

Technical Cooperation (TC) Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Lessons learned from cash transfers implementation during the COVID-19 pandemic
▪ TC Number:	RG-T4246
▪ Team Leader/Members:	Stampini, Marco (SCL/SPH) Team Leader; Freire Samudio, Carolina Angelica (SCL/SPH) Alternate Team Leader; Beatrice Fabiani (SCL/SPH); Paula Gamboa Leon (LEG/SGO); Sara Vila Saintetienne (LEG/SGO); Silveira, Sheyla (SCL/SPH); Tejerina, Luis R. (SCL/SPH); Vanessa Curran (SCL/SPH)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	.
▪ Beneficiary:	Governments of Belize and Guyana (Suriname and Jamaica – to be confirmed).
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Social Development(W2E)
▪ IDB Funding Requested:	US\$180,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	1 June 2023
▪ Types of consultants:	Individual Consultant
▪ 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 2010-2020:	Social inclusion and equality; Environmental sustainability; Gender equality

II. Objectives and Justification of the TC

- 2.1 **Justification and background.** The COVID-19 pandemic highlighted the fundamental role cash transfer programs play in supporting the wellbeing of poor and vulnerable households, and at the same time the limitations of the existing programs. In response to the pandemic, the countries of the Latin America and Caribbean (LAC) region implemented 111 cash transfer interventions (Cejudo et al., 2021), either increasing the value of benefits of existing programs (vertical expansion), expanding the number of beneficiaries (horizontal expansion) or developing entirely new programs. The crisis showed that most countries lacked strategies and tools to provide temporary income support to vulnerable populations in the face of shocks.
- 2.2 The implementation of the COVID-19 cash transfer response was helped by the existence of social registries (that allowed identifying vulnerable households beyond those already included in the rosters of beneficiaries) and electronic payment platforms (that helped deliver the transfers rapidly and with transparency) (Gelb & Mukherjee, 2020). In countries without social registries and electronic payment

mechanisms, it was necessary to collect information on vulnerable households and deploy payment mechanisms in a tight timeframe.

- 2.3 For example, in Belize, the Government created the temporary Unemployment Relief Program, which benefited more than 80,000 individuals. The creation of this new program was justified by the lack of existing programs that could reach large segments of the population. BOOST, the existing traditional conditional cash transfer program, only benefited approximately 3,000 households. The country had no social registry or system of electronic payment. It developed new systems for the enrollment of beneficiaries, and distributed bank cards for the delivery of the transfers.
- 2.4 In Suriname, the Government responded to the crisis by temporarily increasing the value of the cash transfers for the beneficiaries of four existing programs: the Support for Disadvantaged Persons with Disabilities (FBMMEB), the Child Allowance (AKB), the Elderly Allowance (AOV), and the Support for Poor Households (FBZwHH).
- 2.5 In Guyana, the Government provided extraordinary cash transfers to the beneficiaries of the existing Public Assistance and Old Age Pension Service programs, implemented by the Ministry of Human Services and Social Security (MHSSS). The Public Assistance was temporarily expanded to include approximately 5,000 children with disabilities. Additionally, the Government provided extraordinary electricity bill credits for vulnerable households.
- 2.6 In Guyana, as well, the temporary expansion of the cash transfer programs was used as an opportunity to tackle the high rates of violence against women, which was exacerbated by the confinement during the COVID-19 pandemic. The MHSSS started the Survivors Advocates Program, which trained and deployed individuals with previous experience in social work to offer emotional support and crisis counselling to domestic and sexual violence survivors. These advocates provide information on the criminal justice system, agency referrals, aid in acquiring emergency shelter and facilitate other immediate needs. Their focus includes women in a situation of poverty and vulnerability, such as those that are targeted by the Public Assistance Program. This promising experience shows how the platform of existing cash transfer programs can be used to address the problem of gender-based violence, thereby contributing to gender equality.
- 2.7 As the countries of the region recover from the crisis, they face the challenge of leveraging traditional and COVID-19 programs to build shock-responsive social protection systems that provide temporary support to those households that experience short-term poverty due to shocks, including those due to extreme weather events. This is particularly relevant for the countries of the Caribbean region, given their exposure to the effects of climate change.
- 2.8 **Objective.** The general objective of this project is to provide inputs for the improvement of the cash transfer systems in English speaking and Caribbean countries, with focus on shock-responsiveness (including to climate change) and gender equality. The specific objectives include: (i) document the experience of cash transfer program implementation in English speaking and Caribbean countries during the COVID-19 pandemic, and extract lessons for future social protection systems, with focus on shock-responsiveness (including to climate change), social registries and digital payments; (ii) document the experience of complementing the implementation of cash transfers during the COVID-19 pandemic with services focused on addressing gender-based violence, as well as other initiatives aimed to increasing gender equality;

and (iii) facilitate the dialogue on these topics among English speaking and Caribbean countries.

- 2.9 **Strategic alignment.** This project is consistent with the Bank's Update to the Institutional Strategy (document AB-3190-2) and aligned with: (i) the development challenge of Social Inclusion and Equality, as cash transfer programs are a key instrument to alleviate poverty, reduce inequality and promote social inclusion; (ii) the cross-cutting issue of Climate Change and Environmental Sustainability, as cash transfer systems play an important role in shock-responsive social protection systems that are needed to cope with extreme weather events whose frequency is increased by climate change; (iii) with the cross-cutting issue of Gender Equality and Diversity, because it studies how countries complemented the implementation of cash transfers with services focused on addressing gender-based violence. This TC is consistent with the Social Protection and Poverty Sector Framework Document (GN- 2784-7), which identifies cash transfers as a key instrument to support vulnerable populations through responsive social protection policies. This TC is also consistent with Bank's objective of providing technical cooperation funds to support the reform of social protection systems, with an emphasis on small countries and the Caribbean. This TC is aligned with the OC SDP Window 2 - Social Development (W2E) fund with the Priority Area 5: Inclusive Social Development by supporting: (i) policies and their implementation to make quality health, education, and employment services accessible to all segments of the population and strengthen service delivery and management; (ii) investments in human capital throughout the lifecycle, ranging from early childhood development to old-age pensions, and covering LAC's higher burden of diseases and disability due to non-communicable diseases; and (iii) efforts to promote gender equality and development with identity of groups that face exclusion based on race and/or ethnicity.
- 2.10 **Value added for the participating countries.** This project will provide a unique opportunity for the participating English speaking and Caribbean countries to discuss what worked and what did not work in the implementation of cash transfer programs during the COVID-19 crisis. These countries have common elements that distinguish them from most countries in the LAC region. For example, most do not use a proxy means test for the selection of the beneficiaries. A number of them still use cash or vouchers for the delivery of the transfers and have an important share of beneficiaries in remote areas. Focusing the dialogue on countries that share language, background and key elements of the social protection system increases the likelihood of an active participation, as well as the likelihood that the project leads to the extraction of lessons learned and to reform guidelines that are relevant and implementable.

III. Description of activities/components and budget

- 3.1 **Component I: Lessons learned from cash transfers implementation during the COVID-19 pandemic.** This component will support and document dialogue among English speaking and Caribbean countries on the topics outlined in the objectives of this project (paragraph 2.8). The outputs will include: (a) two virtual policy dialogue events; (b) one in-person policy dialogue event; (c) a toolkit for the assessment of cash transfer systems, built jointly with the teams implementing programs in the participating countries; and (d) a technical note including: a critical analysis of the cash transfer systems as they were before the COVID-19 crisis, an analysis of the response to the COVID-19 crisis, a discussion on how these systems can be used in response to climate change (to protect those who suffer the damages of climate change, to incentivize the preparedness, and to protect biodiversity), a discussion on how to incorporate initiatives focused on addressing gender-based violence, as well as on

increasing gender equality, a discussion of the importance of digital tools, especially social registries and systems of electronic payment, and recommendations for future reform. The findings of the technical note will be disseminated through the in-person policy dialogue event, as well as through the Inter-American Development Bank (IDB) publications webpage. This component will fund the recruitment of a consultant who will support the analysis of cash transfer systems, the dialogue among countries, the production and application of the toolkit, and the elaboration of the technical note. This component will also pay for all logistical costs for the events, as well as for publication and dissemination costs.

- 3.2 **Results.** The outcome of this project will be that at least two participating countries will have a complete assessment of their system of cash transfer programs, based on the developed toolkit. This assessment will be a key input for future reforms, which may be implemented beyond the timeline of this project.
- 3.3 **Budget.** The total cost of this Technical Cooperation (TC) is US\$180,000, funded by the OC SDP Window 2 - Social Development (W2E) fund, without any counterpart funding. These resources will finance one individual consultant services for 36 months.

Indicative Budget

Activity/Component	Description	IDB/Fund W2E Total Funding
Component I. Lessons learned from cash transfers implementation during the COVID-19 pandemic.	This component will support and document dialogue among English speaking and Caribbean countries on the topics outlined in the objectives of this project (paragraph 2.8). Outputs include: (a) two virtual policy dialogue events; (b) one in-person policy dialogue event; (c) a toolkit for the assessment of cash transfer systems, built jointly with the teams implementing programs in the participating countries; and (d) a technical note.	US\$180,000

- 3.4 **Monitoring.** Monitoring of the progress and quality of the activities financed by this TC will be carried out directly by the IDB, through the Social Protection and Health Division (SCL/SPH). The TC team leader will be responsible for supervising and monitoring the appropriate execution of the project, with support from the operations analysts based in IDB country offices. The Bank's institutional systems will be used to support this process.

IV. Executing agency and execution structure

- 4.1 This TC will be executed by the IDB's Social Protection and Health Division (SCL/SPH). The team leader assigned to this TC will be responsible for the supervision and execution.
- 4.2 In accordance with the Operational Guidelines for Technical Cooperation Products (OP-619-4) or its current version, the justification for the IDB to execute this TC is related to institutional capacity, as the requesting entities would not be able to allocate the necessary human and logistical resources for the implementation of the project, and this may negatively affect its execution. Additionally, the requesting entities recognize the technical and operational expertise of the IDB in the area of cash transfer programs. Execution led by the IDB allows for a more effective implementation of the activities financed by the TC.

- 4.3 Beneficiaries of this technical cooperation project will include those countries that have presented the request letter, including the request for IDB to be the executing agency. Belize and Guyana have already submitted such letter, expressing keen interest in participating in this project (Annex I). We expect that also Suriname and Jamaica will express their interest in participating. They will be included in the project upon reception of the request letter.
- 4.4 **Procurement.** All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-28 for logistics and other related services.
- 4.5 All knowledge products derived from this TC will be the Bank's intellectual property. Knowledge products will be published through the Bank's web page and other means accounted for in the indicative budget.

V. Major issues

- 5.1 The main risk of this project is the lack of ownership of the results of the analysis, which would result in a low likelihood of implementation of the recommendations of reform. To mitigate this risk, only the countries that have expressed keen interest in participating in this project are included. Each workshop will be led by a participating country, which will have the spotlight to present its experience. To generate ownership, the IDB will leverage the relationship developed during the execution of COVID-19 response operations in Belize, Guyana and Suriname, and the exceptional long-term relationship with the institutions implementing cash transfer programs in Jamaica. IDB Chiefs of Operations and Country Economists of participating countries will be invited to participate in the policy dialogue meetings.

VI. Exceptions to Bank policy

- 6.1 None.

VII. Environmental and Social Strategy

- 7.1 This TC will not finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client - RG-T4246](#)

[Results Matrix - RG-T4246](#)

[Terms of Reference - RG-T4246](#)

[Procurement Plan - RG-T4246](#)