

Study on Shock-Responsive Social Protection in Latin America and the Caribbean

Peru case study

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This report is part of an assignment commissioned by the World Food Programme (WFP) to Oxford Policy Management (OPM, www.opml.co.uk). The project manager is Rodolfo Beazley. Please contact Rodolfo for comments or additional information, Rodolfo.Beazley@opml.co.uk, or Francesca de Ceglie, francesca.deceglie@wfp.org.

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Executive summary

Introduction

There is increasing global recognition, within governments and their partners, of the promising linkages between social protection and disaster risk management (DRM) in responding to and mitigating shocks. In the case of the Latin America and the Caribbean (LAC) region, relatively advanced and large-scale social protection systems seem to provide a unique opportunity to support emergency response. However, social protection systems can involve conflicting objectives, target populations, and operational processes when compared to humanitarian interventions. This can impede their ability to play a role in accommodating additional demand for assistance at the time of an emergency.

In this context, the objective of this study is to generate evidence and inform practice for improved emergency preparedness and response in LAC, linked to more flexible national social protection systems.¹

Peru is a country with great biological and cultural wealth and diversity, which, at the same time, has high levels of exposure and vulnerability to natural disasters, exacerbated by the effects of climate change. In this context, the non-contributory social protection system shows great potential to play an effective role in emergency response.

This Peru case study forms part of a wider **Study on Shock-Responsive Social Protection in LAC**, commissioned by the World Food Programme (WFP) and undertaken by Oxford Policy Management (OPM). The study includes a literature review of experiences in the region (Beazley *et al.*, 2016), six case studies (Ecuador, El Salvador, Guatemala, Haiti, Peru, and Dominican Republic) and a final report with the main findings of the study and recommendations to strengthen the role of social protection in shock response in LAC. The following figure briefly summarises the theoretical framework.

Shock-responsive social protection: theoretical framework

Our theoretical framework guides an assessment of the **preparedness** and **responsiveness** of social protection systems to covariate shocks that represent threats to the well-being, health, food security, nutrition, and safety of the population.

System preparedness

In this study we assess the level of preparedness of the social protection system based on three programme design and implementation aspects, which could be 'tweaked' in advance of a disaster to ensure timely and effective response:

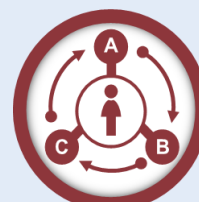
1. **targeting system** – the capacity of the system to identify and select people affected by shocks;
2. **delivery mechanism** – the capacity to transfer cash or in-kind support; and
3. **coordination and financing** – the capacity to align resources and actors for an integrated response.



Targeting system



Delivery mechanism



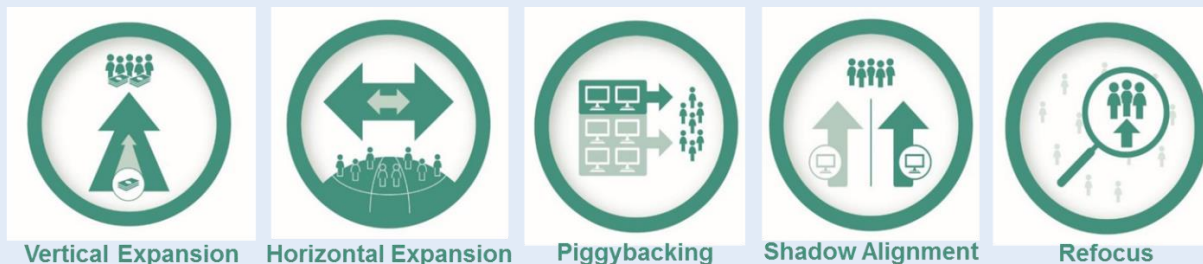
Coordination & financing

¹ Additional information on the available literature and the theoretical framework of the regional study, its main findings and recommendations, as well as case studies of other countries in the region, can be found at www.opml.co.uk/projects/study-shock-responsive-social-protection-latin-america-and-caribbean and <http://es.wfp.org/Estudio-sobre-Proteccion-Social-Reactiva-ante-Emergencias-en-América-Latina-y-el-Caribe>

System response

When policymakers consider the use of a social protection system to address emergency needs, there are a number of strategies that they may employ to scale up the overall level of support that the system provides to vulnerable people:

1. **vertical expansion:** increasing the benefit value or duration of an existing programme or system;
2. **horizontal expansion:** adding new beneficiaries to an existing programme or system;
3. **piggybacking:** a response in which humanitarian actors or governments use part of the administrative capacity of the national social protection system to channel their support;
4. **shadow alignment:** developing a parallel humanitarian system that aligns as well as possible with a current or possible future social protection programme; and
5. **refocusing:** adjusting the social protection system to refocus assistance on those groups most vulnerable to the shock.



Vertical Expansion

Horizontal Expansion

Piggybacking

Shadow Alignment

Refocus

Sources: OPM (2015) and Beazley *et al.* (2016).

Non-contributory social protection in Peru

In the past 15 years, Peru has experienced a substantial improvement in the provision of non-contributory social benefits. During this period, among other important measures, conditional cash transfer programmes, non-contributory pensions, and free health insurance mechanisms were created and expanded, and the school meals programme was consolidated.

Following our methodology, we study the targeting system and the delivery mechanisms of social protection, as well as its coordination with actors involved in emergency response. **In the case of Peru, we focus on social protection programmes and tools under the responsibility of the Ministry of Development and Social Inclusion (*Ministerio de Desarrollo e Inclusión Social, MIDIS*).** Although other sectors, such as Health, Education, Women and Vulnerable Populations, Labour, Agriculture and Housing, are responsible for non-contributory social protection programmes and services, we believe that a first review of a national shock-responsive social protection system should start by looking at MIDIS's tools and programmes.

Targeting system

Social protection programmes tend to rely on a variety of targeting mechanisms, including demographic, geographic, and poverty targeting. Many of these mechanisms are designed to detect well-established conditions – for example, chronic poverty or belonging to a certain age group – and they are not conceived as tools to detect sudden changes to well-being and livelihoods. Similarly, the target populations of social protection, DRM, and humanitarian aid are not always the same. Therefore, the targeting methods used to identify the beneficiaries of social protection schemes, for example, may not be appropriate for responding to an emergency. On the other hand, targeting people affected by an emergency is often a challenge, because of the necessary balance between targeting accuracy and the provision of timely support.

In the case of Peru, state declarations of emergency define the geographical areas affected and represent a first criterion for the eligibility of eventual beneficiaries. On this basis, the National Risk Management System (*Sistema Nacional de Gestión de Riesgos, SINAGERD*) and local governments provide, by registering the affected population, complementary information for

household targeting based on the Registry of Affected Households within the Household Targeting System (*Sistema de Focalización de Hogares, SISFOH*).

SISFOH's Household Registry (*Padrón General de Hogares, PGH*) contains the socio-economic data of around 19 million citizens (60% of the national population), which is used for targeting social schemes. This system, like other systems in the region, **brings transparency and celerity to the targeting process**. It is highly computerised and seeks to base the selection on objective methods and the use of administrative databases.

It is important to point out that SISFOH was created with the objective of providing socio-economic information to social programmes and state subsidies for the purpose of identifying potential users: it was not designed for shock-response targeting. However, **SISFOH can be an important starting point for planning emergency response, given its wide coverage and the information it contains**. In this sense, as in other cases in the region, it is important to consider the current methodological and operational limitations of the system, to reflect on its possible use in emergencies.

For example, **the strategy for collecting and updating data across municipalities has some limitations**. Based on observations during the fieldwork carried out for this study, Local Registration Units (*Unidades Locales de Empadronamiento, ULEs*) of district governments have limited capacity to receive applications and conduct verification visits. The need to post printed forms to Lima can also result in delays in the process. Although SISFOH is highly computerised, at the end of the process the mayor must sign off the documentation and post it to Lima, where it is reviewed, and it is only upon approval that people will receive their socio-economic classification (SEC) and be considered eligible (or not) for social programmes. However, this process was made more flexible during recent emergencies, showing the potential for adapting operations accordingly.

During the course of this research, no other recent studies were found that evaluate the performance of the algorithm that calculates the SEC and identify errors of leakage and under-coverage. However, MIDIS has reported that it is currently in the process of revising the SEC methodology, with the aim of achieving a better understanding of possible errors and necessary adjustments.

Another aspect it has in common with many algorithm-based targeting systems is that SISFOH does not provide detailed information as to why a household is classified in a particular way. A typical challenge for this type of system is how to communicate the resulting classification to the applicants. On the one hand, the non-publicity of such information aims to reduce possible risks of negative strategic behaviours by households and enumerators. On the other hand, the lack of a clear explanation can create frustration, on the part of both applicants and ULEs, who do not have concrete information to justify the classification of the system.

Another common challenge that social registries such as SISFOH face in the region is the **capacity to update information**. Having up-to-date information and strong data updating strategies is key for an adequate functioning of these social registries. MIDIS is currently developing a strategy for updating SISFOH's registries.

Finally, like many other social registries in the region, SISFOH mainly collects data that could be defined as static, based primarily on poverty indicators. **More dynamic variables that aim to measure vulnerability are not considered – even during emergencies**.

Delivery mechanism

Delivery mechanisms used by social protection schemes often include manual payments, transfers through the banking system, mobile money, and other types of electronic payments. In terms of shock response, a timely delivery of benefits, whether in cash or in kind, is, of course, crucial for ensuring the provision of effective support (Beazley *et al.*, 2016). However, during an emergency, delivery capacity is challenged by the urgency of the situation, the constraints imposed by the

particular shock (such as infrastructure collapse), and the coordination of the different actors (Bastagli, 2014). Some of the delivery mechanisms of the regular social protection programmes – such as electronic payments – can be rapidly expanded during an emergency, but these systems should be developed and adapted before the crisis (Beazley *et al.*, 2016).

Peru's national social protection system has a platform for cash transfers, food support, and temporary employment, among others, which can be used for the management and administration of temporary humanitarian aid and recovery.

One of the strengths of MIDIS's cash transfer system, for example, is the payment mechanism through *Banco de la Nación*. *Banco de la Nación* has an extensive network of branches and various transfer strategies: agencies and ATMs, co-responsible agents (local shops authorised to make payments), and manual payments, where cash is transported to more remote areas (20% of users receive their payments in this way). Users get a bank account and training in financial inclusion. Beneficiaries of the cash transfer programme Juntos, for example, are given an electronic card which allows them to access benefits easily at an ATM (Multired Card). In response to the coastal El Niño phenomenon, for example, the *Bono Una Sola Fuerza* (a Single Force Allowance) was established as a temporary humanitarian allowance for beneficiaries of MIDIS's Pensión 65 and Juntos programmes in the affected areas, with the aim of covering a minimum food basket. Payments were made through *Banco de la Nación's* network.

Another example is the co-management strategy of Qali Warma, the national school meals programme, which increases transparency in the procurement and delivery process and encourages community involvement.

In terms of emergency response, wire transfers offer an important opportunity for providing rapid assistance to the affected population when the financial system is disrupted or as soon as it is reactivated. **The co-management model, however, would face limitations in operating or even expanding during emergencies,** as community members and committee members themselves may be affected by the shock. This modality does not yet seem to have the flexibility to expand its operations rapidly in a context of crisis.

Coordination and financing

All government entities that manage social protection programmes are part of SINAGERD, which, in principle, creates a legal framework for coordination. However, in practice, this does not necessarily translate into effective strategic and operational coordination, particularly between SINAGERD and the national social protection system as a whole. The shock caused by the coastal El Niño in early 2017 showed problems in the response implementation, and particularly in the division of roles and the leadership (WFP, 2017b).

As for MIDIS, it is not designated as a first responder to emergencies in SINAGERD. The lack of a pre-established role as a first responder means that, on the one hand, MIDIS is not necessarily prepared to perform a task that has not been entrusted to it and, on the other hand, whenever it is necessary for MIDIS to participate in the first response, there must be a presidential decree and/or a ministerial resolution that grants it these powers. This was the case, for example, in the response to the floods caused by the coastal El Niño.

Despite not having a role as a first responder entity in SINAGERD, the mandate of MIDIS includes supporting populations at risk, vulnerable and abandoned. According to the act that created MIDIS (Act No. 29792), the ministry is competent in two areas: i) social development, overcoming poverty, and promoting social inclusion and equity; ii) social protection for populations at risk, vulnerable, and abandoned. Thus, there seems to be a grey area between SINAGERD and

Act No. 29792, since if MIDIS has a mandate to protect people at risk, then it should be participating in shock responses.

Peru has a wide range of financial instruments for *ex ante* and *ex post* DRM activities. **These tools have made it possible to finance the response to the coastal El Niño and can be the basis for a shock-responsive social protection.** The response to the floods in early 2017 was successfully funded through such tools. The government provided about US\$3.135 million (Peruvian sol (PEN) 10.600 million) for response and rehabilitation. It is estimated that the cooperating agencies contributed with about US\$25 million.

Toward a more shock-responsive social protection system

In Peru, there have been a number of recent initiatives that show the interest of the government and its partners in adapting the social protection system to play an effective role in future emergencies. From using Juntos and Pensión 65 programmes to provide humanitarian assistance, to the proposal of a bill to provide cash transfers to people affected by emergencies of public need, among other initiatives.

In this context, the following are recommendations for developing a more responsive social protection system:

Strengthening the social protection system. Regional and global experience shows that more mature systems are often better prepared to respond (Beazley *et al.*, 2016; OPM, 2015). Thus, **the first step toward a responsive social protection system is to continue on the path of strengthening the system for the provision of assistance for which it has been created.** In particular, some areas to pursue are the following:

- **Reviewing and evaluating the performance of SISFOH's algorithm**, with the objective of improving its performance in emergency responses. Such a process would also help consider the possible inclusion of indicators to measure vulnerability. This is an essential element for using the system in emergency response.
- **Establishing a mechanism for collecting and updating SISFOH's data.** SISFOH can combine census sweeps with applications submitted at ULEs. Sweeps can prioritise the areas with high extreme poverty rates. In this way, if more tasks are delegated to ULEs, their capacity should be strengthened as well.
- **Computerising the process of approval of SISFOH's applications by mayors.** The requirement according to which households are classified with a certain SEC only after the documentation, signed off by the relevant mayor, arrives in Lima and is reviewed delays the process. Accelerating this process is essential to its use during emergencies.
- It is important to **find a balance regarding the level of information provided to ULEs**, in terms of the reason for classifying an applicant household with a certain SEC: for example, by developing predetermined response protocols that justify the exclusion of an applicant without sharing sensitive information that may cause distortions in the targeting process.
- **Strengthening community participation in the targeting process.** While SISFOH's main asset is that it is an 'objective' tool, it is important to strengthen the role of community organisations both to improve targeting and to increase the system's legitimacy.
- **Establishing SISFOH as the sole mechanism for targeting beyond social protection, including targeting for other sectors.** We recommend making SISFOH the gateway for all government support focused on the socio-economic status of individuals and households. This will require increasing its interoperability and integration.
- **In the case of Juntos, consider the possibility of providing differentiated amounts according to the household's SEC.** Under the premise that households classified as

‘extremely poor’ have greater needs than ‘poor’ households, the programme could provide higher amounts to the former group. **We also recommend adjusting the amount transferred according to the number of members or children in the household.** In line with other programmes in the region, this will increase the impact of the programme and create the right incentives to declare new members.

Preparing the social protection system to ensure operational continuity in emergency contexts. Before evaluating how to respond through the social protection system, it is essential to take the necessary measures to ensure that the system can provide regular support during emergencies.

Redefining the role of MIDIS in SINAGERD. Based on the experience of the coastal El Niño emergency, consider establishing MIDIS as a first response entity. This is a necessary first step to achieving a better articulation between SINAGERD and the social protection programmes under MIDIS.

Defining response strategies through the social protection system for different types and scales of emergencies. We recommend establishing protocols describing how social protection system programmes and processes should respond. Based on the characteristics of the Peruvian social protection system, we suggest considering the following issues:

- **Consider using SISFOH’s data for a first response.** 80% of the households registered as affected in the MIDIS and National Institute of Statistics and Informatics (*Instituto Nacional de Estadística e Informática*, INEI) registry were already in SISFOH.² This shows that the social protection targeting system can be used as a first response mechanism, until the registry of the affected population is available.
- **The coverage and payment system of the Juntos and Pensión 65 programmes make them suitable vehicles for humanitarian aid.**
- **The expansion of programmes should be properly regulated and planned so that it does not end up damaging the regular activities.** Similarly, it is essential to communicate the temporary nature of the support to the assisted population in an appropriate manner.
- **Consider modifying Qali Warma’s mandate so that it can provide food even during school breaks and so that the available food stocks can be used during emergencies.** Qali Warma, in its ‘products’ modality, has a stock of food in schools, which could be used to feed the same children during an emergency, even when there are no classes.

Revising the methodology for registering the affected population, and incorporating information that makes it possible to respond through the social protection system. Despite a first response through the expansion of existing programmes, there may be a need for a census of affected households in order to improve the targeting of the response. The registration process of the coastal El Niño emergency showed several problems (WFP, 2017b), so we recommend reviewing this methodology and considering establishing processes to integrate the resulting database with SISFOH’s PGH. As part of the methodological review, it would be convenient to assess which institutions should be in charge of the registration process, in light of recent challenges. While it is appropriate for this to be the responsibility of local governments in minor emergencies, at higher levels it may be appropriate for a regional or national body to carry it out.

Finally, we recommend developing a scheme of assistance for displaced families, which may consist of cash transfers for shelter or rental.

² Information provided by MIDIS.

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List of abbreviations

CAE	<i>Comité de Alimentación Escolar</i> (School Meals Committee)
CCT	Conditional cash transfer
CENEPRED	<i>Centro Nacional de Estimación, Prevención y Reducción del Riesgo de Desastres</i> (National Centre for Disaster Risk Estimation, Prevention, and Reduction)
CEPLAN	<i>Centro Nacional de Planeamiento Estratégico</i> (National Centre for Strategic Planning)
CNOE	National COEs
COE	<i>Centro de Operaciones de Emergencia</i> (Emergency Operations Centre)
CONAGERD	<i>Consejo Nacional de Gestión del Riesgo de Desastres</i> (National Council for Disaster Risk Management)
DRM	Disaster risk management
DS	Supreme Decree
DU	Emergency Decree
ECLAC	UN Economic Commission for LAC
EDAN	<i>Evaluación de Daños y Análisis de Necesidades</i> (Damage Assessment and Needs Analysis)
FEF	<i>Fondo de Estabilización Fiscal</i> (Fiscal Stabilisation Fund)
FONDES	<i>Fondo para Intervenciones ante la Ocurrencia de Desastres Naturales</i> (Fund for Interventions in the Event of Natural Disasters)
FSU	<i>Ficha Socioeconómica Única</i> (Socio-economic Data Sheet)
GDP	Gross domestic product
IDB	Inter-American Development Bank
INDECI	<i>Instituto Nacional de Defensa Civil</i> (National Institute of Civil Defence)
INEI	<i>Instituto Nacional de Estadística e Informática</i> (National Institute of Statistics and Informatics)
LAC	Latin America and the Caribbean
MEF	<i>Ministerio de Economía y Finanzas</i> (Ministry of Economy and Finance)
MIDIS	<i>Ministerio de Desarrollo e Inclusión Social</i> (Ministry of Development and Social Inclusion)
MIMP	<i>Ministerio de la Mujer y Poblaciones Vulnerables</i> (Ministry of Women and Vulnerable Populations)

MINAGRI	<i>Ministerio de Agricultura</i> (Ministry of Agriculture)
MINSA	<i>Ministerio de Salud</i> (Ministry of Health)
OCHA	Office for the Coordination of Humanitarian Affairs
OPM	Oxford Policy Management
PANTBC	<i>Programa de Alimentación y Nutrición para el Paciente con Tuberculosis y Familia</i> (Food and Nutrition Programme for Tuberculosis Patients and Family)
PCA	<i>Programa de Complementariedad Alimentaria</i> (Food Complementarity Programme)
PCM	Presidency of the Council of Ministers
PEN	Peruvian Sol
PGH	<i>Padrón General de Hogares</i> (Household Registry)
PRONAA	<i>Programa Nacional de Asistencia Alimentaria</i> (National Programme for Food Assistance)
SEC	Socio-economic classification
SINAGERD	<i>Sistema Nacional de Gestión del Riesgo de Desastres</i> (National Disaster Risk Management System)
SIS	<i>Seguro Integral de Salud</i> (Integral Health Insurance)
SISFOH	<i>Sistema de Focalización de Hogares</i> (Household Targeting System)
SPIAC-B	Social Protection Inter-Agency Cooperation Board
SUNAT	<i>Superintendencia Nacional de Aduanas y de Administración Tributaria</i> (National Customs and Tax Administration Superintendence)
ULE	<i>Unidad Local de Empadronamiento</i> (Local Registration Unit)
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
WFP	World Food Programme

1 Introduction

There is increasing global recognition of the promising linkages between social protection and DRM in responding to and mitigating shocks. This recognition has been clearly expressed, for example, in the 2016 World Humanitarian Summit by SPIAC-B's³ commitment to 'support the further expansion and strengthening of social protection systems to continue to address chronic vulnerabilities and to scale up the utilisation of social protection as a means of responding to shocks and protracted crises.' Along the same lines, the 2030 Agenda for Sustainable Development, approved by the UN in September 2015, clearly points toward the creation of social protection systems that allow all people to enjoy a basic standard of living.

In LAC, natural disasters have occurred increasingly and more frequently since the 1960s: there were 19 disasters per year in the 1960s and 68 per year in the first decade of the 21st century (UN Economic Commission for LAC (ECLAC), 2015). For this reason, the adoption of mitigation measures to reduce the population's exposure to natural disasters and to restore infrastructure, together with economic and social measures, is becoming increasingly essential.

Meanwhile, social protection systems in LAC have evolved and expanded substantially in the last few decades, with, for example, the percentage of gross domestic product (GDP) allocated to public social investment growing from 15% in 2000 to 19.1% in 2012 (ECLAC, 2015). Cash transfers have become part of virtually every social protection system in the developing world (World Bank, 2015b), and LAC was a pioneer in developing sophisticated programmes with multiple objectives, such as conditional cash transfers (CCTs), which have been replicated worldwide. The proportion of the population benefitting from CCTs in LAC, for example, increased from 5.7% to 21.1% between 2000 and 2012 (ECLAC, 2015).

Seen in this light, fairly advanced social protection systems and large-scale safety nets seem to provide a unique opportunity to support shock response in LAC. However, social protection systems can involve conflicting objectives, target populations, and operational processes when compared to humanitarian interventions. This can impede their ability to play a role in accommodating additional demand for assistance at the time of an emergency.

The Peru case study forms part of a wider **Study on Shock-Responsive Social Protection in LAC**, commissioned by WFP and undertaken by OPM. The study includes the development of a logical framework and a literature review of experiences in the region (Beazley *et al.*, 2016), six case studies (Ecuador, El Salvador, Guatemala, Haiti, Peru, and Dominican Republic), and a final report with the main findings and recommendations to strengthen the role of social protection in shock response in LAC. Section 3 of this case study explains the research methodology and the theoretical framework.

The objective of this study is to generate evidence and inform practice for improved emergency preparedness and response in LAC linked to more flexible national social protection systems. The main research question for the study is: **What factors enable social protection systems to be more responsive to shocks?**

Following this short introduction, the next section in this case study briefly frames the context in terms of poverty and vulnerability in Peru. Section 3 presents the theoretical framework employed and the methodology used, while Section 4 studies the non-contributory social protection system.

³ The Social Protection Inter-Agency Cooperation Board (SPIAC-B) is an inter-agency coordination mechanism to enhance global coordination and advocacy on social protection issues and to coordinate international cooperation in country demand-driven actions. SPIAC's board is chaired by the World Bank and ILO and includes representatives of ADB, IFAD, IMF, ISSA, FAO, OECD, UN-DESA, UNDP, UNESCO, UN-HABITAT, UNICEF, UN Women, WHO, WFP, and others.

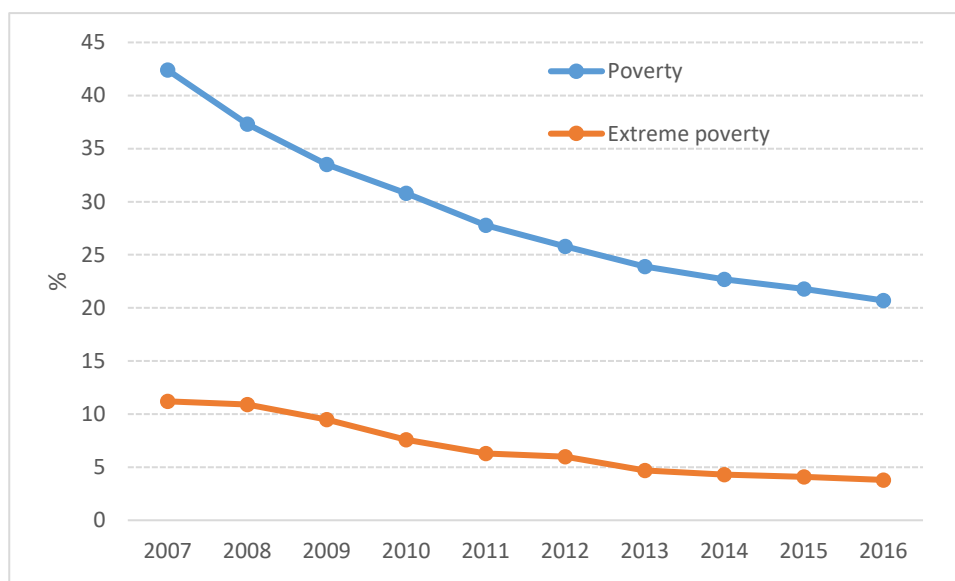
Section 5 briefly describes the emergency caused by the coastal El Niño weather phenomenon in early 2017, and Section 6 includes recommendations for a social protection system that is more responsive to emergencies. Finally, Section 7 summarises the most important aspects of this case study.

2 Poverty and vulnerability in Peru

Peru has experienced sustained economic growth for years. In the past decade, for example, the country's GDP grew at an average annual rate of 5.6%.⁴

Due to this growth and a series of government policies, including social protection policies, poverty in Peru has fallen dramatically. In the last decade, the percentage of the national population living in poverty has fallen by more than half. The population in extreme poverty, on the other hand, has been reduced to one-third and is close to being eradicated.

Figure 1: Poverty in Peru: 2007–2016



Source: INEI.

Poverty reduction has been complemented with significant improvements in different aspects of the well-being of the population. The proportion of children under five years of age with chronic malnutrition fell from 23.8% in 2009 to 14.4% in 2015 (INEI, 2015). The infant mortality rate decreased from 20% to 15% over the same period. A similar trend is found in the access to basic services: in 2005, 72.2% and 55.7% of the country's households had access to drinking water and sewage services; in 2009, these values amounted to 81.3% and 66.9%, respectively.

However, significant regional disparities still exist. Although poverty levels have fallen in both urban and rural areas, there are still wide disparities: by 2016, 13.9% of the urban population was poor, while 43.8% of the rural population was poor (INEI, 2017). Almost half of the country's poor are concentrated in the Sierra.

Peru's important achievements, however, may be at risk due to exposure to natural disasters. The natural hazards to which the country is exposed range from earthquakes, tsunamis, and volcanoes (due to its location between two tectonic plates – the South American and Nazca plates), to floods, droughts, the El Niño and La Niña phenomena, and the recent coastal El Niño. In addition, the country is also exposed to landslides, mudslides, and rockslides, due to the relief of the territory and the high deforestation process taking place, the low temperatures that cause frost emergencies, urban and forest fires, and various health emergencies, such as Dengue and Zika (WFP, 2017b).

⁴ <https://www.inei.gob.pe/>

As a result of this level of exposure, Peru is one of the countries in the region with the highest number of people affected by disasters in South America (UN, 2014). According to the National Institute of Civil Defence (*Instituto Nacional de Defensa Civil*, INDECI), there have been more than 45,000 emergencies in the last decade, with rain and fire being the most frequent ones. INDECI estimates that between 2007 and 2016 natural disasters affected around 1,400,000 people.⁵ The floods caused by the coastal El Niño phenomenon in early 2017, for example, had negative effects on food security and nutrition, on the livelihoods of the affected population, and on economic and social infrastructure, both public and private, among others (UN, 2017; WFP, 2017a).

It is in this context that this study examines the factors that would enable the social protection system to support emergency response.

⁵ www.indeci.gob.pe 15 September 2017.

3 Research methodology

In this section, we present a framework that helps us to understand the two key dimensions of a shock-responsive social protection scheme: system preparedness and responsiveness. We also present the overarching research questions and briefly describe the tools and fieldwork.

3.1 Theoretical framework

3.1.1 System preparedness

In this study, we analyse the level of preparedness of the social protection system based on three aspects that are essential for a prompt and effective response: **targeting system**, **delivery system**, and **coordination and financing**. Below we describe each of these in turn. Although these are not the only three processes involved in effective preparedness, both international experience and the relevant literature highlight how crucial they are (Bastagli, 2004; OPM, 2016).

Figure 2: Typology of system preparedness for shock-responsive social protection



Source: Beazley *et al.* (2016).

Targeting system

Social protection programmes tend to rely on a variety of targeting mechanisms, including demographic, geographic, and poverty targeting. Many of these mechanisms are designed to detect well-established conditions – for example, chronic poverty or belonging to a certain age group – and rely on the use of administrative registries and household surveys. Consequently, they are not conceived as tools to detect sudden changes to well-being and livelihoods.

Delivery mechanism

Rapid delivery of either cash or in-kind benefits is of course crucial for ensuring the provision effective support. During emergencies, the capacity to deliver this assistance faces challenges due to the urgency of the situation, the constraints imposed by the particular shock (such as infrastructure collapse), and the coordination of the different actors (Bastagli, 2014).

Delivery mechanisms implemented by social protection schemes typically include manual transfers, delivery through a banking system, mobile money, and other types of e-payments. Some of these mechanisms – e-payments, for example – have the potential to be rapidly scaled up during emergencies. However, these systems need to be developed prior to the crisis.

Coordination and financing

Preparedness should also include a significant level of planning and coordination among the actors involved in emergency response. This includes not only actors in the social protection field but also, and mainly, those working in DRM and humanitarian aid. This involves international, national, and sub-national levels, and government and non-government organisations.

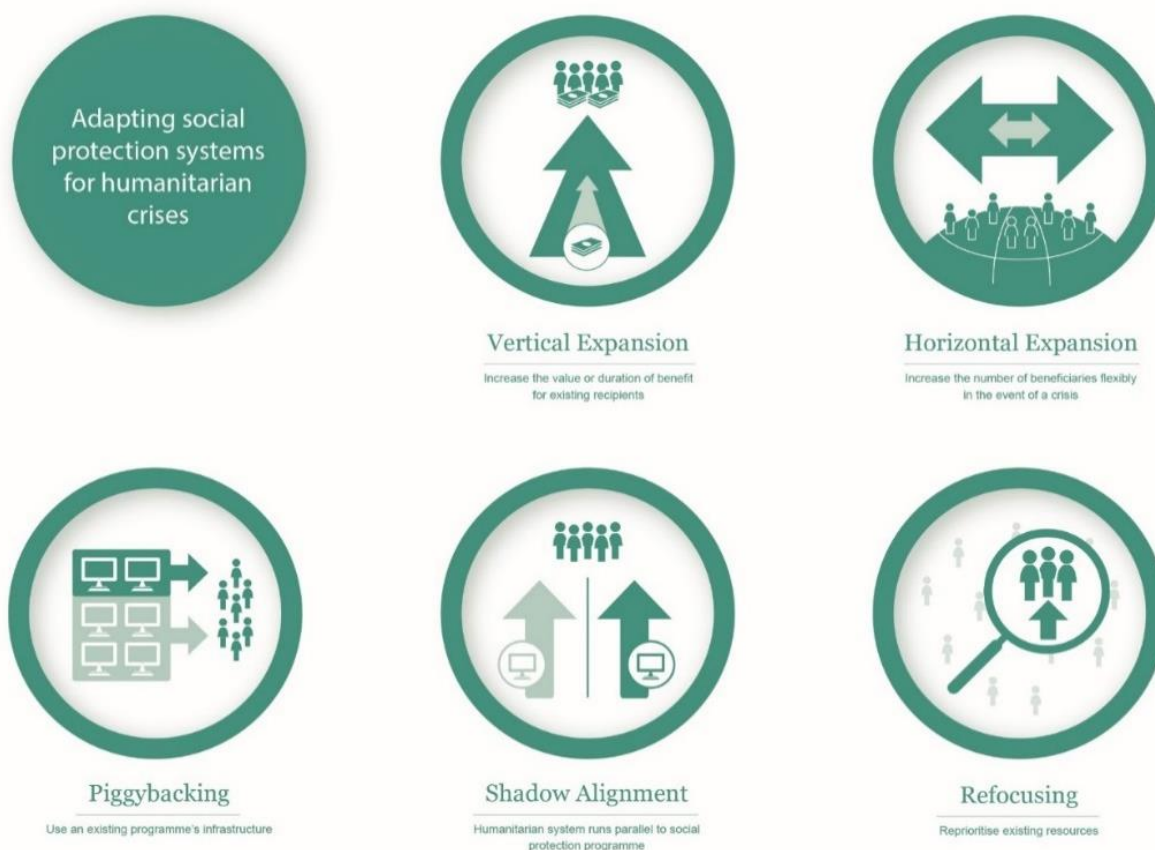
However, the challenge of achieving coordination among these different actors should not be underestimated. The social protection and DRM sectors not only have different objectives and target populations (with some areas of intersection, though not all areas intersect) and different methodologies and traditions, but, most importantly, they also involve different actors and institutional interests.

3.1.2 System response

When policymakers consider the use of a social protection system to address emergency needs, there are a number of strategies that they may employ to scale up the overall level of support that the system provides to vulnerable people. Based on OPM (2015) we tentatively consider five main types of scale-up (which can be used in combination):

1. **Vertical expansion:** increasing the benefit value or duration of an existing programme or system:
 - i. adjustment of transfer amounts/values; and
 - ii. introduction of extraordinary payments or transfers.
2. **Horizontal expansion:** adding new recipients to an existing programme or system:
 - i. extension of the geographical coverage of an existing programme or system;
 - ii. extraordinary enrolment campaign;
 - iii. modifications of eligibility criteria; and
 - iv. relaxation of requirements/conditionalities to facilitate greater participation.
3. **Piggybacking:** a response in which humanitarian actors use part of the administrative framework of the national social protection system to channel their assistance.
4. **Shadow alignment:** developing a parallel humanitarian system that aligns as best as possible with the national current or possible future social protection programme.
5. **Refocusing:** adjusting the social protection system to refocus assistance on the groups that are most vulnerable to the shock.

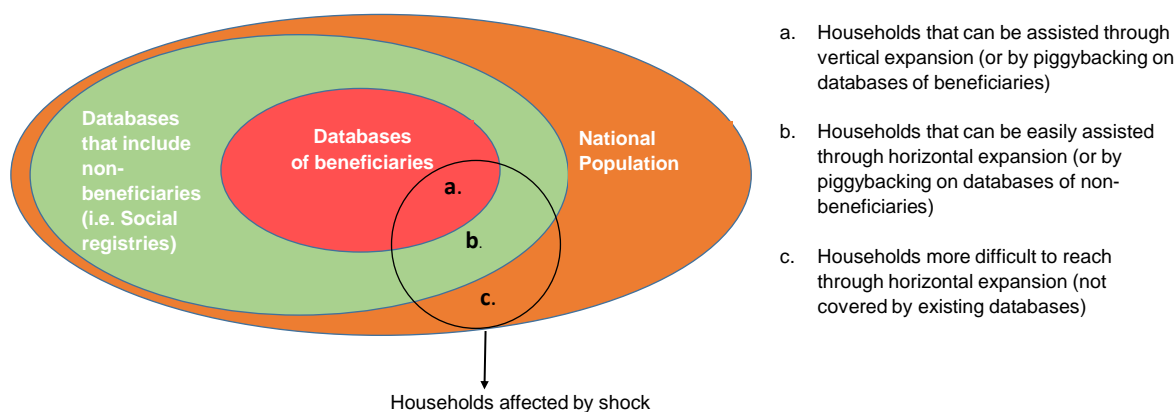
Figure 3: Typology of shock-responsive social protection



Source: OPM (2015).

The figure below shows the targeting challenge that systems face when they are expanded vertically or horizontally, or when they allow responses to 'piggyback' on them. First, **the basis of the targeting challenge is the fact that the households affected by the shocks are not necessarily beneficiaries of existing social protection programmes, or included in the social registry or other registries.** Consequently, despite having strong targeting programmes and systems, horizontal expansion would be necessary in any case. However, the greater the coverage of programmes and registries, and the better the quality of the data they contain, the easier it will be to respond. In principle, if beneficiaries of social protection programmes could be easily reached with vertical expansion and non-beneficiaries whose information is in the registries could be easily reached with horizontal expansion, then the challenge would be reaching those affected households that do not belong to either of these two categories.

Figure 4: Targeting challenge in the expansion of a responsive social protection



Source: Adapted from OPM (2015) and Barca (2017).

3.2 Overarching research questions

The main research question for the study is: **What factors enable social protection systems to be more responsive to shocks?** With this in mind, we have developed a number of overarching questions to guide the analysis:

- What relevant national and local laws, regulations, and policies exist in relation to shock-responsive social protection?
- What priorities does the national social protection strategy signal – for example, in addressing poverty, vulnerability, resilience, etc.? Does it offer a role for shock response?
- What targeting mechanisms are used by the largest social protection programmes? How are recipients identified? How frequently? Does a national database exist? Is it integrated with other databases?
- How are the benefits of the main social protection programmes delivered (both cash and in-kind)?
- What design and implementation features of the social protection system have elements of flexibility and adaptability to facilitate rapid and adequate shock response?
- What is the evidence of the effectiveness – in terms of the promptness and adequacy (for example, coverage and transfer levels) – of social protection support in the event of each of the major shocks identified?
- Has there been any recent experience of coordination between, or integration of, social protection and DRM policies?
- Is there space for dialogue and collaboration between these two sectors? How could this dialogue be promoted?

3.3 Research tools and fieldwork

The research consisted of three phases: a literature review, fieldwork, and analysis. In relation to the first phase, we conducted a thorough review of legislation, policy plans and strategies, manuals of operations, periodic reports, and programme reviews, assessments and evaluations. Our theoretical framework and the research questions presented above guided the review.

Fieldwork was conducted from 23 August to 31 August 2017. The research team was led by Rodolfo Beazley (OPM) and the other team members were Alessio Orgera, Ivan Bottger, and Laura Retamozo (WFP). The research was conducted in Lima and the Piura region, which was severely affected by floods in 2017. The research tools used were as follows:

- **Key informant interviews:** We interviewed key informants from MIDIS, INDECI, the Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*, MEF), the Ministry of Agriculture (*Ministerio de Agricultura*, MINAGRI), the Ministry of Health (*Ministerio de Salud*, MINS) and cooperation organisations such as the World Bank, the Inter-American Development Bank (IDB), the United Nations Development Programme (UNDP) and the Office for the Coordination of Humanitarian Affairs (OCHA). These interviews serve to triangulate the findings from other data sources. Data were collected through semi-structured interviews, supplemented by selected tools.
- **Piura case study:** Semi-structured interviews were conducted in Piura with households affected by the floods of 2017 and with beneficiaries of MIDIS's programmes. Informants from MIDIS, INDECI, the Ministry of Women and Vulnerable Populations (*Ministerio de la Mujer y Poblaciones Vulnerables*, MIMP), the provincial municipality, and the district municipality of Catacaos, among others, were also interviewed.

The list of key informants who were interviewed can be found in Annex A.

The third phase of the research consisted of analysing the data collected and the findings of the literature review and answering the research questions. Preliminary results were shared with WFP staff of the regional office and other offices in the LAC region in order to gather information to help identify further areas to be covered. This report, which has been peer reviewed, is the output of this research.

4 Non-contributory social protection in Peru

In the past 15 years, Peru has experienced a substantial improvement in the provision of non-contributory social benefits. During this period, among other important measures, CCT programmes, non-contributory pensions, and free health insurance mechanisms have been created and expanded, and the school meals programme has been redesigned.

In this case study, we focus on social protection programmes and tools that fall under the responsibility of MIDIS. Although other sectors, such as Health, Education, Women and Vulnerable Populations, Labour, Agriculture and Housing, are responsible for non-contributory social protection programmes and services, we believe that a first review of a national shock-responsive social protection system should start by look at MIDIS's tools and programmes.

It is worth mentioning that, in recent years, changes have also been made in some ministries responsible for social protection: for example, the former Ministry of Women and Social Development (*Ministerio de la Mujer y del Desarrollo Social*) was divided into MIMP, on one hand, and MIDIS, on the other. Through MIDIS, the government established the National System for Development and Social Inclusion (*Sistema Nacional de Desarrollo e Inclusión Social*) to improve coordination at the intergovernmental and intersectoral levels. In addition, investment was made in the computerisation of the targeting system, monitoring mechanisms, and payment processes of the programmes, in order to improve their transparency and effectiveness.

The main programmes of the non-contributory social protection system that are analysed in this study are described below. We focus primarily on MIDIS's programmes.

4.1 Main programmes of the non-contributory social protection system

Juntos, created in 2005, is a CCT programme that operates in the country's poorest districts. Beneficiaries of Juntos are mainly poor households in rural areas, made up of pregnant women, children, adolescents and/or young people, until they complete secondary education or reach the age of 19, whichever comes first. In order to receive the payments, users must comply with co-responsibilities in the areas of health and education. Transfers are made every two months through *Banco de la Nación*, for an amount of PEN 200 (US\$60).

Households' access to Juntos is gradual and is based on the following sequential process:

- Geographic targeting – The programme operates in districts with poverty levels above 40%, according to the poverty map prepared by INEI.
- Household targeting – In the selected district, households are selected according to the poverty level determined by INEI.
- Community validation – The list of selected households is presented at a community meeting for validation.

Pensión 65 provides unconditional cash transfers to people of 65 years of age and over who are extremely poor and who do not receive any other pension. It is a programme with national coverage that transfers PEN 250 to each beneficiary (US\$75) every two months through *Banco de la Nación*. For targeting, the programme uses SISFOH's SEC (see Box 1).

Cuna Más aims to provide comprehensive care for children under 36 months of age in areas of poverty and extreme poverty. The programme has two modalities of intervention: the Day Care Service offers child care services from Monday to Friday, eight hours per day. It focuses on

aspects of care such as health, nutrition, safety, security, protection, affection, resting, playing, learning, and skill development. It is provided at Cuna Más Day Care Centres, co-managed by the state and the community. The Accompaniment Service for Families is provided through home visits and socialisation and inter-learning sessions in community premises implemented by the programme, with the purpose of promoting the development and strengthening of knowledge, abilities, and practices of care and learning in families. The Day Care modality assists 50,202 children, whereas the Accompaniment modality assists 86,437 children.⁶

Qali Warma provides food services to children who attend public educational institutions at the pre-school, primary, and secondary levels in the indigenous populations of the Peruvian Amazon, in order to contribute to improving attention in class, school attendance, and eating habits, and promoting participation and co-responsibility in the local community. The programme's objectives are:

- to guarantee the provision of food throughout the school year to the programme beneficiaries according to their characteristics and the areas where they live;
- to contribute to improving the attention in class of programme beneficiaries, favouring their attendance and permanence; and
- to promote better eating habits among programme beneficiaries.

The programme has two modalities. The 'rations' modality, implemented in those districts (typically urban) that fall into poverty quintiles 3, 4, and 5, provides ready-to-eat breakfasts. The 'products' modality, implemented in those districts falling into quintiles 1 and 2, provides primary non-perishable food or processed food, used for preparing breakfast and lunch meals. About 23% (844,410) of the beneficiaries participate in the first modality and 77% in the second modality (2,770,613).⁷

Qali Warma is a co-managed programme. Thus, Procurement Committees (*Comités de Compras*), composed of local government authorities and parents of children attending school, among others, are responsible for the food and supplies procurement process. Similarly, in the 'products' modality, the School Meals Committees (*Comités de Alimentación Escolar*, CAEs), formed by the school principal, teachers and parents, are in charge of preparing the meals. Once the products arrive at the school, their storage, preparation, and distribution are the responsibility of the CAEs.

The **Food Complementarity Programme** (*Programa de Complementariedad Alimentaria*, PCA) consists of a set of modalities of care that aim to provide a food supplement to the population living in poverty or extreme poverty, as well as to vulnerable groups. The modalities are as follows:⁸

- **People's canteens:** Grassroots social organisations made up of individuals, the main activity of which is preparing food and providing social support.
- **Homes – shelters:** Organisations with legal capacity that receive children and/or adolescents and/or victims of moral and/or physical violence, in a state of abandonment, and who provide protection and shelter, thus offering them a place to stay overnight and for a certain period.
- **Adults at risk:** Organisations with legal capacity that receive and provide protection to women, men, and/or elderly people who are victims of moral and/or physical violence, and/or who have any type of physical and/or mental disability.

⁶ <http://sdv.midis.gob.pe/Infomidis/#/> Data as at 11 September 2017.

⁷ <http://app.qaliwarma.gob.pe/InfoQaliwarma/#/indicadores/prestacion-alimentaria> Data by 11 September 2017.

⁸ Ministerial resolution N°167-2016 MIDIS.

- **Community work:** A group of people who organise themselves to voluntarily carry out works for the benefit of their community. The proposed works are evaluated and verified by the local government delivering the food supplement and should not last more than two months.
- **PANTBC:** This is the Food and Nutrition Programme for Tuberculosis Patients and Family (*Programa de Alimentación y Nutrición para el Paciente con Tuberculosis y Familia*), implemented through MINSA's health centres. It provides beneficiaries with a raw food basket, a food supplement that contributes to their full recovery.

PCA is a decentralised programme: MIDIS determines the management guidelines and measures needed to meet the programme's objectives, and it is implemented by local governments. MIDIS and the local governments sign Management Agreements: the local governments' compliance is necessary for MIDIS to authorise the corresponding budget transfers through the Public Treasury.⁹

MINSA's Integral Health Insurance (*Seguro Integral de Salud, SIS*) aims to protect the health of the uninsured population. The free insurance element of SIS is provided to people with poor or extremely poor SEC. There are almost 18 million SIS beneficiaries, and more than 85% of them are part of the free insurance component.

Table 1: Main non-contributory transfer programmes

Programme	Target population	Targeting	Type of transfer
Juntos	Poor and extremely poor homes	Geographic – poverty map Homes – SSC Community validation	Cash
Pensión 65	Extremely poor older adults	Categorical – 65+ Homes – SSC	Cash
Cuna Más	Children in poor areas who request the services	Categorical – <36 months Geographic – poverty map	In-kind – food and services
Qali Warma	Children attending public schools	Categorical – children Geographic – poverty map	In-kind – food
PCA	Poor, extremely poor, and/or vulnerable population	Community	In-kind – food and services

⁹ Supreme Decree N°006-2016 MIDIS.

Box 1: Household targeting system (SISFOH)

SISFOH houses PGH. This registry contains the socio-economic data of around 19 million citizens (60% of the national population). The purpose of SISFOH is to provide social programmes and state subsidies with socio-economic information to identify potential beneficiaries.

75% of PGH households were registered in a census sweep in 2012 and 2013. Currently, the registration process is as follows:

1. Households can apply to join the PGH at the ULEs of the district governments. When submitting the application, they fill out the S100 form with basic information on the household composition.
2. The system cross-checks this information with the databases of the National Customs and Tax Administration Superintendence (*Superintendencia Nacional de Aduanas y de Administración Tributaria*, SUNAT) and electricity service providers, and identifies as 'not poor' those households whose consumption expenditure is greater than a certain amount. The process continues for those households that are not classified as 'not poor'.
3. The ULE's personnel visit the household, fill out the Socio-economic Data Sheet (*Ficha Socioeconómica Única*, FSU) and then upload it to the computer system.
4. Based on the FSU data, the system calculates the SEC. Through an algorithm that uses statistical methods, it classifies households into three categories: not poor, poor, and extremely poor.
5. The relevant mayor must approve and sign off the forms and post them to Lima, where they are verified by MIDIS.
6. MIDIS certifies the SEC, making it available online. If the applicant household is not satisfied with the result, it can request a new registration.

According to MIDIS, under normal conditions the registration process takes approximately one month.

The households classified as extremely poor are those that are part of and reside in the indigenous areas located in the Peruvian Amazon.

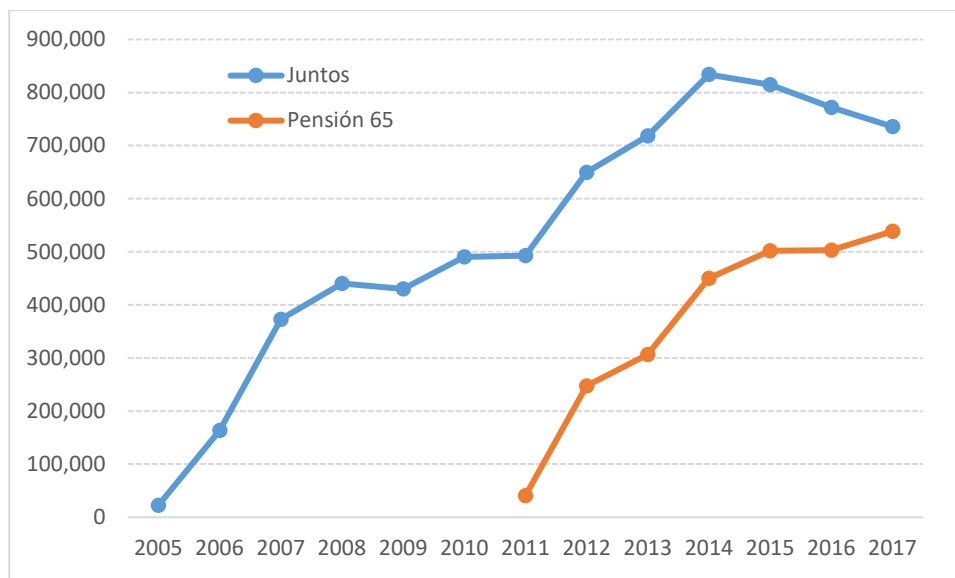
PGH registries used to be valid for three years, but this has been extended to five years. At the time of writing, MIDIS is evaluating different strategies for updating these registries.

4.2 System characteristics and performance

The main cash transfer programmes expanded their coverage almost without interruption until 2014. Along with many other countries in the region, the Peruvian government used the years of economic growth to develop and expand its non-contributory social protection system. The Juntos programme had 735,850 beneficiary households by the third quarter of 2017, representing around 45% of families living in poverty nationwide.¹⁰ Pensión 65 reaches 538,566 beneficiaries, what represents 93% of the programme's target population and 72% of the potential population, i.e. all older adults living in extreme poverty (MIDIS, 2017).¹¹

¹⁰ According to INEI (2017), 6,518,000 people live in poverty, representing around 1,630,000 households.

¹¹ 'Potential population' refers to all of the country's extreme poor older adults. 'Target population' adds to the potential population the programme operational requirements (having a national identity card, being registered in SISFOH with extremely poor SEC, not receiving a public or private pension, etc.)

Figure 5: Beneficiaries of Juntos and Pensión 65 programmes

Source: Official data.

Assessments have shown the positive effects on various aspects of the well-being of Juntos and Pensión 65 beneficiaries (these effects are in line with those achieved by similar programmes in the region):

- A World Bank evaluation of the Juntos programme found positive effects on poverty reduction and increased utilisation of health services (Perova and Vakis, 2009). The evaluation found no unintended effects, such as disincentives to work, increased fertility rates, or alcohol consumption. However, no effects were found on nutrition nor anaemia.
- An independent evaluation of Pensión 65 found that the transfers benefited older people across several dimensions (Innovation for Poverty Action, 2016). The programme improved mental health by reducing depression, reduced paid work among older people, and increased consumption.

Although Juntos supports both the poor and the extremely poor, the amount provided is the same for both groups. The algorithm that calculates the SEC recognises that these groups have different needs, but the amount they receive is the same.

Juntos household beneficiaries receive a lump sum, regardless of the number of members. The region's CCTs, however, usually adjust the amount provided according to the number of members. There are two reasons for this: first, with a fixed amount the amount per capita decreases as the size of the household increases, so households with more members receive less support in real terms. Second, fixed-amount transfers generate a disincentive to register new household members in the programme because a new-born generates co-responsibilities but does not provide additional monetary benefits.

Following our methodology, in the following sections we describe the targeting system and delivery mechanisms of social protection, as well as its coordination with the actors involved in emergency responses.

4.2.1 Targeting system

Social protection programmes often rely on a variety of targeting mechanisms, including demographic, geographic, and poverty-based targeting. Many of these mechanisms are designed to detect long-standing conditions – such as chronic poverty or belonging to a certain age group – and are therefore not considered to be tools for detecting sudden changes in well-being and livelihoods. Similarly, the target populations of social protection, DRM, and humanitarian aid are not always the same. Therefore, the targeting methods used to identify the beneficiaries of social protection schemes, for example, may not be appropriate for responding to an emergency. On the other hand, targeting people affected by an emergency is often a challenge, because of the necessary balance between targeting accuracy and the provision of timely support.

In the case of Peru, state declarations of emergency define the geographical areas affected and represent a first criterion for the eligibility of eventual beneficiaries. On this basis, SINAGERD and local governments provide, by registering the affected population, complementary information for household targeting based on the Registry of Affected Households within SISFOH.

SISFOH's PGH contains the socio-economic data of around 19 million citizens (60% of the national population), which is used for targeting social schemes. This system, similar to other systems in the region, brings transparency and celerity to the targeting process. It is highly computerised and seeks to base the selection on objective methods and the use of administrative databases.

It is important to point out that SISFOH was created with the objective of providing socio-economic information to social programmes and state subsidies for the purpose of identifying potential users – it was not designed for shock-response targeting. However, SISFOH can be an important starting point for planning emergency response, given its wide coverage and the information it contains. In this sense, as in other cases in the region, it is important to consider the current methodological and operational limitations of this system, to reflect on its possible use in emergencies.

For example, **the strategy for collecting and updating data across municipalities has some limitations.** Based on observations during the fieldwork carried out for this study, 25% of SISFOH-registered households submitted their applications at ULEs in the municipalities. ULEs of district governments have limited capacity to receive applications and conduct verification visits, and also to actively search for households that could be eligible for social programmes. In turn, while decentralisation of the registration process seems to be a positive objective, in line with the decentralisation of government provision of other services, it also carries with it the risk of politicising the registration in SISFOH.

The process of posting printed forms to Lima can also result in delays. Although SISFOH is highly computerised, at the end of the process the mayor must sign off the documentation and send it to Lima, where it is reviewed, and it is only upon approval that people will receive their SEC and be considered eligible (or not) for social programmes. However, this process has been made more flexible during recent emergencies, showing the potential for adapting operations accordingly. As reported by MIDIS, during the emergency, digital mailing of documentation signed off by the mayor was authorised in order to speed up the registration process.

During the course of this research, no other recent studies were found that evaluate the performance of the algorithm that calculates the SEC and identifies errors of leakage and under-coverage. However, MIDIS has reported that it is currently in the process of revising the methodology, with the aim of achieving a better understanding of possible errors and making necessary adjustments.

Another aspect that is common to many algorithm-based targeting systems is that **SISFOH does not provide detailed information as to why a household is classified in a particular way**. A typical challenge for this type of system is how to communicate the resulting classification to the applicants. Thus, for example, after uploading to the system the S100 form some households are automatically classified as ‘not poor’ and do not receive a home visit. This is due to the results of cross-checking with databases (see Box 1). However, the system does not provide ULEs with specific information as to why the household was classified as not poor (e.g. having high electricity consumption). Being classified as not poor excludes the household from various social programmes. On the one hand, the non-publicity of such information aims to reduce possible risks of negative strategic behaviours by households and enumerators. On the other hand, the lack of a clear explanation can create frustration on the part of both applicants and ULEs, who do not have concrete information to justify the classification under the system.

Another common challenge that social registries such as SISFOH face in the region is the **capacity to update information**. Having up-to-date information and strong data updating strategies is key for an adequate functioning of these social registries. MIDIS is currently developing a strategy for updating SISFOH registries.

Among the alternatives being evaluated is the inclusion of the questions needed to calculate the SEC in the national census to be conducted by the end of 2017. Using this census presents some risks:

- The combination of questions aimed at targeting social programmes and purely census questions may create inappropriate incentives. In general, the objective is to separate these two activities to avoid contaminating the census data.
- It may be costly to incorporate questions into the national census – although certainly less costly than conducting a separate census sweep.
- This strategy would solve the problem of updating data only temporarily. MIDIS requires data to be updated three years after the national census, but the national census is conducted every 10 years.

Finally, like many other social registries in the region, SISFOH mainly collects data that could be defined as static, based primarily on poverty indicators. In this sense, more dynamic data that aim to measure vulnerability are not considered – even during emergencies.

In conclusion, SISFOH can be an important tool for planning emergency response, given its extensive coverage and the information it contains, despite not having been conceived for such a purpose. However, the information collected and, more importantly, the periodicity with which it is collected, limit the potential of this tool to be used in response to crises. At the same time, the algorithm, given its characteristics, fails to capture sudden changes in living conditions. However, PGH contains the socio-economic data of about 19 million people, many of them among the poorest in the country, which can be used to plan emergency response.

4.2.2 Delivery mechanism

Delivery mechanisms implemented by social protection schemes often include manual payments, transfers through the banking system, mobile money, and other types of electronic payments. In terms of shock response, a timely delivery of benefits, whether in cash or in kind, is, of course, crucial for ensuring the provision of effective support (Beazley *et al.*, 2016). However, during an emergency, delivery capacity is challenged by the urgency of the situation, the constraints imposed by the particular shock (such as infrastructure collapse), and the coordination of the different actors (Bastagli, 2014). Some of the delivery mechanisms of the regular social protection programmes –

such as electronic payments – can be rapidly expanded during an emergency, but these systems should be developed and adapted before the crisis (Beazley *et al.*, 2016).

Peru's national social protection system has delivery mechanisms for cash transfers, food support, and temporary employment, among others, which can be used for the management and administration of temporary humanitarian aid and recovery.

One of the strengths of the MIDIS cash transfer system, for example, is the payment mechanism through *Banco de la Nación*. Peru is one of the countries in the region with the highest coverage of bank branches per capita (WFP, 2015), with a significant concentration in urban areas. *Banco de la Nación* has an extensive network of branches and various transfer strategies: agencies and ATMs, co-responsible agents (local shops authorised to make payments), and manual payments, where cash is transported to more remote areas (20% of users receive their payments in this way). Users get a bank account and training in financial inclusion. Beneficiaries of Juntos, for example, are given an electronic card which allows them to access benefits easily at an ATM (Multired Card). In response to the coastal El Niño phenomenon, for example, the *Bono Una Sola Fuerza* was established as a temporary humanitarian allowance for beneficiaries of MIDIS's Pensión 65 and Juntos programmes in the affected areas, with the aim of covering a minimum food basket. Payments were made through *Banco de la Nación's* network.

Despite progress in relation to e-money, social programmes do not yet make payments via mobile phones. After the approval of the Electronic Money Act in 2012, mobile money services began to expand in Peru, mostly through the Short Message System (SMS) (WFP, 2015). However, they have not yet reached the social programmes. It is possible that the extensive banking network and the fact that the money transfer system works well have discouraged innovations in this area.

Another example is the co-management strategy of Qali Warma, the national school meals programme, which increases transparency in the procurement and delivery process and encourages community involvement. Compared to the previous school meals programme, the National Programme for Food Assistance (*Programa Nacional de Asistencia Alimentaria*, PRONAA), this methodology has improved the programme's transparency and reputation.

In terms of emergency response, wire transfers offer an important opportunity for providing rapid assistance to the affected population when the financial system is disrupted or as soon as it is reactivated. **The co-management model, however, has its limitations as regards operating, or even expanding, during emergencies**, as community members and committee members themselves may be affected by the shock. This modality does not yet seem to have the flexibility to expand its operations rapidly in a context of crisis.

4.2.3 Coordination and financing

In order to play an effective role in emergency response, the social protection sector needs to have clearly defined roles and responsibilities in the national response strategy and to participate actively in coordination mechanisms. Regional experience shows that there are few cases in which this occurs effectively, and most often social assistance ministries play nominal or secondary roles in coordination mechanisms and are more associated with chronic poverty reduction strategies – although there are exceptions (Beazley *et al.*, 2016).

All government entities that manage social protection programmes are a part of SINAGERD, which, in principle, creates a legal framework for coordination. However, in practice, this does not necessarily translate into effective strategic and operational coordination, particularly between

SINAGERD and the national social protection system as a whole. The shock caused by the coastal El Niño in early 2017 revealed problems in the response implementation, and particularly in the division of roles and the leadership (WFP, 2017b).

As for MIDIS, it is not designated as a first responder to emergencies in SINAGERD. Act 29664 grants this role to the former Ministry of Women and Social Development, which was divided into MIDIS and MIMP. The first response role has been left to MIMP, which has the mandate to protect vulnerable populations. However, MIDIS has an annual budget that is almost 10 times larger than MIMP's and MIMP is not responsible for transfer programmes with broad coverage. The lack of a pre-established role as a first responder means that, on the one hand, MIDIS has not necessarily been constituted to perform a task that has not been entrusted to it, and, on the other hand, whenever it is necessary for MIDIS to participate in the first response, there must first be a presidential decree and/or a ministerial resolution granting it these powers. This was the case, for example, in the response to the floods caused by the coastal El Niño in early 2017 (see Section 5), where Supreme Decree No. 047-2017 gave MIDIS the role of organising and coordinating the implementation of shelters and temporary shelters, and of 'providing support through its social programmes according to its areas of support, to the affected population that has user status or can be incorporated as such.'

Despite not having a role as a first responder entity in SINAGERD, the mandate of MIDIS includes supporting populations that are at risk, vulnerable, and abandoned. According to the act that created MIDIS (Act No. 29792), the ministry is competent in two areas: i) social development, overcoming poverty, and promoting social inclusion and equity; ii) social protection for populations at risk, vulnerable, and abandoned. Thus, there seems to be a grey area between SINAGERD and Act No. 29792, since if MIDIS is mandated to protect people at risk, then it should be participating in shock responses.

The SINAGERD Act stipulates that 'MEF is responsible for the evaluation and identification of appropriate and cost-effective mechanisms that enable the State to have the financial capacity to manage large-scale disasters and their corresponding reconstruction, as well as the relevant mechanisms for the financial management of disaster risk.' Based on this mandate, MEF has defined six strategic lines of priority action to assess, reduce, and manage fiscal risk due to disasters (World Bank, 2016):

1. identifying, quantifying, and evaluating the fiscal risk of disasters related to natural phenomena;
2. formulating the components for the development and implementation of tools for risk retention and transfer;
3. establishing guidelines for the use of available funds for large-scale post-disaster assistance;
4. promoting the estimation, prevention, disaster risk reduction, and emergency preparedness through budgetary financial mechanisms within the results-based budget framework, and incorporating DRM in public investment;
5. promoting the development of the domestic catastrophe insurance market to deal with disasters associated with natural hazards; and
6. organising and promoting the management of the operative continuity of the state, which is essential for the implementation of the financial strategy for DRM.

Peru has a wide range of financial instruments for *ex ante* and *ex post* DRM activities. The main tools are as follows:

- **Fund for interventions in the event of natural disasters (*Fondo para Intervenciones ante la Ocurrencia de Desastres Naturales, FONDES*):**¹² FONDES is aimed at financing public investment projects for mitigation, response capacity, rehabilitation and reconstruction in the event of natural disasters. The 2017 budget allocated FONDES PEN 1 billion, to which PEN 1.5 billion was later added in response to the emergency (about US\$ 800 million).
- **Resources for budgetary reallocations:** The executive branch has the capacity to issue Emergency Decrees to reallocate budgetary resources to deal with disasters.
- **Contingency reserve:** The Budget Act created a contingency reserve in 2007 of up to PEN 50 million,¹³ managed by INDECI, and has been renewed each year by this amount, which can be increased if necessary. This reserve is provided for each year under the Financial Balance of the Budget Act and is intended to be used to address major disasters, rehabilitate damaged public infrastructure, and reduce probable damages that may be caused by the disaster, in a timely manner.
- **Fiscal Stabilisation Fund (*Fondo de Estabilización Fiscal, FEF*):** FEF was created in December 1999 under the Fiscal Prudence and Transparency Act. The resources of FEF can be used in the case of a national emergency or an international crisis that may seriously affect the national economy. For this purpose, an act is required, one developed based on a proposal elaborated through an evaluation report on macro fiscal and needs, carried out by MEF in coordination with INDECI and the different sectors.
- **Risk transfer instruments:** Strategies for underwriting public assets.

These tools made it possible to finance the response to the coastal El Niño and could form the basis for shock-responsive social protection. The response to the floods in early 2017 was successfully funded through these tools (see Section 5).

¹² Act No. 30456.

¹³ Around US\$15 million.

5 The coastal El Niño emergency

The coastal El Niño phenomenon¹⁴ occurred rapidly from January to April 2017 in 23 regions of the country, with Piura, Lambayeque, and La Libertad being the most affected, with heavy rains that caused emergencies due to mudslides, overflows, and floods. As a result, the government declared a state of emergency in 12 regions and a state of national emergency in Piura (WFP, 2017b).

It is estimated that more than 1.7 million people were affected. The impacts have been estimated at approximately 1.7% of GDP. More than 283,000 people lost their homes. By July 2017, 12,000 people were living in shelters or in spontaneous sites. There was a total of 58 dead, 18 missing and 467 injured (WFP, 2017b).

Food insecurity caused by limited availability of, access to, and consumption of, food on the part of those affected reached 59% of the population in March 2017, when floods and mudslides were having their worst impact (WFP, 2017a). The level of food insecurity then declined as the population received assistance from the government and the food markets were restored, reaching 11% in July.

It is not the purpose of this study to evaluate the government's response to the phenomenon. To that end, we recommend the paper by WFP (2017b), which was commissioned by INDECI and drafted by WFP and Save the Children. However, the experience of the phenomenon yields important conclusions when examining the factors that would enable the putting in place of a more shock-responsive national social protection system. First, the box below describes the country's risk management system. Then, we present the highlights of the response to the coastal El Niño as relates to shock-responsive social protection.

Box 2: Risk management and emergency response in Peru: Institutional and policy context

The National Agreement, as part of its fourth objective of ensuring an 'efficient, transparent and decentralised state', adopted, on 17 December 2010, the State Policy No. 32, which affirms the commitment to promote a state policy on DRM. On 18 February 2011, Act No. 29664 was enacted to create SINAGERD, which sets out the legal framework for DRM in Peru. This constituted a significant change in the national regulatory framework, moving beyond a sole focus on emergency response and giving attention to DRM. The President of the Republic approved these regulations three months later, on 26 May 2011, through the Supreme Decree 048-2011-Presidency of the Council of Ministers (PCM).

The Act establishes a set of principles, policy guidelines, elements, processes, and tools. Under the Act, the National DRM Policy is defined and approved as a mandatory National Policy that is based on three components, prospective, corrective, and responsive management, which are implemented on the basis of seven processes: risk estimation, risk prevention, risk reduction, preparedness, response, rehabilitation, and reconstruction.

PCM is the leading body of SINAGERD. The National Council for DRM (*Consejo Nacional de Gestión del Riesgo de Desastres*, CONAGERD) is the highest body responsible for political decision making and strategic coordination regarding the functionality of the DRM processes in the country. The national executing agencies are: the National Centre for Disaster Risk Estimation, Prevention, and Reduction (*Centro Nacional de Estimación, Prevención y Reducción del Riesgo de Desastres*, CENEPRED), responsible for the estimation, prevention, reduction and reconstruction processes, and INDECI, responsible for the preparation, response and rehabilitation processes. Regional and local governments, the main executing agencies of SINAGERD, develop and approve regulations and plans, and evaluate, manage, organise, supervise, regulate and execute the DRM processes. The National Centre for Strategic Planning (*Centro Nacional de Planeamiento Estratégico*, CEPLAN) coordinates with SINAGERD's governing body to incorporate DRM into the National Strategic Development Plan. Finally, public entities,

¹⁴ This phenomenon is characterised by unusual warming of the sea, triggering heavy rains that lead to overflowing and flooding.

the Armed Forces, the Peruvian National Police, private entities, and civil society participate in SINAGERD.

Below are some aspects of SINAGERD that are particularly interesting for this study:

- **Emergency levels and response capacity:** A five-level classification
 - a. Levels 1, 2, and 3 (local and regional scope): These levels refer to those situations that are addressed directly by the local or regional governments with their own available resources.
 - b. Level 4. National government intervention: This level refers to those levels of disaster impact that surpass the capacity of the regional response and gives rise to the declaration of a state of emergency. In this case, the national government intervenes with the available national resources and with INDECI coordinating.
 - c. Level 5. High scale: This level refers to those levels of disaster impact whose scale or circumstances affect the life of the nation and which surpass or may surpass the country's response capacity, and gives rise to the declaration of a state of national emergency. The national government intervenes with the available national resources and, if necessary, with the support of international aid. In this case, INDECI coordinates and conducts the response and rehabilitation operations.
- **First response:** The following are considered to be first response entities: the Armed Forces, the National Police, the General Volunteer Fire Brigade of Peru, the health sector, MIMP, the Peruvian Red Cross, the organised population, and others.
- **Emergency Operations Centres (*Centros de Operaciones de Emergencia, COEs*):** COEs are bodies that continuously work on the monitoring of hazards, emergencies and disasters, as well as in data administration and exchange, to ensure timely decision making by the authorities in their corresponding jurisdictions. There are local, regional, and national COEs (CNOE). There are also sectoral COEs, which are activated by the ministries according to their capacity. CNOEs provide CONAGERD with the technical information that it needs to make decisions.
- **Damage Assessment and Needs Analysis (*Evaluación de Daños y Análisis de Necesidades, EDAN*):** This is a mechanism for identifying and recording the qualitative and quantitative extent, severity, and location of the effects of an adverse event. EDAN is implemented by local, regional, and national COEs, based on their response capacity mechanisms and subsidiarity.

Source: UN (2014) and Act No. 29664.

5.1 Roles in response

When facing emergencies, SINAGERD relies on a multilevel model that includes various actors, but the coastal El Niño emergency revealed important challenges in the implementation of this strategy (WFP, 2017b). Due to these challenges, the government had to adapt the response system through a series of decrees and resolutions. Among these, the following are noteworthy in relation to the social protection system:

Table 2: Response to the coastal El Niño through the social protection system

Decree or resolution	Description	Type of response
Supreme Decree N°047-2017 PCM, 20 April 2017	Approves the multisectoral strategy for national government support to sub-national governments responsible for the management of shelters or temporary shelters for people affected by emergencies; MIDIS should lead the implementation of the strategy.	
Supreme Decree N°009-2017 MIDIS, 11 April 2017	Establishes provisions for people's canteens to participate in the temporary and free food assistance to those affected by shocks. This assistance should be provided for 60 days.	Horizontal expansion
Emergency Decree N°009-2017, 29 July 2017	Authorises MIDIS to provide an extraordinary subsidy in favour of Juntos and Pensión 65 beneficiaries, located in the districts declared to be in a state of emergency; this extraordinary subsidy is set at PEN 200 (US\$60) and is to be paid in August 2017. The special subsidy is a one-off grant and constitutes an unconditional transfer.	Vertical expansion
N/A	Increase in the goals of the Day Care component of the Cuna Más programme. ¹⁵	Horizontal expansion
Supreme Decree N°047-2017 PCM, 20 April 2017 ¹⁶	MIDIS established a prioritisation procedure to handle the applications for an SEC of those affected by the disaster due to heavy rainfalls and associated hazards in various districts of the country. The procedure details three levels of prioritisation: Priority 1 – Priority is maintained in cases of health emergencies. Priority 2 – Applies to applications for an SEC of those affected who are living in shelters or temporary shelters run by the local government. Priority 3 – Applies to applications for an SEC of those affected who are not living in shelters or temporary shelters.	Horizontal expansion ¹⁷
N/A	Pensión 65 accelerated the fulfilment of its annual goals in the affected areas, incorporating new beneficiaries.	Quasi-horizontal expansion ¹⁸

5.2 Registering of affected people

The registering of affected people is a key process for humanitarian aid and for a potential response through the social protection system. Peru has a needs assessment system, EDAN, under which it is the responsibility of the local governments to collect information, and of INDECI to provide technical support in this regard.

The registration process during the coastal El Niño emergency had significant limitations because local governments did not have the capacity to undertake the process quickly in such a context (WFP, 2017b). Several months after the greatest incidence of the shock, the extent of the impact in

¹⁵ We have not had access to information regarding the number of children enrolled in the programme in the shock response.

¹⁶ www.sisfoh.gob.pe/descargas/documentos-metodologicos/send/3-documentos-metodologicos/107-procedimiento-a-ser-adaptado-por-las-unidades-locales-de-empadronamiento-en-casos-de-damnificados-o-afectados-por-desastres

¹⁷ Horizontal expansion of SISFOH registries, which does not necessarily imply an expansion of the programmes.

¹⁸ This is not a purely horizontal expansion because the people incorporated into the programme were already eligible and had not been incorporated due to budgetary constraints. Moreover, they are incorporated into the programme on a permanent, not temporary, basis.

terms of the number of people affected has still not been determined precisely and there is no nominal registry of the victims.

The need for a registry of the affected people led MIDIS and INEI to carry out their own data collection – which was not, however, used in the response.

5.3 Financing

Thanks to the financial instruments described in Section 4.2.3, **the central government had the financial capacity to deal with the shock**. The government provided about US\$3.135 million for response and rehabilitation. According to MEF figures, this financing corresponds to: i) a Fiscal Stimulus Plan (Emergency Decree [DU] 004) for economic reactivation and an immediate emergency assistance response for US\$1,641 million (PEN 5,500 million); ii) Extraordinary Measures for productive reactivation (DU 007) for US\$55 million (PEN 186 million); iii) the implementation of the *Una Sola Fuerza* extraordinary humanitarian allowance (DU 009) for US\$36 million (PEN 121 million); iv) the Investment Continuity Plan (*Plan de Continuidad de Inversiones*; Supreme Decrees [DS] 008 and 009) for US\$1,194 million (PEN 4,000 million); and v) the Financial Relief Measures through COFIDE for US\$209 million (PEN 700 million). It is estimated that the cooperating agencies contributed with about US\$25 million.

5.4 Operational continuity

Emergencies such as the one caused by the coastal El Niño can challenge the operational continuity of social protection programmes. In the case of Juntos and Pensión 65, due to the electronic payment system, there were no major delays in the delivery of transfers – with the exception of the more remote areas where payments are made manually, and in some cases there were delays due to the difficulty of access. Qali Warma, for its part, only provides food during the school period and, since the peak of the shock occurred mostly during holidays, there were no problems with the operational continuity. Cuna Más, however, considered its operational continuity to be compromised, a situation that worsened due to the increase in the demand for its services. In Piura, for example, several places where Cunas Más provides its day care services were affected and could no longer be used: the programme had to find camp modules to offer these services. It also had to hire and train new staff to take on the role of caregivers, which took between 50 and 60 days, as reported by the programme itself.

6 Toward a more shock-responsive social protection system

In Peru, a number of recent initiatives demonstrate the interest of the government and its partners in adapting the social protection system to play an effective role in future emergencies. Some of these initiatives are as follows:

- **The experience of vertically expanding Juntos and Pensión 65 programmes represents an important precedent and an experience that will probably contribute to the design of future responses.** The extraordinary cash transfers were not part of the government's first response to the coastal El Niño phenomenon: they took place in early September, approximately six months after the peak of the emergency (see Section 5). However, although it was late and not necessarily part of the central response, this is an important precedent for a shock-responsive social protection. **Other important precedents are the response strategies through Cuna Más, Pensión 65, and SISFOH's registry, described in Section 5.**
- **There exists a bill that proposes to declare that monetary transfers to people affected by shocks are of public necessity and are to be made preferentially.**¹⁹ At the time of writing, this bill is being discussed by the budget committee.
- **During the coastal El Niño emergency, MIDIS designed a couple of strategies to respond to the crisis, which were not fully employed.** However, they show MIDIS's willingness and ability to assist the affected population. One strategy consisted of the registering of those affected by MIDIS and INEI; this registration was carried out and registered 398,145 people in approximately three weeks, but it was not used for any response measures. A second strategy consisted of the design of a humanitarian allowance, which was a monthly cash transfer for the affected households during a period of up to five months, and a rental allowance for the displaced.
- **Some government partners are working with the government, particularly with MIDIS, to have a more responsive social protection system.** In the early 2017 emergency, WFP, UNICEF, and the World Bank assisted MIDIS with possible strategies to respond through the ministry's programmes and infrastructure. WFP is also collaborating in the collection and dissemination of national and international evidence through this study and the international seminar on responsive social protection, to be held in Lima on 30 and 31 October. The World Bank will also be assisting MIDIS in this area.

The experience in the response to the coastal El Niño has shown the need to review the national response strategy, which represents an opportunity to put in place a responsive social protection. The scale of the emergency in early 2017 revealed some limitations in the implementation of SINAGERD (WFP, 2017b), which led the government to reassign roles through decrees and resolutions. The process of reviewing the national strategy and preparing for future emergencies may be the appropriate context in which to assess the role of social protection and adjust social protection programmes and systems accordingly.

In this context, the following are some recommendations for developing a more responsive social protection system:

Strengthening the social protection system. Regional and global experience shows that more mature systems are often better prepared to respond (Beazley *et al.*, 2016 and OPM, 2015). Although not designed for emergency response purposes, experience shows that systems with greater coverage, resources and administrative capacity, and with a greater variety of services and level of integration, are generally better placed to respond to crises. Thus, the first step toward a

¹⁹ Bill 1207.

responsive social protection system is to continue on the path of strengthening the system for the provision of assistance for which it has been created. In particular, some aspects to review are as follows:

- **Reviewing and evaluating the performance of SISFOH's algorithm**, with the objective of improving its performance in emergency response. Such a process would also help consider the possible inclusion of indicators to measure vulnerability. This is an essential element for using the system in emergency response.
- **Establishing a mechanism for collecting and updating SISFOH's data**. Even if the next update were to be carried out using the national census, the targeting system should have a viable data collection mechanism, with the necessary periodicity and quality. As in other countries, such as Chile, Colombia, and the Dominican Republic, it can combine census sweeps with applications submitted at ULEs. Sweeps can prioritise the areas with high extreme poverty rates. In this way, if more tasks are delegated to the ULEs, their capacity should be strengthened as well. In addition, in order to reduce exclusion and increase data maintenance, new entries to the system can be generated, apart from those made by ULEs. Thus, for example, schools, health centres, and institutions that support vulnerable families, such as Cuna Más, may be able to complete form S100 when they detect cases of families that are not in the system or whose information needs to be updated. Facilitating access to the system will lead to lower levels of exclusion.
- **Computerising the approval of SISFOH applications by mayors**. The requirement according to which households are classified with a certain SEC only after the documentation, signed off by the relevant mayor, arrives in Lima and is reviewed delays the process. Except for this final step, SISFOH is highly computerised. Thus, we recommend equipping the computer system with a module for mayors to approve applications. Documentation could also be posted to Lima in addition, if necessary, to comply with the relevant regulations, but computerising mayoral approvals would avoid unnecessary delays. Accelerating this process is essential to its use during emergencies.
- It is important to **find a balance regarding the level of information provided to ULEs**, in terms of the reason for classifying an applicant household with a certain SEC: for example, by developing predetermined response protocols that justify the exclusion of a beneficiary without sharing sensitive information that may cause distortions in the targeting process.
- **Strengthening community participation in the targeting process**. While SISFOH's main asset is that it is an 'objective' tool, it is important to strengthen the role of community organisations, both to improve targeting and to increase the system's legitimacy. Thus, for example, Juntos establishes a community validation process, although in practice it rarely leads to changes in the targeting outcomes. We therefore recommend incorporating this process at the SISFOH level, as an additional tool to strengthen and legitimise the targeting outcomes. This community validation process is popular in other regions of the world (Coady *et al.*, 2014).
- **Establishing SISFOH as the sole mechanism for targeting beyond social protection, including targeting in other sectors**. We recommend making SISFOH the gateway for all government support focused on the socio-economic status of individuals and households. Thus, in addition to MIDIS and MINSA, other sectors could use and feed SISFOH, as could have happened with the *Bono Agrario* (Rural Allowance) that MINAGRI provided in response to the coastal El Niño emergency. This will require increasing SISFOH's interoperability and integration.
- **In the case of Juntos, consider the possibility of providing differentiated amounts according to the household's SEC**. Under the premise that households classified as 'extremely poor' have greater needs than 'poor' households, the programme could provide higher amounts to the former group. **We also recommend adjusting the amount transferred**

according to the number of members or children in the household. In line with other programmes in the region, this will increase the impact of the programme and create the right incentives to declare new members.

Preparing the social protection system to ensure operational continuity in emergency contexts. Before evaluating how to respond through the social protection system, it is essential to take the necessary measures to ensure that the system can provide regular support during emergencies.

Redefining the role of MIDIS in SINAGERD. Based on the experience of the coastal El Niño emergency, consider establishing MIDIS as a first response entity. This is a necessary first step to achieve a better articulation between SINAGERD and the social protection programmes under MIDIS.

Defining response strategies through the social protection system for different types and scales of emergencies. We recommend establishing protocols describing how social protection system programmes and processes should respond. Based on the characteristics of the Peruvian social protection system, we suggest considering the following issues:

- **Consider using SISFOH's data for a first response.** 80% of the households registered as affected in the MIDIS and INEI registry were already registered in SISFOH.²⁰ This shows that the social protection targeting system can be used as a first response mechanism, until the registry of the affected population is available.
- **The coverage and payment system of the Juntos and Pensión 65 programmes make them suitable vehicles for humanitarian aid.** We also recommend taking into account the benefits of cash transfers when designing the response: greater autonomy and flexibility, dignity, empowerment, etc. (Beazley and Solórzano, 2017).
- **The expansion of programmes should be properly regulated and planned so that it does not end up damaging the regular activities.** Similarly, it is essential to communicate the temporary nature of the support to the assisted population in an appropriate manner. In some countries, this is achieved by establishing a humanitarian aid programme that is independent of existing humanitarian aid programmes, supported by their mechanisms, infrastructure and personnel, but independent. A separate programme helps distinguish temporary assistance from participation in regular programmes.
- **Consider modifying Qali Warma's mandate so that it can provide food even during school breaks and so that the available food stocks can be used during emergencies.** The purchasing mechanisms of Cuna Más and Qali Warma, which are co-managed, do not appear, *a priori*, to be the most suitable for responding to large-scale emergencies. During this type of emergency, community members would be affected in one way or another, which would make the co-managed purchasing system between community and state representatives probably not the fastest way of responding. However, Qali Warma, in its 'products' modality, has a stock of food in schools which could be used to feed the same children during an emergency, even when there are no classes.

Revising the methodology for registering the affected population and incorporating information that makes it possible to respond through the social protection system. In addition to a first response through the expansion of existing programmes, there may be a need for a census of affected households in order to improve the targeting of the response. The registration process of the coastal El Niño emergency had several problems (WFP, 2017b), so we recommend reviewing this methodology and establishing processes to integrate the resulting database with

²⁰ Information provided by MIDIS.

SISFOH's PGH. As part of the methodological review, it would be convenient to assess which institution should be in charge of the registration process, in the light of recent challenges. While it is appropriate for this to be the responsibility of local governments in minor emergencies, at higher levels it may be appropriate for a regional or national body to carry it out.

Finally, we recommend developing a scheme for providing assistance to displaced families, which may consist of cash transfers for shelter or rental. The following box describes how other countries in the region have assisted this population.

Box 3: Support for displaced families: regional experience

Colombia

Different waves of displacement over several decades have increased the population of urban slums and caused enormous tensions in host communities, these themselves being the result of previous displacements. The *Casas de los Derechos* (Rights Houses), administered by the Office of the National Attorney General of Colombia, are shelters that help all individuals in the community access basic health, education, documentation, and security services, among others.

Ecuador

In response to the 2016 earthquake, the government not only provided cash transfers to the affected people but also to the host families and tenants. Such assistance sought not only to help host families but also to encourage displaced people to leave the temporary camps. The following allowances were provided:

- *Bono de Acogida* (Foster Care Allowance): Foster families receiving affected families were entitled to US\$135 per month for six months plus US\$15 for utilities.
- *Bono de Alquiler* (Rental Allowance): Tenants receiving affected families were entitled to US\$135 per month for six months.

In order to receive the allowances, the affected families and beneficiaries had to sign an agreement, which was subject to verification by the authorities.

Haiti

As a result of the 2010 earthquake, around 160,000 people moved to the border region with the Dominican Republic. The vast majority of internally displaced people were hosted by host families, both urban and rural, in precarious economic conditions. The United Nations High Commissioner for Refugees (UNHCR) adopted a two-pronged approach to providing individual assistance to displaced people in host families and quick-impact projects to help host communities in both countries:

- Communities identified around 240,000 displaced individuals and their hosts, who were provided with kitchen and hygiene kits two weeks after the shock. Also, an employment programme provided work for the affected.
- Host communities identified high-impact activities related to income generation, housing, health, and educational needs. These activities were implemented through local or international NGOs working in the communities.

Source: Davies (2012) and Beazley (2017a).

Table 3: Summary of recommendations for shock-responsive social protection

Process	Recommendations
Targeting	<ul style="list-style-type: none"> • Develop protocols for vertical and horizontal expansions or a piggybacking response. • Develop protocols to temporarily suspend conditionalities and sanctions for non-compliance. • Increase the interoperability of databases and the integration of systems that feed SISFOH, including in other sectors, such as MINAGRI.²¹ • Prepare the IT platform for a rapid inclusion of temporary beneficiaries. • Geo-reference SISFOH households to allow a better emergency response. • Train the personnel, at the central and local level, who will be involved in the response. • Review the process of registering the affected households and incorporating the collection of social protection data. • Establish communication strategies for the targeting process in the case of an emergency.
Delivery	<ul style="list-style-type: none"> • Develop protocols for the production and distribution of temporary cards, which may have a different visual design from the regular cards to highlight their transitory nature. • Review Qali Warma's mandate and establish processes to enable the use of available stocks of food.
Coordination	<ul style="list-style-type: none"> • Review SINAGERD and rethink its role in social protection. • Strengthen the role of MIDIS as an intersectoral coordinator.

²¹ This would allow for greater coordination between the response of MINAGRI and MIDIS, as well as other sectors. In response to the coastal El Niño phenomenon, MINAGRI delivered cash transfers, called *Bono Agrario*, to the affected small producers. At the time of writing this report, the *Bono Agrario* database and PGH have not been cross-checked to determine whether the registered population coincides.

7 Conclusions

Peru is a country with great biological and cultural wealth and diversity, which, at the same time, has high levels of exposure and vulnerability to natural disasters, exacerbated by the effects of climate change.

The non-contributory social protection system, particularly the programmes and initiatives under MIDIS, which are the focus of this case study, have great potential to play an effective role in emergency response. There have been recent experiences in the country in this regard, and there is interest in adapting this system to make it more responsive.

The first steps toward a shock-responsive social protection system are to continue on the path of strengthening the system to achieve its regular objectives, not necessarily associated with shocks, and to establish strategies to ensure the operational continuity of programmes in emergency contexts. Next, it will be important to review the role that SINAGERD assigns to MIDIS and other institutions and, based on the new allocation of responsibilities, to invest in the necessary adjustments to enable a rapid response.

Among the adjustments to be made, the need to review the methodology for registering the affected population and developing protocols for responses through the social protection system stand out. Such a response may consist of the temporary expansion of programmes such as Juntos and Pensión 65, provided that such expansion does not adversely affect the regular performance or financial sustainability of the programmes, or the use of existing administrative capacity for the delivery of humanitarian aid (e.g. the payment mechanism through *Banco de la Nación*).

Finally, it should be noted that although SISFOH was not designed to respond to shocks, it represents a very useful source of information for a first response to a large-scale emergency. Estimates made by MIDIS show that 80% of the affected households, as a result of the coastal El Niño emergency, were already part of SISFOH's registry. This means that this system can be useful for targeting a rapid response, until the registry of the affected population is available. This will, naturally, depend on the scale and type of shock, among other factors.

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Annex A List of interviewees

Name	Organisation
Jose Luis Paredes	Juntos – MIDIS
Humberto Cuya T.	MIDIS
Miguel Angel Reyes M.	Qali Warma – MIDIS
Jorge Mendoza Quispe	Cuna Más – MIDIS
Shirley León P	Cuna Más – MIDIS
Karina Tecse	Cuna Más – MIDIS
Marco Marticorena	<i>Banco de la Nación</i>
Anyelo Oblitas	<i>Banco de la Nación</i>
Cristina Sanchez R.	MIDIS
Marcelo Hernandez	MIDIS
Daniel Gutierrez	MIDIS
Ramón Serra F	Pensión 65 – MIDIS
Lisset Ramsden	MEF
Patricia Sime Y.	MEF
Miguel Figueroa A	MEF
Juan Manuel García	MIDIS
María Eugenia Mujica	MIDIS
Fanny Montellanos	MIDIS
Flor Blanco	MIDIS
Mariella Perez	MIDIS
Javier Paulini	MIDIS
Ana María Rebaza	OCHA
Gabriel Samudio	PNUD
Federico Arnillas	Round Table for the Fight against Poverty
Hugo Brousset	World Bank
Juan de Dios Mattos V	BID
Mónica Meza	MINSA
Carlos Calderón	UNICEF
Pablo García	MINAGRI
Tamiyama Cruz	INDECI
Alfredo Juarez R	INDECI
Jorge Mejia	INDECI
José Montoya	INDECI
José Ambía	INDECI
Beatriz Acosta	INDECI
Maximiliano Vegas Jaramillo	Juntos – Piura
Gladys Ramos Cornejo	Pensión 65 – Piura

Cristian Bautista Heredia	MIDIS – Piura
Ronald Augusto Pachas Alvarado	Cuna Más – Piura
Billy Perez Rodriguez	SISFOH – Piura
Becky García Soto	INDECI – Piura
Hugo Ruiz Soto	INDECI – Piura
Darwin Francisco García Carmen	INDECI – Piura
José Garate Rosas	INDECI – Piura
César Rodríguez Goicochea	INDECI – Piura
Lourdes Seminario Sullob	Pensión 65 – Piura
Fiorella Chumacero Rojas	Cuna Más – Piura
Doménico Agurto Colina	Qali Warma – Piura
Fernando Ramos Prado	Qali Warma – Piura
Sandy Aguilar	Provincial Municipality – SISFOH
Claudia Ruesta Favio	Catacaos District Municipality
Carlos Arcaya M.	MIMP – Piura