databases used to identify beneficiaries. If we layer these obstacles on top of the projected increases in vulnerability of urban populations in the years and decades ahead, it is clear that existing social protection measures will be unable to support millions of urban populations from an array of threats, including risks related to disasters and climate change.

Adaptive social protection for urban populations can help reduce the risk that urban development and climate resilience goals are not compromised. Making social protection more adaptive will have impacts through various channels. Firstly, at the household and individual level, social protection can strengthen resilience *in advance of a shock* by building human, physical, and financial assets; these assets are of vital importance both before and after a shock. Further, in the wake of a shock, ongoing access to social protection can reduce vulnerability and protect household consumption. This helps to ensure individuals and households stay well-nourished and prevents negative coping strategies such as selling productive assets or pulling children out of school. Secondly, at the community and society level, being adaptive involves a more agile social protection system which can rapidly respond to shocks through measures such as higher transfer levels to existing beneficiaries or expansion to new caseloads.

Adaptive social protection is complementary to emergency assistance and has also been shown to be a cost-effective way to respond to disasters and pandemics. A range of evidence commissioned by the UK government shows the effectiveness of investments in social protection systems that can deliver a timely response in the wake of shocks; these effects are enhanced when investments are complemented by longer term measures to build resilience. The most recent research shows that routine support for vulnerable populations in

Ethiopia is estimated to have saved US\$859 million in one year in reduced aid costs as well as avoided income and livestock losses (Cabot Venton, 2020). Moreover, a timely response to expanded caseloads under COVID-19 could have saved more than US\$269 million, allowing an additional 3.1 million people to be reached. That said, as is demonstrated in further detail below, effective adaptive social protection involves close collaboration with emergency responses, which in turn requires significant investments in planning and preparedness.

C. To what extent are social protection systems in Asia and the Pacific ‘adaptive’?

The foregoing section outlines the threats and risks facing urban populations, and the ways in which adaptive social protection can assist. This section addresses the question *to what extent are existing social protection systems well-suited to addressing those risks?* The structure for our analysis is a set of dimensions that are important ingredients for an adaptive social protection system.

We have assessed the status of these dimensions across the four countries, thus laying the foundation for recommendations in section 4. Most of the analysis is true across all the countries, albeit to varying extents. Within the space permitted, we have cited a number of examples to illustrate an issue. Moreover, in every country context there is an extensive web of linkages between each issue, reflecting the interdependencies between them and also the tradeoffs involved with prioritizing one over another. There is also frequently no right or wrong answer. Within the space permitted, we have drawn attention to the tradeoffs involved between some dimensions, but it is important to recognize that none of the issues are standalone, and that all will need to be addressed in due course in some fashion.

Climate resilience

Climate resilience is not mainstreamed in social protection programs, including being made explicit in the design objectives and delivery features of urban programs. For example, the eligibility criteria of existing programs in the four countries do not focus explicitly on criteria related to climate risk in urban areas. Yet it is well established that climate impacts may compromise human development goals, as the urban poor are disproportionately exposed to various shocks and stresses—including those triggered by natural hazards and climate change. The implication is that social protection programs – as currently designed and implemented – may be unable to prevent large numbers of urban populations from adopting negative coping strategies in the face of climate shocks and disasters. This could include reducing consumption levels, incurring high levels of indebtedness, and making investment choices regarding education, health, and livelihoods that may impact their long-term well-being and further affect their poverty level.

Coverage

Social protection coverage – meaning the beneficiaries reached by programs – is generally limited in urban areas, thereby hampering the capacity of urban residents to be resilient in the face of shocks. Globally, around one-quarter of urban residents are covered by social assistance (Gentilini, 2021), but the level of urban coverage in many DMCs is likely to be much less. In Bangladesh, for instance, just nine percent of urban residents have access to social protection, compared to about one-third of the rural population. Moreover, where existing social protection programs *do* reach urban areas, they are likely to be targeted at those who are monetarily poor. But adaptive social protection is relevant for a broader population than those who are income poor, as outlined in section 2. Low urban coverage is therefore exacerbated by a predominant focus by social assistance on income poverty to the exclusion of considerations such as multidimensional poverty and vulnerability (including

vulnerability to covariate shocks). Excluding from social assistance those urban residents who are vulnerable to the impacts of shocks will limit their capacity to prepare for or withstand shocks.

To what extent has the COVID-19 pandemic helped countries come to terms with the gaps and limitations of social protection and adaptive social protection? Social insurance coverage in urban areas is also very limited, with informal workers making up 47.4 percent of the employed urban population in Asia and the Pacific (ILO, 2018), a trend that is likely to increase with ongoing urbanization. Even where social assistance coverage of those who are monetarily poor is strong (such as in the Philippines, where around a quarter of the urban population are poor – the same proportion that is covered by the *Pantawid Pamilyang Pilipino Program* – 4Ps), many informal workers living in urban areas may not have access to social assistance and therefore have less capacity to prepare for or withstand shocks. Those currently excluded consist of those who are “newly poor” due to COVID (ADB, 2020) – the tens of millions of people in Asia and the Pacific who are predicted by the World Bank to fall into poverty as a result of COVID (Lakner et al., 2021) – including individuals who have lost jobs, become sick, or lost a breadwinner.

Adequacy

Social assistance programs across the four countries are inadequate, meaning they are unable to address the needs of urban households – in turn limiting their capacity to prepare for and withstand shocks. The dimension of adequacy considers the extent to which needs can be met, and the generosity of transfer levels is an important consideration in this regard. While there is evidence of national social assistance programs having a positive impact on poverty reduction (such as the 4Ps in the Philippines), the low coverage of programs in urban areas means that results are not necessarily representative of their impact in urban areas. Furthermore, social assistance programs are often based on an assessment of needs and obstacles in rural contexts and generally provide fixed levels of support for beneficiaries – irrespective of location and needs. This is the case with the 4Ps, which provides a uniform transfer level even though the cost of living is generally higher for urban households – driven by factors such as basic services, housing, and food. With urban areas particularly susceptible to food and fuel price changes (e.g., food prices can change due to low supply of agricultural products caused by extreme weather events), beneficiary households will remain poor or vulnerable if the level of transfers received is inadequate. That said, increasing the adequacy of social assistance also clearly has financial implications, which usually requires trade-offs with other considerations such as coverage.

Comprehensiveness

The many constraints facing vulnerable households in urban areas – including those in relation to climate and disasters – are not currently addressed by social protection programs in the four countries. The multidimensional needs of poor and vulnerable households span issues such as access to services, water quality and adequate housing – all of which are particularly vulnerable to the impacts of disasters and climate change. Many women will experience multiple risk factors due to climate change, including as a result of their roles and responsibilities in households in relation to caring for young or sick family members and providing food and water (UNESCAP, 2018). In Viet Nam, the lack of formal residence status of urban migrants results in limited access to public services such as education and healthcare, and it also constrains access to many social protection schemes. Social protection has a role to play, by layering or linking beneficiaries with additional measures such as those related to health, housing, livelihoods, childcare, or gender-based violence.

While the low coverage in urban areas means there are currently limited entry points, there are some encouraging practices among the countries reviewed. Subsidized health insurance is provided to many social protection beneficiaries in Indonesia, the Philippines, and Viet Nam. With increasing climate risk, this provision will potentially help to address the health impacts of climate change such as vector-borne diseases, and the increasing incidence of non-communicable diseases worsened by heat stress. And the Philippines also holds regular information sessions with beneficiaries to provide information on issues including child rights, prevention of abuse, violence and exploitation, gender equity, family planning, and climate change and disaster preparedness – although the extent to which there is urban-specific content across these modules is unclear.

Governance and institutional frameworks

A strong enabling environment is an important foundation for making social protection adaptive to disaster and climate risk, but this is currently limited. Routine social protection generally has a solid legal foundation across the four countries, including legislative and/or constitutional provisions articulating a right to social protection. These provisions are complemented by various policy frameworks which outline strategic directions for social protection. However, there are two shortcomings to highlight. First, there is less attention specifically for *urban* social protection in the policy and legal frameworks. Bangladesh is an exception in this regard, having both recognized this gap in recent years and subsequently developed a draft strategy for urban social protection, although there are no such policies in Indonesia, the Philippines and Viet Nam.

The governance of *adaptive* social protection is also nascent, and it will be important to learn and document what has been learnt from the COVID-19 response. Delivering adaptive social protection requires coordination of different ministries involved in social protection with the national agencies mandated with emergency response and/or disaster risk management, and coherence between different respective programs. The extent of coordination between such ministries is currently varied, leading to lack of precision on the definition and scope of contingencies covered by emergency social assistance and those within the realm of social protection. Some countries have made good progress. For instance, the Philippines has initiated a process to develop a Shock Responsive Social Protection Roadmap, and Viet Nam plans to enhance the capacity of vulnerable households to prepare for and withstand shocks through expanded routine coverage and increased transfer values. While there was previously no priority allocated to urban issues, this may change in the face of the responses to COVID-19, where urban areas were predominantly affected. 2021 will be an important year to document how the governance structures of different countries were adapted or leveraged to cope with the crisis, in turn creating opportunities which could be adopted for building disaster and climate resilience.

Government capacity may be inadequate to sufficiently enhance the resilience of urban households or strengthen the capacity of the social protection system to respond to shocks. There are several potential drivers for any capacity constraints. Firstly, given the dominant focus of social assistance on rural areas, there is often a concern that national programs adopt a “one size fits all” approach which may be appropriate for rural contexts but does not address sufficiently the unique challenges of urban residents. This is compounded by the lack of fora for coordination or sharing of ideas on initiatives related to urban resilience within the countries. Furthermore, in some countries, the officials responsible for developing policies on social assistance are different to those for emergency assistance, meaning there is a lack of potential to identify linkages and create synergies across the sectors. However, this is not the case in Viet Nam and the Philippines, meaning there is already a strong foundation in these countries for strengthening the nexus between social protection and disaster response.

Delivery systems

The impressive progress in strengthening social protection delivery systems is of limited assistance for urban shocks without expanded coverage or updating of data.

Each of the countries has taken steps to develop a national registry and information management systems, with Philippines and Indonesia being the most advanced in this regard. However, the crucial issue for the purposes of adaptive social protection is whether these systems are leveraged in response to shocks – such as through temporarily higher transfer levels to existing beneficiaries (as has occurred in the Philippines) or through leveraging registry data to temporarily expand caseloads to reach affected populations. Examples of the latter are limited, particularly in urban areas, and this response requires an expanded – and sufficiently up to date – registry which includes information on those urban households most vulnerable in the event of a future covariate shock. This means registering and updating information from a greater number of households than are benefiting from social protection programs. As many urban residents are migrant workers who usually work in the informal sector and move from one job to another, this may require a bespoke approach. Complex registration processes – such as requiring many documents and completion of multiple forms – risk excluding the most vulnerable.

Financing

There are various shortcomings in the financing structures for adaptive social protection. None of the countries have a contingency fund in place – despite it being an important ingredient of an effective approach to adaptive social protection. Ensuring the availability of contingency funding is crucial to enable the social protection system to respond to shocks and allow expansion of transfer levels or caseloads during an emergency. Although each level of government in Viet Nam is required to set aside between 2 and 5 per cent of their budget for emergency assistance, this is often inadequate. The necessary reforms for financing are usually very time-intensive, underscoring the importance of addressing financing issues during “normal” times.

Accountability

Accountability mechanisms are not tailored to the needs of urban residents. When accountability is embedded in broader processes, it can strengthen the prospects of quality delivery of programs and enable government (as duty bearer) to be held to account. While grievance redress mechanisms may exist in the four countries reviewed for this note, they are designed primarily for rural beneficiaries and may not be appropriate in urban areas. If not grounded in analysis of the urban context, the existing redress mechanisms may be poorly equipped for urban citizens. This includes tailoring accountability mechanisms so that they exist at the level at which relevant decisions are being taken and recognizing that urban residents may have different concerns compared to rural areas. It also means leveraging the potential of technology and innovation, with urban beneficiaries more easily able to access internet connections and mobile phones.

D. Policy recommendations for adaptive social protection in urban areas

In light of the foregoing analysis, this concluding section sets out recommendations which identify how adaptive social protection can strengthen resilience to disaster and climate risks. The recommendations span the two broad channels that make up adaptive social protection: (i) strengthening household capacity through routine social protection to

anticipate and absorb shocks (*ex ante*), and (ii) ensuring the social protection system can respond to urban shocks by delivering support to protect household well-being (*ex post*).

The recommendations are generally applicable to all four countries. While individual recommendations may be more relevant to some countries than others, the overwhelming majority are applicable to all four countries – albeit to varying degrees. The recommendations usually commence with suggestions in relation to adaptive social protection overall, with a focus on disaster and climate resilience, before highlighting issues specific to urban areas – where relevant.

1. Explicitly incorporate climate considerations into social protection initiatives

- This involves considering the extent to which social protection can help residents *adapt* to climate shocks (e.g., strengthen their capacity to withstand extreme shocks without external financial assistance) and *mitigate* the risks in the face of changing climates and weather patterns (e.g., improving the capacity of beneficiaries to provide food and nutrition for their families) (Lind et al., 2020). As noted in the foregoing analysis, none of the countries have yet taken this step.
- For urban residents, this includes recognizing how their underlying vulnerabilities will be exacerbated by climate and disaster risks and considering the range of social protection instruments that could be leveraged.

2. Develop a supportive enabling environment across social protection and disaster risk management

- Tackling disaster and climate risks through adaptive social protection will require a robust enabling environment, including: (i) an agreed vision across government, (ii) effective coordination mechanisms, and (iii) protocols for the design and implementation of emergency assistance and shock-responsive social assistance. This would ideally involve a continuum of response which sequences both social assistance and disaster response instruments under a single overall planning, assessment, and implementation process with all efforts well-coordinated between the social assistance and emergency response systems, including robust early warning systems.
- For urban areas, the limited urban focus in all four countries' social protection coordination mechanisms suggests that consideration be given to a specific mechanism for urban disaster/climate resilience, such as a city-level steering committee comprised of all city-level departments of related ministries/agencies. This would focus on solving the problems of the urban poor and building urban resilience against disaster/climate change risks through adaptive social protection.

3. Increase registration to create a broad base of potential beneficiaries

- By including a broad base of households in a national registry, the social protection system becomes equipped to rapidly reach a large number of households affected by disaster or climate shocks. Having a pre-existing database of potential beneficiaries means that social protection programs can adapt and expand horizontally (i.e., enrolling new beneficiaries) in the event of a shock and then contract thereafter. As COVID-19 has shown, shocks can affect households whether they are existing beneficiaries or not.
- In deciding which households to register, it is important to integrate disaster risk and climate assessments with poverty and vulnerability data. This will enable registries to incorporate a spatial understanding of household vulnerability to seasonal or sudden onset shocks.

- For urban areas, it will be important to differentiate between the nature and impact of climate shocks and stresses in rural and urban contexts and developing proxies for vulnerability which are applicable in urban areas.
- 4. Expand coverage of regular social protection to build resilience to climate and disaster risks**
- Targeting for routine social protection coverage should recognize those most vulnerable to covariate shocks, including those related to climate – with an emphasis on assessing the needs of informal workers, migrants, women, girls, people with disabilities, and other vulnerable groups.
 - Social insurance coverage should also be strengthened as part of reforms to develop adaptive social protection systems, including through progressive formalization of informal workers – who make up almost half of the employed urban population in Asia and are especially vulnerable to climate and disaster risks.
 - For urban areas, it is also important to recognize that targeting approaches from rural areas may be inappropriate, as urban areas have different looking households, more nuanced vulnerabilities, weaker community ties, and higher expenditures. The risk of excluding vulnerable urban residents also needs to be mitigated, for instance through adaptation of existing registration processes for social assistance in urban areas – given high mobility and limited community support, factors that are likely to be exacerbated by climate and disaster risks. This includes removing any requirement for formal residence to be eligible for social protection in Viet Nam.
- 5. Consider how transfer levels can account for high living costs, individual and household needs, and inflation.**
- Beneficiary households may remain poor or vulnerable in the face of climate and disaster risks if the level of transfers received is inadequate. Regular transfers should be designed to help households build resilience ahead of a disaster, protect consumption and access to essential social services during a disaster, and support faster recovery (OPM, 2018).
 - Transfers should ideally be designed to meet individual and household needs (e.g., household size and structure; gender and/or disability-related needs; life cycle stage) and be calibrated to the level of poverty – including multidimensional deprivations. However, this needs to be balanced with the administrative capacity to deliver such an approach and the quality of data on which such decisions would be made.
 - The purchasing power of transfers will decrease if no adjustments are made to account for inflation. While this clearly carries fiscal implications, failing to account for inflation will reduce the effectiveness of the measures in building resilience to climate and disaster risks. Within the region, the National Cash Transfers Program in Pakistan a program which has adjusted its transfer levels to account for inflation (Megersa, 2019).
 - For urban areas, providing higher transfer levels to help address the cost of living is a policy trade-off that governments will need to assess on a case-by-case basis. A uniform transfer level across the country will be less effective in urban areas due to reduced purchasing power, but a system of differentiated transfers would need to consider the potential implications in terms of administrative capacity and migration patterns (Gentilini, 2015).
- 6. Build resilience to climate and disaster risks by establishing links with services.**
- Opportunities should be explored to create linkages between poor and vulnerable households and climate smart / adaptive livelihoods, together with opportunities to

diversify livelihoods and increase resilience to climate shocks and stresses. That said, this is clearly an expansive agenda which presents many challenges, including: fiscal constraints, the need for buy-in and commitment from other sectors, the complexities of multisectoral coordination, and the need for adequate government capacity.

- The particular needs and context of urban households will require a different approach to rural areas, for instance in relation to availability of services and livelihood opportunities.

7. Strengthen the investments in delivery systems to allow the social protection system to respond to shocks

- Adaptive social protection involves creating linkages between various parts of the delivery chain, including registries, social assistance management information systems, and payment systems. It is important to ensure that operational systems and processes can cope with a large and rapid influx of new beneficiaries, data, or money in the event of a shock (OPM, 2018).
- It is also essential that routine social assistance operational and payment systems can continue to operate effectively during a severe disaster event (OPM, 2018). For instance, ATM machines need to be able to operate and be physically accessible and mobile phone networks need to be able to continue to transfer social assistance payments. Contingency arrangements should be in place in case the documentation required for registration and enrolment is not readily available to rapidly displaced households.

8. Design accountability mechanisms which are appropriate for disaster and climate risks

- Grievance redress mechanisms should be capable of use on a rapid and wide scale in response to climatic, disaster and other shocks, to ensure that any risks imposed by unaccountable systems are not exacerbated.
- None of the four countries have an urban-specific grievance redress mechanism, and it is recommended that such an approach be taken, as a one-size-fits-all approach to accountability presents an array of risks to effectiveness and efficiency.

9. Build capacity to design and implement adaptive social protection systems

- Capacity strengthening for the design and delivery of adaptive social protection programs that integrate disaster and climate change should include not only the public sector but also local actors relevant to social protection – such as civil society organizations, private sector actors, and communities themselves (both rural and urban).
- Potential opportunities for local actors include helping to set the priorities and design of adaptive social protection programs; participating in communications; contributing to advocacy and accountability efforts; and supporting processes related to targeting, identification, and payments (Cabot Venton, C., E. Sammon, et al., 2020).
- With regard to urban initiatives specifically, there needs to be adequate numbers of skilled local officials who can oversee the registration, implementation, and monitoring of adaptive social protection initiatives. Staff require a specific understanding on the nexus of the urban poverty and disaster and climate resiliency. Strengthening technical capacities of national social protection actors is important for advancing reforms in urban areas, however a fine balance is required to ensure that delivering urban-specific programs does not overburden local capacities.

10. Enhance financing structures to address climate and disaster risks for adaptive social protection

- This includes having pre-agreed funding sources in place at all levels of government which are of adequate size and readily available to be disbursed through streamlined processes (OPM, 2018). The mix of instruments might include contingency budgets, multi-year national and local disaster reserves, contingent credit, and risk transfer instruments such as insurance (OPM, 2018).
- It may also be necessary to develop dedicated sources of finance for strengthened investment (including domestic revenue generation) while ensuring that current financing is maintained in the face of intensified competition for limited funds.

11. Develop and progress a policy research agenda for adaptive social protection

- This note has touched on a vast array of challenges that face decision makers seeking to use adaptive social protection as a means to address climate and disaster risks, including in urban areas. Recognizing that adaptive social protection is a relatively recent concept across the world, there is a rich research agenda which could be of regional and global benefit.
- The vast and varied experiences of countries in Asia and the Pacific in their social protection responses to COVID-19 is indicative of the need for research which documents the lessons learnt, in particularly with a view to considering what could be adopted for building disaster/climate resilience through adaptive social protection, including for the urban poor.
- It is clear from this note that adaptive social protection poses many difficult questions for which there are often no easy answers. It could be said that the Asia and the Pacific is under-represented with regard to the global literature on adaptive social protection, despite being the most disaster-prone region in the world. There is relatively little research on a wide range of difficult questions relating to adaptive social protection. Some potential avenues for further research, in no particular order, include the following:
 - variation in transfer levels based on household or individual characteristics, including geographic location, poverty level;
 - registration based on multidimensional deprivation and climate/disaster risks;
 - interoperability of registration systems and beneficiary databases;
 - financing for adaptive social protection, including methods of both raising and channeling funding;
 - coordination across relevant national ministries and at sub-national level, including for emergency assistance;
 - transfer of caseloads from emergency response to long term national social protection programs;
 - strengthening social insurance for informal workers;
 - the role of economic inclusion activities in mitigation and adaptation activities;
 - harmonization across the delivery chain for social protection and humanitarian response; and
 - the integration of refugee caseloads into national social protection systems.

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