



## EXECUTIVE SUMMARY

# Social protection coverage toolkit

Fabianna Bacil, Charlotte Bilo and Wesley Silva, International Policy Centre for Inclusive Growth (IPC-IG)



Food and Agriculture  
Organization of the  
United Nations



# **SOCIAL PROTECTION COVERAGE TOOLKIT**

Cover photo: UN Photo/Albert Gonzalez Farran <<https://bit.ly/30RbIE5>>.

# **SOCIAL PROTECTION COVERAGE TOOLKIT**

Fabianna Bacil, Charlotte Bilo and Wesley Silva, International Policy Centre for Inclusive Growth (IPC-IG)

Published by  
the Food and Agriculture Organization of the United Nations  
and  
the International Policy Centre for Inclusive Growth

Research Report No. 49

### **Social protection coverage toolkit**

By Fabianna Bacil, Charlotte Bilo and Wesley Silva

Published by the Food and Agriculture Organization of the United Nations (FAO) and the International Policy Centre for Inclusive Growth (IPC-IG).

© FAO and IPC-IG/UNDP, 2020

Some rights reserved. This work is made available under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 IGO licence (CC BY-NC-SA 3.0 IGO; <https://creativecommons.org/licenses/by-nc-sa/3.0/igo/legalcode>).

Under the terms of this licence, this work may be copied, redistributed and adapted for non-commercial purposes, provided that the work is appropriately cited. In any use of this work, there should be no suggestion that FAO endorses any specific organization, products or services. The use of the FAO logo is not permitted. If the work is adapted, then it must be licensed under the same or equivalent Creative Commons license. If a translation of this work is created, it must include the following disclaimer along with the required citation: "This translation was not created by the Food and Agriculture Organization of the United Nations (FAO). FAO is not responsible for the content or accuracy of this translation. The original English edition shall be the authoritative edition."

Disputes arising under the licence that cannot be settled amicably will be resolved by mediation and arbitration as described in Article 8 of the licence except as otherwise provided herein. The applicable mediation rules will be the mediation rules of the World Intellectual Property Organization <http://www.wipo.int/amc/en/mediation/rules> and any arbitration will be in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

#### **Authors**

Fabianna Bacil, Charlotte Bilo and Wesley Silva (IPC-IG)

#### **Research team**

Mohammed Anwer (independent consultant)

#### **Research Coordinators**

##### **IPC-IG**

Charlotte Bilo (IPC-IG)

Anna Carolina Machado (IPC-IG)

Rafael Guerreiro Osorio (Ipea and IPC-IG)

##### **FAO**

Flavia Lorenzon (FAO NENA)

Nourjelha Mohamed Yousif Elhaj (FAO Sudan)

Elwathig Mukhtar Hamid (FAO Sudan)

#### **Designed by the IPC-IG Publications team**

Roberto Astorino, Flávia Amaral, Priscilla Minari and Manoel Salles

The IPC-IG disseminates the findings of its work in progress to encourage the exchange of ideas about development issues. The papers are signed by the authors and should be cited accordingly. This publication is available online at [www.ipcig.org](http://www.ipcig.org) and [www.fao.org/publications](http://www.fao.org/publications).

For further information on IPC-IG publications, please feel free to contact [publications@ipcig.org](mailto:publications@ipcig.org).

FAO information products are available on the FAO website (<http://www.fao.org/publications>) and can be purchased through [publications-sales@fao.org](mailto:publications-sales@fao.org).

The IPC-IG is a partnership between the United Nations and the Government of Brazil to promote learning on social policies. It is linked to the United Nations Development Programme (UNDP) in Brazil, the Ministry of Economy (ME) and the Institute for Applied Economic Research (Ipea) of the Government of Brazil.

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO), or of the International Poverty Centre for Inclusive Growth/United Nations Development Programme (IPC-IG/UNDP) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO, or IPC-IG/UNDP in preference to others of a similar nature that are not mentioned. The findings, interpretations, views and conclusions expressed in this information product are those of the author(s) and do not necessarily reflect those of FAO, the IPC-IG/UNDP or the government of Brazil.

All requests for resale and other commercial use rights should be made via [www.fao.org/contact-us/licence-request](http://www.fao.org/contact-us/licence-request) or addressed to [copyright@fao.org](mailto:copyright@fao.org).

Suggested citation: Bacil, F., C. Bilo, and W. Silva. 2020. *Social protection coverage toolkit*. Brasília and Cairo: International Policy Centre for Inclusive Growth and Food and Agriculture Organization of the United Nations Regional Office for the Near East and North Africa. DOI: <https://doi.org/10.4060/cb0954en>

ISBN 978-92-5-133301-3 [FAO]



## ACKNOWLEDGMENTS

*Social protection coverage toolkit* is the result of a partnership between the International Policy Centre for Inclusive Growth (IPC-IG) and the Food and Agriculture Organization of the United Nations (FAO) Regional Office for the Near East and North Africa (NENA). The approach to estimate coverage has been applied to the case of Sudan (see Bacil and Silva 2020).

The IPC-IG research team would like to thank Flavia Lorenzon (FAO NENA), Dalia Abulfotuh (FAO NENA), Nourjelha Mohamed Yousif Elhaj (FAO Sudan) and Elwathig Mukhtar Hamid (FAO Sudan), for their comments, suggestions and support throughout the elaboration of this report.

Moreover, we would like to thank Greta Campora (FAO) and Omar Benammour (FAO) for their valuable feedback on earlier drafts.

Our special thanks to Mohammed Anwer for his contributions and for facilitating our mission to Sudan. We would also like to express our gratitude to the participants from the Sudanese Ministry of Labour and Social Development who commented on a presentation of a previous version of this report in Khartoum, in September 2019.

Finally, we are grateful to Mohamed Ayman and Lucas Sato for their research assistance.

## EXECUTIVE SUMMARY

The implementation of nationally appropriate social protection systems for all has emerged as one of the key targets of Sustainable Development Goal (SDG) 1, 'End poverty in all its forms and everywhere', which calls for all countries to report on the coverage of social protection programmes. However, there is no single way of calculating the coverage offered by social protection programmes. This toolkit, developed by the International Policy Centre for Inclusive Growth (IPC-IG) and commissioned by the Regional Office for the Near East and North Africa (NENA) of the Food and Agriculture Organization of the United Nations (FAO), proposes a new, step-by-step approach to measuring such coverage.

The baseline premise is that social protection coverage should refer to the extent to which policies and programmes provide protection against the multiple risks to which vulnerable people are exposed during each phase of the life cycle, recognising as well that these risks vary depending on key determinates, such as age, gender and place of residence. In summary, the proposed methodology is based on **a coverage measurement function that should include the extent to which the different risks are covered**, ranging from unprotected to protected, and taking into account the particular vulnerabilities of each population group. Thus, it distinguishes itself from more common measurements, which consider participation and coverage as analogous terms.

First, it is important to note that there is no universal definition of social protection; although the most common definitions have many significant overlaps, they also have certain differences, especially regarding the types of programmes included. As for similarities, all the definitions understand social protection as a policy instrument to **protect and prevent against poverty and its various consequences** (ill health, malnutrition, lack of access to education etc.). This minimum concept is used in this study, although the proposed coverage approach could also be applied to broader definitions.

Similar to social protection, the definition of coverage also differs among institutions. The concept adopted by the World Bank reflects a 'population concept' of coverage: the share of a population or subpopulation that receives or contributes (as in the case of social insurance) to social protection. Meanwhile, the International Labour Organization (ILO) differentiates between legal and effective coverage: the first refers to who, by law, is entitled to social protection, and the latter indicates who in fact contributes or receives. Despite their differences, both take a 'participation' approach to social protection, meaning who participates (either directly or indirectly) in a social protection programme. However, they do not say much about the extent to which people's specific life-cycle risks are covered—in other words, they cannot provide detailed insights into the adequacy of the social protection system in place.

Against this background, this toolkit aims to offer an alternative approach to measuring social protection coverage. **The proposed methodology has four main steps.** The **first** one is **setting a national definition of social protection**. The importance of nationally adopted definitions is also reflected in SDG target 1.3, which calls for the implementation of **nationally appropriate social protection systems** and the goal of achieving substantial **coverage** of poor and vulnerable citizens by 2030. The national conceptualisation of social protection (meaning the objective of social protection in a given country as well as the types of programmes and their target groups) largely depends on the country's socio-economic characteristics. For example, a country with a large rural population might include livelihood projects as a key social protection instrument, while this might be less relevant in other contexts.

Unlike other approaches, the proposed methodology focuses on risks and the extent to which social protection programmes implemented by the State can mitigate the vulnerabilities of the population exposed to them. To that end, the **second** necessary step of this methodology is **risk mapping**. As outlined above, risks and vulnerabilities vary across different groups and are context-specific. Therefore, it is first necessary to identify the different social groups and their specific risks. For example, farmers are vulnerable to the occurrence of droughts, while working-age

individuals are exposed to the risk of unemployment. The **person's characteristics define their individual sum of risks**, which is equal to the totality of risks to which they are vulnerable. The relevant characteristics and groups must be defined according to the national context.

Each of these risks has an assigned **arbitrary weight** ( $w_r$ ). It might reflect the level of vulnerability of that person to such risk or how much the society values addressing it. For example, if child marriage has a higher incidence in rural areas, the weight for this risk could be higher for rural children. Alternatively, a government might prioritise ending hunger, so the risk of insufficient food receives higher weights. Importantly, **the sum of the weights of risks that affect a person must be equal to 1**. In addition, this step is highly dependent on the availability of data on the population being studied. In this sense, household surveys such as the Multiple Indicator Cluster Survey, vulnerability and risk assessments, and national consultations with relevant stakeholders are possible sources to provide the necessary information.

Once the groups and the specific risks that a national protection system is meant to protect against are identified, the third step requires that the existing social protection **programmes are mapped**, to identify whether and to what extent they address the mapped risks. The schemes that address each risk vary from country to country and are also linked to the national definition of social protection, which determines the types of programmes included.

Lastly, **a coverage function must be defined** for each risk identified in Step 2 to enable the assessment of the extent to which each scheme responds to them. In other words, this function reflects how much the risk is mitigated by different programmes. It aims to indicate, for example, how much a food transfer scheme can protect against the risk of food insecurity. In other words: For every risk  $r$ , a specific coverage function applies criteria to evaluate whether it is covered, returning a proportion between 1 (fully covered) and 0 (completely uncovered).

There is no single way to define a coverage function, and the best approach depends on both the type of risk and the availability of data. Usually, a good starting point is to consider why a factor is considered a social risk—in other words, what the consequences are to be avoided. For instance, droughts are a severe issue for farmers because they may cause crop failure, which negatively affects their income. Therefore, the coverage function of a programme to address crop failure could consider either the availability of other sources of water (which might mean that a number of plots are no longer exposed to this risk) or the share of the income lost due to the drought that would be replaced by the scheme. This exercise naturally involves a certain degree of discretion, so it is important to clearly state all assumptions made. For example, in the absence of nutritional status data, a study might have to focus solely on the link between food insecurity and a household's income level to be able to measure the adequacy of schemes to address such risk.

After defining each coverage function, the individual social protection coverage rate ( $SPC_i$ ) can be calculated as the sum of the multiplication of coverage rates by the respective risk weight. In other words:

$$SPC_i = \sum_{r=1}^{R_i} c_r w_r$$

Then, the total social protection coverage rate of a population composed of  $N$  people is the average of the individual rate:

$$SPC = \frac{1}{N} \sum_{i=1}^N SPC_i$$

Lastly, the **coverage gap** is  $1 - SPC$ . This gap expresses the adequacy of the social protection system in place, as it shows how much people's vulnerability remains uncovered after assessing the programmes in place.

However, even though the State should be the main party responsible for the provision of formal social protection, it is important to consider that individuals might acquire protection against risks through other means—for instance, through non-governmental organisations (NGOs) or other family/community members. This tends to be especially

important when state support is limited. For example, an individual might be covered against the risk of food insecurity solely by their wage, which determines the amount of food purchased, or also by a food aid programme provided by the government or an NGO. Therefore, the application of this methodology to calculate the protection coverage rate from other sources can provide valuable information. It could be used, for example, to highlight discrepancies between the mechanisms adopted by different social groups, contextualise the role of the State, and allow a better understanding of the society's level of vulnerability.

The identification of the relevant protection sources is based on the mapped set of risks to which each group is exposed. Like the previous step, this exercise is strongly based on the information provided by household surveys, which typically cover these topics. However, there are other possible ways to identify existing programmes and other sources that address each risk, such as reports of NGO activities that detail their projects and results, and documents produced by government entities that implement social protection programmes.

This report discusses each of these steps in detail. It is divided into six main parts following the introduction. The first section provides a theoretical discussion on the concept of social protection and social protection coverage, examining some of the most common definitions used by international development organisations, such as the World Bank and the ILO. This section also offers an overview of how these organisations define and measure coverage, and discusses the advantages and caveats of each. Next, the four main steps of the new coverage methodology (setting a national definition of social protection, risk mapping, programme mapping and programme benchmarking) are explained in detail. Lastly, an example is provided to illustrate the application of this alternative approach.

In summary, this new approach is based on the premise that social protection coverage should refer to the extent to which programmes provide protection against the multiple risks to which people are exposed during each phase of the life cycle. Therefore, it focuses on risks and the particularities of each social group. By doing so, it highlights the specific needs of different groups and the existing protection gaps, enabling the implementation of evidence-based policies to strengthen the national social protection system.



Food and Agriculture  
Organization of the  
United Nations



**ipea** Institute for Applied  
Economic Research

MINISTRY OF  
ECONOMY



**FAO Regional Office for the Near East and North Africa**

11 Al-Eslah Al-Zerai Street, Dokki  
P.O. Box 2223 Cairo, Egypt  
+202 3331 6000  
[www.fao.org/neareast](http://www.fao.org/neareast)  
[FAO-RNE@fao.org](mailto:FAO-RNE@fao.org)

**International Policy Centre for Inclusive Growth**

SBS, Quadra 1, Bloco J, Ed. BNDES, 13º andar  
70076-900 Brasília, DF, Brazil  
+55 61 2105 5000  
[www.ipcig.org](http://www.ipcig.org)  
[ipc@ipcig.org](mailto:ipc@ipcig.org)

ISBN 978-92-5-133301-3



9 789251 333013

CB0954EN/1/10.20