

# Collective outcomes for managing covariate risks

Valentina Barca\*,  
and Clare O'Brien\*\*

Maximising our joint contribution and evaluating 'what is best' when working across sectors

NOVEMBER 2023

**Suggested citation:** Barca, V. and O'Brien C. (2023) 'Collective outcomes for managing covariate risks: Maximising our joint contribution and evaluating 'what is best' when working across sectors'. Social Protection Technical Assistance, Advice and Resources (STAAR), DAI Global UK Ltd, United Kingdom

\*Independent Consultant, STAAR; \*\*Senior adviser, social protection, World Food Programme

Implemented by



In collaboration with



*The Social Protection Technical Assistance, Advice and Resources (STAAR) facility is a joint initiative of FCDO's Better Assistance in Crises (BASIC) and Gender Responsive Social Protection (GSP) programmes (funded by UKAid). STAAR materials do not necessarily represent FCDO's own views or policies or commit FCDO to any particular course of action.*

# CONTENTS

- 1. INTRODUCTION: WHY IS THIS IMPORTANT? .....3**
- 2. HOW CAN WE JOINTLY MAXIMISE OUR CONTRIBUTION? .....5**
  - 2.1 Top layer: dimensions against which we would need to expand ..... 5
  - 2.2 Middle layer: evaluating whether we are ‘doing the right thing’ ..... 5
  - 2.3 Bottom layer: social protection’s contribution to join outcomes ..... 6
- 3. IDENTIFYING TRADE-OFFS AND MITIGATING EMERGING RISKS.....7**

# 1. INTRODUCTION: WHY IS THIS IMPORTANT?



**This brief draws heavily on a range of resources that have evolved these concepts over time.** These include, but are not limited to, the following: Bastagli (2014), O'Brien et al (2018), SPAN (2019); TRANSFORM (2020), UNICEF (2020), Bowen et al (2020); WFP (2020), Barca et al (2020), Holmes et al (2021).

**What are the ways in which social protection actors can work alongside disaster risk management and humanitarian actors to maximise their collective contribution to reducing or mitigating the risks posed by covariate shocks, or addressing their consequences if they occur?**

Variants of Figure 1<sup>1</sup> below have been in use for some time to illustrate how the aspirations of the Universal Social Protection agenda intersect with the characteristics of a social protection system that influence its relevance for better managing risks such as natural hazards or socioeconomic crises<sup>2</sup>.

**This brief sets out an explanation of a slightly revised version of that visual**, introducing a typology for the paths by which the system may better cover the needs of people who are vulnerable to, or affected by, covariate shocks. It summarises the quantitative and qualitative criteria we should be collectively adopting to appraise our policy options across sectors and decide 'what is best'. Obtaining clarity on the common end goal, the means to get there, the compromises required and the role of different sectors—all of which vary from country to country and shock to shock—is an essential element of a coordinated and efficient approach.

*Three strangers embarking on a perilous route across a desert will be better off mapping where they are heading towards, what constitutes the best trajectory (and why), and the dangers along the way – jointly strategising on how to address these building on each stranger's comparative strengths – rather than each on their own with no prior thought<sup>3</sup>.*

Metaphors sometimes help bring clarity. How does the metaphor translate? Our 'strangers' are three of the sectors that play a role in supporting vulnerable populations. While disaster risk management and humanitarian actors are explicitly mandated to play a role in emergencies, the social protection sector has a broader remit to prevent, and protect people against, poverty, vulnerability and social exclusion, no matter how they are generated. After many years of the social risk management agenda, 'shock-responsive' and 'adaptive' social protection, the 'humanitarian-development-peace nexus' and the Grand Bargain, the three sectors are perhaps now nearer neighbours than strangers. Yet the journey they make together is different in every context. For this reason, **even if the ultimate goal (better meeting people's needs) is common to all sectors, it is crucial that they consider a variety of options and map a route to get there that:**

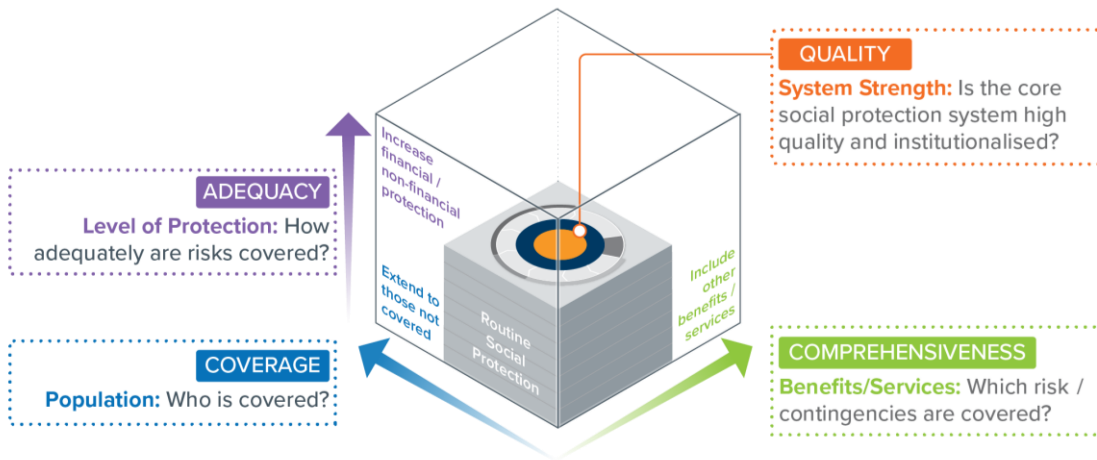
- » **builds on the relative strengths of each sector**, given the type of shock and context,
- » **is better than any alternatives** in the context,
- » **appraises the trade-offs** they are likely to face and mitigates the risks emerging from the option selected.

<sup>1</sup> Authors, adapted from prior SPACE (2021) visual, drawing on O'Brien et al (2018), TRANSFORM (2020), and Barca et al (2020)

<sup>2</sup> See Box above with key resources. 'Mandated sectors are primarily Disaster Risk Management and Humanitarian.

<sup>3</sup> Borrowed from a 2020 blog by the author, "[Cutting through complexity to shape the COVID-19 cash response](#)"

Better meeting people's needs via an increase in



Taking an approach across sectors that achieves value for money by considering



Social Protection can contribute to these joint outcomes in different ways

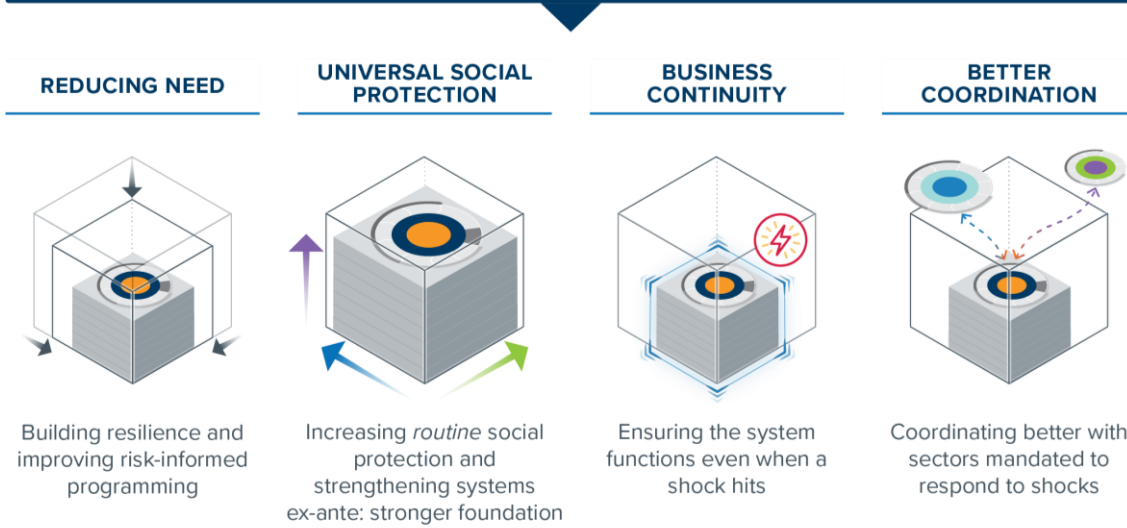


Figure 1: How can we jointly maximise our contribution to addressing covariate risks, across sectors?

## 2. HOW CAN WE JOINTLY MAXIMISE OUR CONTRIBUTION?

The diagram in Figure 1 has three layers.

- » The top layer describes the dimensions against which we would jointly need to expand, across sectors, to better meet people's needs, at any given point of the shock cycle: i.e. this is also valid for routine social protection, not just in 'response' to shocks.
- » The middle layer summarises the qualitative outcomes by which we are likely to assess whether we are 'doing the right thing' when we pick a policy option for managing covariate risks, whether through social protection or any other sector.
- » The (newly introduced) bottom layer spells out the different routes by which an enhanced social protection system serves to contribute to the desired outcomes ('pathways to impact').

### 2.1 Top layer: dimensions against which we would need to expand

A successful strategy will minimise gaps in provision by achieving improvements in terms of coverage, adequacy and comprehensiveness—noting these intentionally coincide with the three quantitative tenets of Universal Social Protection as per the 2030 Agenda—while taking into account the existence of covariate risks. These improvements could be led by any sector, expanding beyond the routine social protection system available (the grey central cube):

1. **Coverage.** Ensuring greater coverage of population where and when it is needed. This works by decreasing the share of the population in need of assistance (supporting them ex-ante and increasing their resilience); or increasing the absolute number of people reached, both via routine programmes and via programmes specifically designed to support those who have been, or are likely to be, negatively affected by covariate risks.
2. **Adequacy.** Ensuring greater levels of protection, for example via support of a more appropriate nature, a higher value, higher frequency or longer duration. Once again, this could be via expansion to routine programmes (which, e.g., often struggle to offer adequate transfer values) or via programmes designed to support populations who are vulnerable to or affected by covariate risks.
3. **Comprehensiveness.** Ensuring a better tailored and greater range of services/benefits offered to fully cover complex and multi-dimensional needs of different population groups, both via routine programmes (e.g. via a complementary role for social insurance and social assistance) and via programmes designed to address needs elicited by covariate risks and shocks, e.g. linking benefits and services to enhance resilience and recovery.
4. **Quality.** As a fourth criterion, the quality of the routine social protection system also matters, as it determines the extent to which its programmes and underlying systems can be leveraged. This is determined by the design and implementation choices of the range of programmes that constitute it, as well as by the broader policy environment<sup>4</sup>.

### 2.2 Middle layer: evaluating whether we are 'doing the right thing'

The further set of criteria in the middle layer outlines some of the fundamental characteristics of a high-quality approach that social protection, disaster risk management and humanitarian actors will be aiming at as they strive to better address the needs of vulnerable / affected households. An effective and 'Value for Money' policy approach will improve one or more of:

<sup>4</sup> See Barca, V. and Jaramillo Mejia, JG. (2023), '[Social protection as a 'solar' system](#)' for an overview of the elements of a social protection system that drive its quality. That briefing note explores in more depth the circular diagram shown here in the top layer.

1. **Equity and inclusiveness.** Effective targeting to reach the households who are vulnerable to, or affected by, the shock, meeting their diverse needs and promoting equality, inclusion and empowerment.
2. **Ownership and sustainability.** Greater government ownership and sustainability, political and popular acceptability, strengthened national and local capacity over time (versus external actors coming in and firefighting each crisis), as well as more strategic medium and long-term planning and financing (pre-empting evolving nature of shocks, exacerbated by climate change).
3. **Accountability.** Putting people and their protection at the centre, respecting human rights principles as well as humanitarian principles where relevant, ensuring dignity, community participation and acceptance, ensuring adequate channels for grievance and redress.
4. **Timeliness.** Delivering interventions in time to be of use, averting negative coping strategies. This could mean e.g. building resilience well in advance of recurrent / predictable shocks, applying anticipatory action or early action approaches in a specific shock, considering households' ability to use the resources provided, and taking seasonality into account.
5. **Predictability.** Ensuring predictability of funding for implementing agencies and of assistance to households, for better planning.
6. **Cost (efficiency and effectiveness).** Enabling cost-efficiencies via better coordination with other sectors mandated to respond to shocks, eliminating (unintentionally) duplicated delivery systems, processes and caseloads, ensuring greater localisation and leveraging the most cost-effective systems including via economies of scope and scale. Also ensuring Value for Money via investing early or enhanced localisation<sup>5</sup>.

## 2.3 Bottom layer: social protection's contribution to join outcomes

In the context of shocks, the existence of 'good social protection' helps meet needs and specifically contributes to managing covariate risks via four main pathways:

- » **Reducing need.** By tackling poverty and vulnerability even before any major shock happens, good social protection increases people's resilience, so the need for support—whether from ministries responsible for social protection, government disaster management agencies, or national and international humanitarian organisations—is less severe when a disaster occurs.
- » **Increasing protection, in line with the 'universal social protection' agenda.**<sup>6</sup> For those who do require assistance, a larger and stronger routine social protection system will be able to reach more of the right people and accommodate their additional needs. Routine social protection system-strengthening is necessary no matter what. In the context of any shock, countries with a range of programmes (across social assistance and social insurance) that offer high coverage of populations via adequate and comprehensive support will better protect their people.
- » **Business continuity.** A good social protection system will continue to function with minimal disruption even in the event of a major shock when people need support the most. This ensures that the level of need provoked by the shock itself is not compounded by a knock-on effect from the collapse of systems or programmes that were already in place (owing to e.g. households being unable to access their regular support, staff being unable to work, or information systems being rendered inaccessible by power failure).<sup>7</sup>
- » **Better coordination.** In a shock, social protection actors do not need to provide support alone: they are likely to be working alongside disaster management authorities and other public sector bodies, as well as perhaps humanitarian actors. A good social protection system will have robust processes for

<sup>5</sup> See e.g. the literature on the Returns of Investment and Value for Money of early action and social protection (Cabot Venton 2013/2018, UNICEF and WFP 2015, Wylde et al, 2020)

<sup>6</sup> See e.g. the Global Partnership for Universal Social Protection (USP2030) agenda and commitments.

<sup>7</sup> See e.g. Slater (2022)

coordinating with these other actors to maximise the efficient use of overall resources (e.g. via layering, sequencing and maximising synergies across sectoral interventions).<sup>8</sup>

### 3. IDENTIFYING TRADE-OFFS AND MITIGATING EMERGING RISKS

We have been discussing the criteria by which policymakers and implementers may weigh up their options when deciding how to address and mitigate people's vulnerability to large-scale shocks, especially when working across sectors in order to leverage the comparative strengths of each (see also [Smith 2021b](#)). The eventual course of action would need to be decided by convening the expert opinions of stakeholders, learning from previous interventions or conducting preliminary research if there is no evidence for what works best in the particular context.

**However, picking a policy option is no easy task: any strategic decision will affect all criteria** (discussed in the top and bottom layer of Figure 1) **simultaneously and no decision can affect all of them in a positive direction. Several of the criteria/dimensions pose direct trade-offs that need to be carefully evaluated** – leading to tough decisions and prioritisations of some dimensions over others based on what is most desirable, feasible, affordable and politically acceptable. Coverage vs adequacy is the most obvious trade-off: for a given budget, should funds be spread among many recipients, or allocated more intensively to fewer? There are many others: for example timeliness vs sustainability (e.g. aiming to strengthen systems may delay action), cost-efficiency vs inclusiveness (e.g. leaving no one behind comes with a cost), inclusive coverage vs timeliness (e.g. reaching those facing the highest barriers takes more time), to name a few.

**To complicate matters further, different sectors may weigh these dimensions differently.** As a good example, the classic coverage vs adequacy trade-off tends to tip towards coverage for government actors and towards adequacy for humanitarians.

**Ultimately, tough decisions will need to be made. What matters is:**

- » **Taking those tough decisions consciously, transparently and jointly** (coordinating across sectors), weighing the pros and cons of different options;
- » **Having a plan in place to address and mitigate each risk** arising from the dimensions that have been 'sacrificed';
- » **Considering implementing more than one option**, as fulfilling complementary functions – possibly sequenced over time and led by different sectors, leveraging the strengths of each.

**The appraisal of options is not an exercise that will give the same result in every context – or over time.** The choice is severely influenced and constrained by the type of shock and its characteristics (e.g. its predictability, recurrence, visibility, impacts, etc) and the country context (strength of existing systems, the capacity of each sector, access to financing, to name a few). These can and should shift over time, with each shock eliciting joint learning, across sectors, that can be used to strengthen the foundation for future action (shifting the baseline landscape for decision-making).

**Importantly, the same criteria for determining policy options can also be used during or after implementation to monitor and evaluate performance, identify and mitigate risks and make ongoing adjustments** to maximise collective outcomes for better managing covariate risks. Good guidance for this is provided in [Holmes and Levine \(2021\)](#), while best practice is in the making globally. Our sectors have come far, let's collectively support the learning and action that enables us to go even further!

<sup>8</sup> See e.g. Smith (2021a), Longhurst et al (2020)

*This document was developed as part of the STAAR -Social Protection Technical Assistance, Advice and Resources facility implemented by DAI Global UK Ltd and funded by the UK Foreign, Commonwealth and Development Office. The views expressed in this document are entirely those of the authors and do not necessarily represent FCDO's own views or policies.*

© 2023

*Copyright in the typographical arrangement and design (of this publication) is jointly owned by the Crown in the right of the United Kingdom. This publication (excluding the logos) may be reproduced free of charge in any format or medium, provided that it is reproduced accurately (in full or in part) and not used in a misleading context. The material must be acknowledged as Crown copyright with the title and source of the publication specified.*

*Published by STAAR, on behalf of FCDO.*