



Food and Agriculture
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**Adopting anticipatory action
and shock responsive social
protection to strengthen disaster
preparedness and resilience:**

Learning from the ASEAN region

Adopting Anticipatory Action and Shock-Responsive Social Protection to strengthen disaster preparedness and resilience:

Learning from the ASEAN region

- **Geographic coverage:**

Cambodia

Myanmar

The Philippines

Viet Nam

- **Timeframe of interventions evaluated:**

May 2019 - February 2022

- **Resource partner:**

Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO)

- **Implementing partners:**

Food and Agriculture Organization of the United Nations (FAO)

World Food Programme (WFP)

United Nations International Children's Emergency Fund (UNICEF)

UN Women

German Red Cross

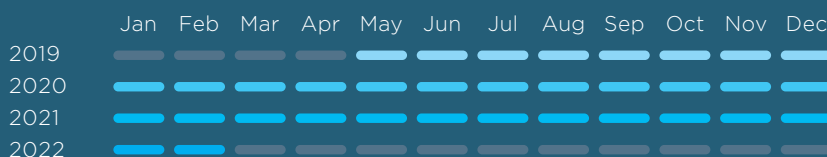
Save the Children International

People in Need

Dan Church Aid



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Maps conform with UN, 2020. Map No. 4170, Rev. 19. <https://www.un.org/geospatial/content/map-world>



Southeast Asia is one of the most risk-prone regions in the world, exposed to climate-related hazards including floods, storms, typhoons, droughts and extreme temperatures. Every year, climate-related hazards cost the Association of Southeast Asian Nations (ASEAN) Member States an average at close to USD 5 billion¹.

¹ World Bank (2012). Advancing Disaster Risk Financing and Insurance in ASEAN Member States: Framework and Options for Implementation (<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/265831468205180872/main-report>)

Context

Southeast Asia is one of the most risk-prone regions in the world, exposed to climate-related hazards including floods, storms, typhoons, droughts and extreme temperatures. Every year, climate-related hazards cost the Association of Southeast Asian Nations (ASEAN) Member States an average at close to USD 5 billion.¹ Climate change is therefore a major concern for the ASEAN region, as it is expected to make these disasters more frequent and intense, stretching aid budgets even more thinly.

Technological advances are making it easier than ever to forecast these natural hazards. However, with the growing availability of such information comes a growing responsibility to act on it. It is encouraging that two approaches – anticipatory action (AA) and shock responsive social protection (SRSP) – are taking centre stage in humanitarian and development discussions, both in the ASEAN region and around the globe.

For example, anticipatory action was a hot topic at the 26th Conference of the Parties (COP 26), and the Government of Germany has confirmed it is on the agenda for this year's G7. Meanwhile, COVID-19 provided the impetus with which governments in several low- and middle-income countries can experiment using social protection systems and programmes for the first time, as a way to get emergency cash transfers to people in need.

So, where do we go from here? The current wave of enthusiasm for these approaches is great, but now is the time to reflect and consider what we have learned over recent years – and make sure we know where we are heading.

The Regional Office for Asia and the Pacific of the Food and Agriculture Organization of the United Nations (FAO) has done this through an independent evaluation of a programme that aimed to promote and institutionalize AA and SRSP in the ASEAN region, including from a sustainable financing perspective. In addition, it provided cash transfers to 10 000 households in response to COVID-19, testing the implementation of shock responsive social protection and learning from the experience.

The programme was run in collaboration with the World Food Programme, the United Nations Children's Fund, UN Women, Save the Children, People In Need, Dan Church Aid and the German Red Cross, and supported by the Directorate-General for European Civil Protection and Humanitarian Aid Operations.

This evaluation, which comprised a regional study and four country case studies – Cambodia, Myanmar, the Philippines and Viet Nam – found that significant progress has been made, specifically in developing a regional policy-level framework and sensitizing governments and other actors to these approaches. But it also uncovered some surprising and challenging questions for the global community working to improve hazard anticipation and response. This publication provides a look into these outcomes, specifically asking key questions, including:

- What is the potential for adoption and institutionalization for AA and SRSP?
- To what extent has strategic and sustainable financing for AA and SRSP been considered?
- What are the lessons from the COVID-19 cash transfers response experience, and how can they help shape AA and SRSP in the future?
- What are the key takeaways and the next steps for the AA and SRSP community?

¹ World Bank (2012). Advancing Disaster Risk Financing and Insurance in ASEAN Member States: Framework and Options for Implementation (<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/265831468205180872/main-report>)



Abbreviations and acronyms

AA	anticipatory action
AADMER	ASEAN Agreement on Disaster Management and Emergency Response
AMS	ASEAN member states
ASEAN	Association of Southeast Asian Nations
DRF	Disaster Risk Financing
FAO	Food and Agriculture Organization of the United Nations
EW	early warning
EWS	early warning system
MoF	Ministry of Finance
PFM	Public Finance Management
SRSP	shock responsive social protection

What is the potential for adoption and institutionalization of anticipatory action and shock responsive social protection?



There has been rapid and impressive progress with promoting and adopting both AA and SRSP in ASEAN. Across ASEAN Member States (AMS) and organizations, the interventions have been critical in helping to build an understanding of, and capacities for, AA and SRSP. Within ASEAN and from AMS, there are multiple examples of strong ownership and commitment to the approaches. Taken together, these set out a clear policy framework for the region.

The two-pronged approach of regional collaboration through ASEAN and country-level engagement has been a success factor. ASEAN functions as an effective promoter of AA and SRSP, as well as a forum for discussion, building regional and country-level awareness, sharing good practices, and creating momentum that influences AMS governments and agencies.

While progressing in the creation of regional and country policy frameworks, less progress has been made on implementation using government systems. A regional strategic and policy framework is largely in place, and political interests have progressed in certain countries, particularly Cambodia and the Philippines. However, systematic or full-scale implementation of AA and SRSP is not yet happening across AMS. While there is buy-in and adoption of AA and SRSP as concepts, AA implementation still focuses on pilots. Evidence suggests that AA and SRSP are not yet fully operationalized at the country level.

More progress has been made on institutionalizing SRSP than AA. The COVID-19 pandemic prompted ASEAN Member States to try out SRSP, scale up existing programmes, or use social protection systems to distribute cash transfers to affected communities. It was the first time that governments had funded SRSP from national budgets at this scale and pace. This is a significant step forward, although it would be presumptuous to assume that these gains could not be easily reversed, especially as COVID-19 was an unprecedented global shock that has led to reduced fiscal space in AMS. In other words, government budgets may be less available in the future. In contrast, AA is still being funded and led by humanitarian agencies, and there are very few examples of national or local governments funding AA from their budgets.



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The primary success factor for the uptake of SRSP was a strong institutional architecture, particularly interagency coordination. For SRSP, countries like the Philippines have established social protection approaches that can be scaled up more quickly than countries with less established organizations, programmes and systems. Cambodia is an example of a rapidly improving interagency coordination with a high-profile national council, established to aid coordination concerning social protection. SRSP requires strong interaction between agencies and government departments working on disaster risk management, emergency response and social welfare.

Similarly, AA also involves coordination with meteorological offices and other agencies, and both AA and SRSP overlap with development and humanitarian agendas. Bringing together diverse organizations, skillsets and mandates is difficult. Nonetheless, technical working groups are operational in several AMS and multistakeholder committees as practical ways to overcome siloed thinking and working.

The biggest constraint is accessing finance. For example, the availability of humanitarian funding for AA from the United Nations Central Emergency Response Fund, the International Federation of Red Cross and Red Crescent's Disaster Relief Emergency Fund, FAO's AA Fund, and the Start Fund has helped to promote the approach, although there are concerns over the lack of clarity and transparency to access these funds. Significant challenges also exist when trying to use government funding for AA or SRSP, or channel humanitarian funds to government programmes. Government systems across AMS are often not set up to allow access to money ahead of a shock. Furthermore, policies, legal frameworks and protocols on accessing funds for AA and SRSP are missing in several countries, indicating a need for detailed guidance.

Limited technical capacities for AA and forecasting, as well as government distrust of forecasts and early warning systems (EWS), limit progress. Partner agencies and AMS governments, especially at the local level, emphasized the technical gaps in AA, particularly around setting triggers and thresholds. These gaps cause governments' distrust of forecasts and EWS, and result in their hesitation to commit financing to support action ahead of a potential hazard.

Governments lack compelling evidence that AA and SRSP are more cost-effective or result in better impact than traditional humanitarian responses. There is a need for more studies that can make a case for AA and SRSP. Government officials are aware of general arguments favouring AA and SRSP but lack rigorous country or regional evidence, such as cost-benefit analyses or impact evaluations. Even when studies are conducted, there is a lack of systematic dissemination to government officials. Multiple AA pilots had been conducted across the different countries, but there were no examples of how learning from them had influenced policy formulation.



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AA and SRSP are still regarded as novel approaches, and many stakeholders are confused by the changing terminology. Confusion over terminology creates a genuine barrier to progress. Some questions raised include:

- Is “anticipatory action” different from “preparedness”?
- Is it the same as “early action”? How early does this support have to be to count as “early”?
- Is “shock responsive social protection” just another name for emergency cash transfers?
- What is *ex ante* shock responsive social protection and how is it different from *ex post* shock responsive social protection?
- Can you have “anticipatory” shock responsive social protection?

We can do better: we need to collaborate on some agreed international definitions and stick to them rigorously, rehearsing them at every opportunity.

The AA and SRSP activities were kept separate during implementation, with agencies taking different approaches across each country, reinforcing the ambiguity. An alternative approach would be exploring how AA and SRSP could be linked to reinforce each other, i.e. considering how social protection systems could be used to deliver AA. Only the Philippines showed signs of beginning to integrate AA and SRSP, an approach which is also being explored by international organizations in this space such as the Anticipation Hub and the Risk-informed Early Action Partnership. approach which is also being explored by international organizations in this space (i.e., the Anticipation Hub and the Risk-informed Early Action Partnership (REAP).

To what extent has strategic and sustainable financing for anticipatory action and shock responsive social protection been considered?



In the ASEAN region, funding for AA still comes primarily from humanitarian and donor agencies, rather than government budgets.

There is a range of different financial instruments that could pay for AA and SRSP, but understanding of these options – and when they might be beneficial – is relatively low. In the ASEAN region, funding for AA still comes primarily from humanitarian and donor agencies, rather than government budgets. Those working to access government budgets are predominantly trying to figure out how to access post-disaster funds ahead of a shock and often find they need public financial management reforms to enable this.

Few countries have robust disaster risk financing strategies that link to SRSP and AA and explain where the money will come from or how different instruments, e.g. risk transfer mechanisms such as insurance, can be used most effectively.

The effectiveness of SRSP and AA hinges on the timely release of finance, so this cannot be an afterthought. There needs to be more attention on how funds can be pre-arranged so that they are triggered at the appropriate time. This includes supporting reforms of public financial management in countries so that funds can flow unobstructed through government systems.



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There is a dissonance between regional and national conversations on Disaster Risk Financing (DRF), with low awareness of DRF approaches among stakeholders.

The main work undertaken on financing was a *Regional Landscape Analysis for Disaster Risk Financing (DRF) for SRSP*. However, other regional documents and initiatives, such as the ASEAN Guidelines on Disaster Responsive Social Protection to Increase Resilience and the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) Work Programme, include information on DRF, demonstrating that consideration of financing has gained some traction in the region. While the regional documentation explores different and innovative approaches to financing, i.e. risk pooling and insurance, there is still a mismatch with the understanding and familiarity of alternative financing options at the country level. Within this context, the Philippines was the only country with a DRF strategy.

A limited set of instruments was used to fund disaster response, AA and SRSP in the region, relying heavily on risk retention instruments rather than risk transfer.

Few stakeholders discussed the potential use of risk transfer instruments, such as insurance, to fund AA and SRSP or *ex ante* instruments like contingent credit. The Philippines was the only country where insurance had been used. Among other countries, there was scepticism over it being a feasible option. Instead, risk retention approaches are widely used, mainly *ex post* budget reallocation to finance SRSP or adaptation of national disaster and contingency funds to be accessed before a shock. Many were focused on the latter approach as the easiest way to increase funds available for AA activities.

Government funding for SRSP was low until COVID-19, which prompted several countries to use their national budgets to fund cash transfers for the first time.

The Governments of Cambodia, Myanmar, and the Philippines all used national budgets for SRSP, often supplemented with humanitarian funding and all arranged *ex post*. A future step would be to pre-arrange flexible financing for SRSP and automatically trigger it based on a pre-agreed model. This would avoid hasty budget reallocations – the norm for disaster finance in most countries – and provide a greater level of predictability.

AA continues to be funded by humanitarian agencies and has yet to attract government funding. Local governments in the Philippines were trying to pilot pre-arranged finance for disasters in some provinces, but this option was not operational in late 2021. However, there is promising progress in securing government funding for AA and, if successful, it would be one of a few examples globally. Government funding for AA is vital for scaling up approaches and ensuring sustainability.

More effort is needed to work with the Ministries of Finance (MoFs) and other actors engaged in DRF. The consortium partners were not particularly used to working with MoFs across the countries, but rather had other line ministries as their usual contact points. This may have hindered access to and collaboration on sustainable financing for AA and SRSP. No working relationship has been established with development banks and non-government organizations working on DRF to advocate for jointly financing AA and SRSP.

What are the lessons from the COVID-19 cash transfers response experience that can help shape anticipatory action and shock responsive social protection in the future?



Cash transfers were not part of the original design but led to over 10 000 households receiving cash support in Myanmar, the Philippines, and Viet Nam. In Cambodia, additional technical support was provided to the government to improve the social registry for SRSP.

Following the emergence of the COVID-19 pandemic, activities implemented in the year 2018/19 were reprioritized in 2020 to provide cash transfers to affected communities. Cash transfers were not part of the original design but led to more than 10 000 households receiving cash support in Myanmar, the Philippines, and Viet Nam. In Cambodia, additional technical support was provided to the government to improve the social registry for SRSP. In Myanmar and the Philippines, cash transfers were delivered through existing social protection programmes, while emergency cash transfers were provided in Viet Nam.

Cash transfers were mainly spent on addressing basic needs (food and non-food) and livelihoods. The data collected in Myanmar, the Philippines and Viet Nam showed that income reduction was the major negative economic impact of COVID-19. Purchasing food was the most popular use of cash transfers across the three countries. In the Philippines, where the cash arrived much later, it was spent primarily to support livelihoods, such as purchasing seeds, fertilizer and tools, while in Myanmar and Viet Nam, it was mainly spent to address acute basic needs, such as buying food, medicines and other health needs. Evidence in the Philippines also suggests that transfers helped avoid taking debt and reducing food intake as negative coping strategies. However, the transfer value was low, and these benefits were short-lived.

A limited amount of sustainable capacity appears to have been built for SRSP as a direct result of the cash transfers. In the Philippines, the intervention provided the finance for the government to use the existing systems for the delivery. Hence, no additional capacity was built. In Viet Nam, the cash was not distributed through a social protection programme, and limited attempts were made to build lasting SRSP capacity through joint work with the local government on targeting. In Myanmar, there was no evidence of systematic capacity building, but some stakeholders felt it allowed piloting different delivery mechanisms and approaches. Nevertheless, building capacity for SRSP was not an explicit goal of the cash transfers. They were not strategically designed to build sustainable capacities.

Targeting should include people who are close to the poverty line, i.e. new and near poor for large shocks like COVID-19 and those who have previously been identified as poor. In Cambodia and Viet Nam, the interventions were focused on encouraging the government to update their poverty lists and take a more inclusive approach, given rising poverty numbers following the immense shock.



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Globally, trends in SRSP have moved towards digitization, for registration and payment, to improve efficiency and reduce overheads.



While digitizing cash transfers can be strategic, retaining some manual processes for cash transfers is necessary for inclusivity. Globally, trends in SRSP have moved towards digitization for registration and payment to improve efficiency and reduce overheads. Therefore, increasing digitization is a smart move. Nonetheless, in some target countries such as the Philippines and Myanmar, digital gaps created problems related to access to technology, particularly among remote and impoverished groups. This demonstrated the need to retain some manual procedures to ensure inclusive approaches.

There is room for improvement to streamline inclusive approaches. Although Myanmar specifically targeted women, the extent to which gender considerations were incorporated into the design of the cash transfers varied across countries and could have been more systematically considered. Communication and engagement with beneficiaries and communities could have been improved and prioritized to ensure all groups received timely information through appropriate languages and communication channels. Some suggestions to consider inclusivity include:

- gender-based and life-cycle eligibility, e.g. pregnant or lactating women with children under 12 months old, female-headed households;
- emerging poverty landscape, e.g. new poor, main income earner, returning migrant without job due to the pandemic;
- geographical targeting, e.g. remote and off-grid areas; and
- primary livelihoods and income sources most impacted, e.g. farming, fisheries, informal sector, etc.

What are the key lessons and next steps for the anticipatory action and shock responsive social protection community?

With this evaluation now in hand, we need to ask ourselves where to go from here. The following seven key recommendations to the AA and SRSP community are aimed at moving the agenda forward over the coming years:

- 1. Design interventions and efforts that are more coherent with a budget that matches the scope.** Actions involving several agencies with different mandates should have greater coordination and collaboration to produce greater impact. It is important to consider whether AA and SRSP are being pursued as separate agendas and to maximize opportunities to align the approaches.
 - 2. Focus on country-level implementation and building government systems.** The region's conceptual and policy frameworks for AA and SRSP have been successfully laid out. Future actions should focus on country-level implementation, such as the drafting of technical advice and guidelines. Building government systems should be prioritized rather than running AA pilots through parallel systems or favouring humanitarian delivery of emergency cash transfers. Humanitarians and development partners have been the leaders and primary funders of AA and SRSP in most countries thus far, with the recent exception of some government funding for COVID-19 cash transfers. It is crucial to demonstrate how these approaches can be routinely embedded in AMS government systems and budgets.
 - 3. Reform government budgeting and Public Financial Management (PFM) for sustainable financing of AA and SRSP.** While some DRF expertise is at the regional level, this does not appear to be matched in AMS. Challenges with PFM were repeatedly mentioned across countries, particularly as the necessary systems and processes are not yet in place to access funds prior to a crisis. Capacity building across government and partner agencies is required, along with strategic PFM reform, so that access to finance flows through government systems to fund AA and SRSP efficiently. This undertaking will be significant across ASEAN countries and requires substantial resources and commitment from governments.
 - 4. Build technical capacities for AA and early warning (EW).** There were clear gaps on AA and EW skills across ASEAN countries, particularly concerning the design of AA triggers and thresholds. This poses a challenge to overcome government scepticism in forecasts and early warning systems, which undermines AA and *ex ante* SRSP. These should be a focus for donor interventions and agencies implementing AA and SRSP.
 - 5. Upgrade to strategic monitoring and evaluation, evidence generation, and knowledge sharing.** While there were plenty of "lessons learned" exercises, they were not strategically coordinated and disseminated. As a result, governments lack evidence that would compel them to invest in AA and SRSP. Future programming should incorporate evidence generation that can plug these gaps through cost-benefit analyses or impact evaluations, among other activities. This should be crucially considered in future actions by the agencies that fund and implement AA and SRSP.
 - 6. Clarify terminology.** Across the sector, terminology concerning AA and SRSP needs to be better understood to avoid confusion and conflation. Careful use of language and clear definitions need to be incorporated, particularly in interactions with those new to the agenda who find the multiplicity of acronyms and terms confusing. All organizations globally (particularly, the AA Task Force) and regionally (particularly, the Asia-Pacific Regional Technical Working Group on Anticipatory Action) involved in advocating, communicating, or building capacity for AA and SRSP, need to consider aligning the vernacular to address this issue.
 - 7. Systematically streamline inclusivity and community engagement.** The experience of the COVID-19-related cash transfers demonstrates the importance of systematic consideration of inclusivity in the design of AA and SRSP to ensure a broad group of people are reached, including women and girls. The AA and SRSP communication channels need to be relevant to deliver timely messages in local languages. Moreover, delivery mechanism approaches should be both digital and manual to avoid excluding groups that lack digital access. Gender should always be a consideration in targeting, given that women are disproportionately affected by crises. Considering inclusivity in the design of programmes should be the norm for AMS and all those involved in designing and implementing AA and SRSP.
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