

The role of social protection in responding to shocks and building resilience in the Pacific and Timor-Leste

Partnerships for Social Protection

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Context and project background

The vulnerability of the Pacific and Timor-Leste to shocks – such as natural hazards, economic downturns, climate change impacts and COVID-19 – is consistently emphasised in the literature, with the geographic, economic and social characteristics of these countries seen to contribute to their vulnerability (Costella and Ivaschenko, 2015). Given that the poorest and most marginalised members of society are likely to be most affected by these shocks, there is an increasing recognition of the role of social protection in reducing the impact of shocks. The Australian Government's Partnerships for Social Protection (P4SP) program and Sustineo have published an [Annotated Bibliography](#) and [Evidence Review](#) outlining the current landscape of social protection in the Pacific and Timor-Leste, including a short analysis of social protection as it relates to climate change impacts and other shocks. This brief explores the evidence on this topic in more detail, highlighting key findings, summarising the most prevalent voices in this field, and areas where more research is needed.

What the evidence says

The focus on the role of social protection in responding to and building resilience against shocks is seen through the extensive discussion of this topic in the published evidence, and in available social protection policies and strategies in the region, all of which acknowledge social protection's role in reducing the impact of shocks.¹ This role is conceptualised in different ways across policy/strategy/framework documents and other literature, leading to the emergence of concepts including shock-responsive social protection, disaster-responsive social protection, adaptive social protection and climate-resilient social protection.²

¹Social protection policies and strategies are publicly available for Fiji: [Social Assistance Policy: Protecting the Poor and Vulnerable](#); Samoa: [National Social Protection Policy Framework](#); Papua New Guinea: [National Social Protection Policy 2015-2020](#); Nauru: [National Social Protection Strategy 2022-2032](#); and Timor-Leste: [National Strategy for Social Protection 2021-2030](#).

² For further discussion of these different framings, see pp. 20-21 of the [Evidence Review](#).

Social protection as a reactive response to acute shocks

The Evidence Review highlights extensive use of social protection in the Pacific and Timor-Leste to support recovery after acute shocks like tropical cyclones, economic downturns and the COVID-19 pandemic. Governments often enact short-term, non-contributory social assistance measures (beyond typical provisions) in such crises.

Following Tropical Cyclone Gita in 2018, the Government of Tonga allocated approximately AUD\$500,000 in additional payments through its two core social protection programs, financed by the Australian Government (Doyle, 2018). This ‘vertical expansion’ of social protection, where payment values or durations are temporarily increased, is a common disaster response in the Pacific and Timor-Leste (ILO, 2020; P4SP, 2022; UNESCAP and MNRES, 2020). ‘Horizontal expansion’ – which broadens coverage of a program to more beneficiaries – remains infrequent despite being included in the social protection policies of Fiji, Samoa and Nauru (Beazley et al., 2021; UNESCAP and MNRES, 2020).

In addition to social assistance, contributory social insurance schemes have provided support following shocks. In Fiji, Tonga and Samoa, early withdrawals from retirement funds were permitted after tropical cyclones, facilitated by National Provident Funds (Guo and Narita, 2018; Hobbes and Jackson, 2016). During the COVID-19 pandemic, unemployment benefits were introduced for the first time in Cook Islands, Fiji, Palau, Samoa, and Federated States of Micronesia through social insurance mechanisms (Beazley et al., 2021).

Humanitarian action and informal social protection networks can complement formal social protection systems.³ The evidence included many examples of humanitarian actors partnering with governments to provide post-shock assistance, sometimes channelling payments through existing social protection mechanisms (see for example Fiji Government and WFP, 2017). Furthermore, informal social protection networks provide support locally – through sharing of resources and knowledge – and internationally – through payment of remittances (Le De et al., 2020; Le De and Jackson-Becerra, 2021). Some publications argue that these informal systems are eroding and are placed under particular strain in cases of covariate shocks which affect entire communities or regions simultaneously (Costella and Ivaschenko, 2015; Ivaschenko et al., 2015). Overall, the evidence indicates that both formal and informal social protection can play a role in providing support in cases of shocks.

Role of social protection in proactively building resilience to climate change

The implementation of social protection in relation to shocks has primarily been reactive, offering support during or after shocks. However, an evolving body of evidence suggests that social protection approaches can also proactively build resilience before shocks occur, especially those related to climate change risks. Various publications offer different framings of best practice for social protection that helps build proactive resilience against shocks (see for example Costella and

³ “Informal social protection” is a problematic description as these social protection systems are often highly structured and culturally institutionalised, making “informal” a false description; however, the framing is applied here to mean that that these social protection systems function outside of formal market interactions. This is consistent with use in the literature.

Ivaschenko, 2015; Costella and McCord, 2023; UNESCAP and MNRES, 2020; World Bank, 2023). However, this literature remains largely theoretical, with limited examples of implementation, and even fewer examples of rigorous monitoring and evaluation. Referring to programs in the Asia-Pacific that have attempted to link climate change and social protection, Costella and McCord (2023, p. 3) argue:

... these programs seem to be islands of innovation – mostly disconnected from each other and from most mainstream social protection programming, and not directly aligned with national or regional climate strategies. Their coverage is low, interventions are predominantly small in scale, and there has been little evaluation of their effectiveness or the feasibility of large-scale replication in relation to projected future needs.

While implementation of this forward-looking social protection agenda remains limited, Costella and McCord (2023) argue that social protection should not only enhance resilience against climate change and other shocks but also support broader climate change mitigation and adaptation efforts. This includes offsetting the adverse welfare impacts of climate transition policies, facilitating adaptation options, and contributing to reduced greenhouse gas emissions and carbon sequestration. Similarly, the Asian Development Bank (ADB) highlights the role of social protection in supporting a 'just transition' towards low-carbon economies (ADB, 2023).

Financing remains a key challenge

In the face of climate change, Pacific governments – which are already facing fiscal pressures – will face rising costs from disaster events and potential GDP declines due to climate impacts (Costella and McCord, 2023; Ramachandran and Masood, 2019). In this context, financing for the development or strengthening of social protection systems that can anticipate and respond to disaster events as well as support climate change action is a key challenge. A policy brief by UNESCAP and the Ministry of Natural Resources and Environment of Samoa (UNESCAP and MNRES, 2022, p. 12) emphasises that “[a] predictable and adequate source of financing is key to successful social protection systems.” Pacific governments are in the process of developing strategies and policies for disaster risk financing; for example, Tonga’s published policy identifies building adaptive social protection as a priority action (see Tonga Ministry of Finance, 2021).

The literature highlights a variety of financing mechanisms that can support shock-responsive and climate-resilient social protection, which can be implemented individually or layered to address a range of shocks. Various financial instruments are raised as options, including:

- Contingency funds
- National and local disaster reserves
- Insurance (both microinsurance and national parametric insurance)
- Global climate funds (such as the Green Climate Fund)
- Foreign assistance.

It is out of scope of this brief to examine these mechanisms in detail. There is a growing body of evidence considering the suitability of these mechanisms, but further research is needed, particularly as different mechanisms are implemented more widely.⁴

⁴ For more information, see UNESCAP and MRNES, 2022; Ramachandran and Masood, 2019; Mahul et al., 2016; Martinez-Diaz et al., 2019; Lucas, 2015.

Key voices on this topic

The Evidence Review identified 82 publications which included discussion of social protection in responding to shocks (tagged as ‘shock-responsive social protection’) and 24 that discussed social protection in relation to climate change and resilience (tagged as ‘climate-resilient social protection’).⁵ Academic journals had published the most documents in the shock-responsive social protection category (24 publications), followed by the World Bank (15 publications). The high representation of this topic in academic literature contrasts with the general predominance of multilateral organisations and grey literature on other social protection related topics. For climate-resilient social protection, the World Bank was the main publisher (9 documents). Pacific-based organisations had published 7 of the climate-resilient social protection documents and 12 of the shock-responsive social protection documents. Cash working groups were the predominant Pacific-based publishers across both categories.⁶

Multilateral organisations tended to emphasise the need to integrate shock-responsive and climate-resilient social protection into wider social protection programming. Publications from Pacific-based organisations were more likely to focus on cash transfer programming and humanitarian partnerships, but this likely reflects the prevalence of cash working groups in the evidence. A focus on the effectiveness of informal social protection in responding to shocks was more common in the evidence published by Pacific organisations, with publications giving examples of international remittances increasing during times of crisis, and communities rebuilding small-scale infrastructure after cyclones.

Research gaps

The evidence landscape on the role of social protection in relation to climate change impacts and other shocks is rapidly evolving, and this topic is widely regarded as critically important for the welfare of people in the Pacific and Timor-Leste. As such, there are many important areas for future research in this space.

A critical research gap is empirical evidence on best practice for implementing climate-resilient social protection programming which seeks to build adaptive capacity and resilience to climate change. As identified in this brief, theoretical best practice is present in the literature, but evidence-based impact studies are limited. As these approaches are increasingly implemented, it is essential that robust monitoring and evaluation systems are embedded into programming to allow for learning and improvement.

Similarly, there is a need for empirically based research on the best ways to finance shock-responsive and climate-resilient social protection in the context of the Pacific and Timor-Leste. As this kind of programming is expanded, there is an important opportunity to gather data on effectiveness and to compare different approaches to financing.

Other important research gaps in this space include:

⁵ There was some overlap between these categories, meaning the total number of unique publications tagged for ‘shock-responsive social protection’ and ‘climate-resilient social protection’ was less than 106.

⁶ This includes the Asia-Pacific Regional Cash Working Group, Pacific Regional Cash Working Group and Fiji Cash Working Group.

- Better understanding the interactions between formal and informal social protection systems in relation to shocks
- Building evidence on the most efficient and effective ways to broaden the reach of social protection systems in times of shock in the Pacific and Timor-Leste
- Better understanding of how social protection in the Pacific and Timor-Leste can support climate change adaptation and mitigation.

Pacific and Timorese individuals and organisations should be supported to lead this research work. This will help to centre local voices in the discourse and ensure that contextual factors are appropriately recognised and reflected in the research.

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