



**T20** Brasil 2024  
Let's rethink the world

**T20 POLICY BRIEF**

Task Force 01

**FIGHTING INEQUALITIES, POVERTY, AND HUNGER**

# Rethinking Social Protection in the Face of Renewed Life-Cycle Risks: Assessing Social Protection's Role in Latin America and the Caribbean's Adaptation to Climate Change

**Gala Dahlet**, Social Protection Officer, Regional Office for Latin America and the Caribbean of the FAO, Chile

**Flavia Lorenzon**, Social Policy Expert, Eastern Caribbean Office of UNICEF, Barbados

**Sayanti Sengupta**, Technical Advisor on Social Protection and Climate, Red Cross Red Crescent Climate Centre, Germany

**Guillermo Montt**, Social Protection Specialist, Sub-Regional Office for the Southern Cone of Latin America of the ILO, Chile

**Rodrigo Astorga**, Socioecological Transition Program Coordinator, Heinrich Böll Foundation, Chile

**Omar Benammour**, Social Protection Officer, FAO Headquarters, Italy



**TF01**

## Abstract

Latin America faces compounding crises that are reshaping the risk structure that social protection systems aim at addressing, including climate change. In the region, almost half of the population does not have access to social protection (*excluding health*; ILO, 2022); and almost half of the children live in poverty (UNICEF, 2020). Poverty, vulnerability to climate risks, high-value ecosystems (IADB, 2022) and informal rural livelihoods (FAO, 2022) often overlap. Agrifood systems remain central for income and livelihoods in the region (FAO, 2022), but high informality levels, specific barriers to access social protection (ILO&FAO, 2021), and a reliance on nature-based livelihoods undermine the capacities of agrifood system workers to adapt to the changing climate.

Social protection systems play an integral role in adaptation efforts, (IPCC, 2022) and can contribute to reduce greenhouse gas emissions (Bhalla et.al, 2024), including in agrifood systems. Environmental, economic and social challenges converge in this sector, highlighting how intersectoral coordination and trade-offs are central to adaptation policy.

Drawing on existing evidence, the brief presents the rationale for strengthening social protection as an integral part of climate action and the critical importance of coordination between relevant sectors.

**Keywords:** Social Protection; Climate Change; Adaptation; Resilience; Agrifood Systems; Poverty; Child Poverty; Food Security; Informality; Coordination

## Diagnosis of the Issue

**Latin America and the Caribbean (LAC) is the most unequal region in the world** (IADB, 2024). Both monetary and multidimensional poverty persists, particularly in rural areas (ECLAC, 2023).

**Climate change is emerging as a new life-cycle risk in the LAC.** LAC is the second most exposed region in the world to climate-related disasters (OCHA & UNDRR, 2023). The average occurrence of extreme climate-related weather events in LAC rose by 62% since the turn of the century (EM-DAT, 2023). Poverty, vulnerability to climate risks and high value ecosystem areas in the region often overlap (Bagolle et. al, 2023), resulting in compounding risks for natural resource dependent and socio-economically vulnerable communities in the region, in particular in the agriculture sector.

**In the absence of a comprehensive response, climate change could push an additional 5.8 million people into poverty in LAC by 2030** (Jafino et al., 2020). For example, in Honduras, Bolivia or Haiti, 30 to 50 percent of the population depends on agriculture for their food security (IADB, 2023). 46,2 percent of children between 0 and 14 live in poverty in the region (UNICEF, 2024) and are especially vulnerable to climate stresses.

**Climate change deepens existing structural vulnerabilities (IPCC, 2022), with important gendered effects (FAO, 2024).** It is also affecting agriculture production (OECD, 2023) and access to water (Wellenstein and Makino, 2022), undermining food security (Zuñiga et. al, 2021) and contributing to increased migration (WFP et al, 2017).

**Social protection covers only half of the population of LAC** (ILO, 2021). Despite significant progress, social protection systems are still fragmented, while gaps in coverage, sufficiency and financial sustainability persist (Robles and Holtz, 2024).

Additionally, legal, administrative and financial barriers (ILO and FAO, 2022) restrict the coverage of informal and rural workers.

**Comprehensive and adequate social protection systems are central to a climate resilient development** (IPCC, 2022). Evidence highlights the positive impact of social protection on strengthening the absorptive (Ulrichs et.al, 2019), anticipatory (FAO, 2023; Bharadwaj et.al, 2023) and adaptative capacities of vulnerable groups in the context of climate change (FAO, 2024; Costella et. al, 2023), delivering improvements at both the household and territorial levels (Bhalla et al, 2024).

**Social protection can contribute to climate adaptation and mitigation by:**

1. Reducing socioeconomic vulnerabilities to the impacts of climate change, at the household and community levels.
2. Conserving and restoring ecosystems and promoting climate resilient livelihoods.<sup>1</sup>
3. Offering income support to address the socio-economic effects of mitigation measures.<sup>2</sup>

---

<sup>1</sup> Including through 'Payment for Ecosystem Service' type of programs linked to the social protection system, that encourage uptake of sustainable and adapted agricultural practices and natural resource management

<sup>2</sup> E.g. to workers and communities losing their jobs as industries close or fossil fuel subsidies are phased out through unemployment benefits and through labor market interventions for re-skilling or upskilling workers.

**However, social protection and climate change policies are rarely integrated.**

With minor exceptions,<sup>3</sup> coherence between social protection and climate policies remains weak (Sengupta and Dahlet, 2023). Though some programs have begun offering ad-hoc protection against disasters,<sup>4</sup> social protection systems do not yet incorporate the effects of slow-onset disasters in their design. On the other hand, social protection programs do not explicitly include climate risks as a life-cycle risk.

---

<sup>3</sup> Innovative efforts to integrate climate objectives into social protection programming are also seen in the region - such as the Bolsa Verde in Brazil, and the PROEZA project in Paraguay. Yet, the institutional consolidation of efforts such as these remains limited across the region.

<sup>4</sup> In LAC, social protection has been incorporated in climate change adaptation through cash transfers to support communities before and in the aftermath of disasters (e.g. ad-hoc Bonos de Recuperación in Chile), or by incorporating vulnerability to climate in social registries and factoring it into benefit eligibility (e.g. Dominican Republic's Social Registry)

## Recommendations

We recommend the G20 considers to:

1. **Position the strengthening of social protection policies and programs at the core of its agenda, by calling for expanding social protection coverage to build minimum social protection floors in all member countries.** This effort will be catalytical to meet SDG 1 and SDG2, and to leverage social protection's role in a just transition. In doing so, countries should be mindful of specific barriers of access to social protection, including in rural areas. Efforts to secure adequate, predictable and regular social protection programs that are gender, age and nutrition responsive, and non-discriminatory of Indigenous Peoples and migrants, are central to ensure effective and inclusive coverage.

2. **Recognize climate change as a risk that affects individuals and communities at various stages of life, and as an objective within social protection policies.** This includes assessing and including new geographies and population at risks, including informal workers and climate-induced migrants, and catering social protection systems to new covariate risks.

3. **Advocate for the explicit inclusion of social protection measures in Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) to bolster climate resilience and ensure social equity.** This inclusion will highlight countries' commitment to addressing the needs of vulnerable communities, maximizing the impact of interventions (Adapt-Chile & EUROCLIMA, 2015).

4. **Leverage the Global Alliance Against Hunger and Poverty to strengthen data gaps and evidence-based policy.** Data gaps hinder the accurate profiling of vulnerabilities and risks within populations and formulation of effective public policies, including social protection. Strong evidence-based social policies should facilitate adaptation and mitigation efforts. This would directly support the Global Task Force's objectives to improve knowledge and technology in the fight against hunger.

5. **Promote inclusive and participatory policy processes to inform the design, implementation, and monitoring of policies.** By fostering collaborative policy processes, resources and knowledge can be pooled together, facilitating the development of comprehensive and innovative approaches to tackle complex global challenges (Pomeroy & Goetze, 2003; Coelho, & Shankland, 2011).

6. **Capitalize on social protection's capacity to address trade-offs, including through labor market policies particularly, in the context of the just transition initiatives.** With the rise in climate-induced migration and displacements, coupled with the imperative to transition to greener economies, there is a pressing need to support income security among groups negatively impacted by these transitions. In particular, active labor market policies, often overlooked in social protection-climate discourses, hold significant potential in facilitating greater formalization of employment.

7. **Leverage high-level political commitment to enhance multisectoral coordination between climate and social protection institutions and actors.** High-level political commitment is essential to enhance coordination among institutional actors involved in climate action and social protection. Realistic strategies such as establishing

dedicated coordination bodies, integrated planning frameworks, empowering cross-sectoral champions, and creating clear mandates and incentives for collaboration are crucial to address interconnected challenges on a global scale.

8. **Build upon the 2023 G20 Declaration calling for a significant increase in climate finance.** Social protection systems have proven to address shocks and reach the most vulnerable populations, including during the COVID-19 Pandemic (OECD, ILO and World Bank, 2022). Leveraging climate finance to bolster social protection, including by redirecting funds from environmentally harmful subsidies towards social protection programs, will advance both environmental sustainability and social equity goals on local and global scales.



## Scenario of Outcomes

Inclusive and effective climate action objectives will depend on climate and agriculture sectors engaging with social protection systems (IPCC, 2022).

First, access to social protection supports climate adaptation by ensuring a predictable income that protects households and communities from resorting to negative practices and coping mechanisms in the face of shocks (FAO and RCRCCC, 2019). In Dominican Republic, the program ‘*Comedores Economicos*’ ensures access to food to populations affected by natural disasters (FAO, 2023). In rural Niger, households alleviated the welfare impacts of droughts by bolstering savings and safeguarding household incomes in both agricultural and non-agricultural ventures during periods of shocks (Premand and Stoeffler, 2020). Access to Kenya’s Hunger Safety Net Program (HSNP) also eases the impact of climate shocks on households’ livelihoods (Ulrich et. al, 2019).

Second, social protection programs can contribute to the uptake of adaptation and mitigation measures. Leveraging social systems for the rehabilitation of land and ecosystems can directly mitigate the impacts of climate change as is seen from Brazil's Bolsa Verde, and India's MNREGS program (Bhalla et al, 2024) It is also estimated that Ethiopia's PSNP program, which increased tree cover by 3.8% between 2005 and 2019, contributing to an annual reduction in Co2 emissions estimated to be 1.5% of what is pledged in the country's NDC (ibid). Public works initiatives also have contributed to adaptation, supporting the regeneration of vegetation and restoration of water tables and prolong seasonal stream flows (Rigolini, 2021).

Third, access to social protection can ease the transition to greener economies (ILO, 2019), addressing potential (re)employment impacts and facilitating the reskilling or upskilling of workers, as initial experiences in the Philippines and China (ILO and AFD,

2019), Chile, Mexico and Ecuador (Alfonso et.al, 2023) A two-pronged approach of extending the coverage of both contributory and non-contributory schemes is important to provide access to social protection to the poorest and to at-risk populations, acting as a catalyst to formalize economies (ILO, 2021) and to prevent households from falling into poverty. However, efforts to expand coverage should not come at the expense of either the adequacy of social protection programs or the effectiveness of their design. For example, inefficient targeting and low values of cash transfers hinder efforts to reduce poverty in the region (IADB, 2023). Secondly, social protection should be designed to both account for specific barriers of access and to address structural inequalities. In all countries of the region, poor households and non-wage workers are less likely to be covered by both pensions and health insurance than non-poor and wage workers (Ocampo and Gomez-Arteaga, 2016), underscoring design inadequacies to cover groups in vulnerable situations. Importantly, social protection programs should be gender sensitive to incrementing women's unpaid workload; and culturally sensitive, consented and informed by Indigenous Peoples, to avoid negative impacts on social dynamics and livelihoods (ILO, 2018). Finally, coherence with anticipatory action and early warning systems can build social protection systems that are shock-responsive and scalable across multi-hazards and long-term climate risks.

## References

- Adapt-Chile and EUROCLIMA (2017). “Planning adaptation at the local level. Climate change academies: planning”. Santiago de Chile: Adapt-Chile and EUROCLIMA Programme of the European Commission.
- Alfonso, M., Bagolle, A., Baptista, D., Bos, M.S., Fazekas, A., Schwartz, L., Vogt-Schilb, A., Urquidi, M. (2023). “Advancing a Just Transition in Latin America and the Caribbean”. Inter-American Development Bank, Climate Change Division.
- Baird, J., Plummer, R., & Bodin, Ö. (2016). “Collaborative governance for climate change adaptation in Canada: experimenting with adaptive co-management”. *Regional Environmental Change*, 16, 747-758.
- Bagolle, A., Costella, C., Goyeneche, L. (2023). “Social Protection and Climate Change: How Can We Protect the Most Vulnerable Households Against New Climate Threats?” *Policy Brief IDB-PB-00375*. Inter-American Development Bank.
- Bhalla, G., Knowles, M., Dahlet, G. & Poudel, M. (2024). “Scoping review on the role of social protection in facilitating climate change adaptation and mitigation for economic inclusion among rural populations”. Rome, FAO.
- Bharadwaj, R., Mitchell, T., Karthikeyan, N., Raj, N., Chaliha, S., Abhilashi, R., Chinnaswamy, K., B, R., Deulgaonkar, I., Chakravarti, D. and McCabe, T. (2023). “Delivering anticipatory social protection: country readiness assessment”. IIED, London.
- Coelho, V. S., & Shankland, A. (2011). “Making the right to health a reality for Brazil’s indigenous peoples: Innovation, decentralization and equity.” *Social Science & Medicine*, 73(6), 784-792.

Costella, C., Mccord, A. (2023). “Rethinking Social Protection And Climate Change: The medium-term implications of climate change for social protection policy and programming in the Asia-Pacific region”.

Economic Commission for Latin America and the Caribbean (ECLAC) (2023). “Social Panorama of Latin America and the Caribbean”. (LC/PUB.2023/18-P/Rev.1). Santiago, ECLAC.

FAO (2024). “The unjust climate – Measuring the impacts of climate change on rural poor, women and youth”. Rome.

FAO (2023). “Loss and damage and agrifood systems – Addressing gaps and challenges”. Rome, FAO.

FAO (2023). “Acciones anticipatorias a través de los sistemas de protección social - Una aproximación para proteger los medios de vida agrícolas y la seguridad alimentaria”. Santiago, FAO.

FAO and Red Cross Red Crescent Climate Centre (2019). “Managing climate risks through social protection – Reducing rural poverty and building resilient agricultural livelihoods”. Rome, FAO.

C. Robles and R. Holz (eds.) (2024). “The future of social protection in the midst of a protracted social crisis in Latin America: advancing towards universal, comprehensive, sustainable and resilient systems”, *Social Policy series, N° 246* (LC/TS.2023/163), Santiago, ECLAC.

Iglesias, A. & Garrote, L. (2015). “Adaptation strategies for agricultural water management under climate change in Europe”. *Agricultural Water Management*, Volume 155, 113-124.

IADB (2024). “The Complexities of Inequality in Latin America and the Caribbean”. *Fact Sheets*.

ILO (2018). “Social Protection for Indigenous Peoples”. *Social Protection for All* Issue Brief.

ILO (2021). “Extending social security to workers in the informal economy: Key lessons learned from international experience”. *Social Protection Spotlight*. Geneva, ILO.

ILO and FAO (2021). “Extending social protection to rural populations: Perspectives for a common FAO and ILO approach”. Geneva, ILO and FAO.

ILO, OECS and World Bank (2022). “Financing social protection through the COVID-19 pandemic and beyond.”

ILO and UNICEF (2022). “The role of social protection in the elimination of child labour”. Geneva, ILO and UNICEF.

ILO and AFD (2019). “Social Protection For a Just Transition: a Global Strategy for Increasing Ambition in Climate Action”.

IPCC (2022). “Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change” [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, B. Rama (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA.

Jafino, B.A., Walsh, B., Rozenberg, J., Hallegatte, S. (2020). “Revised Estimates of the Impact of Climate Change on Extreme Poverty by 2030”. *Policy Research Working Paper 9417*. World Bank Group.

Ocampo, J.A and Gomez-Arteaga, N. (2016). “Social protection systems in Latin America: An assessment”. *ESS – Working Paper No. 52*. Social Protection Department. ILO Regional Office for Latin America and the Caribbean.

Pomeroy, R. S., & Goetze, T. (2003). “Belize: Co-managing marine protected areas”.

*Coastal Management*, 31(2), 155-170.

Premand, P., & Stoeffler, Q. (2020). “Do cash transfers foster resilience? Evidence from rural Niger.”

Regional Government of Los Lagos (2024). “The Regional Policy for Water Sustainability in Los Lagos Region 2024-2034”.

Ribe, H., Robalino, D. A., Walker, I. (2010). “Achieving Effective Social Protection for All in Latin America and the Caribbean: From Right to Reality.” *World Bank Publications*.

Richards, J. A., Schalatek, L., Achampong, L., & White, H. (2023). “The loss and damage finance landscape”. *The Loss and Damage Collaboration*.

Rigolini, J. (2021). “Social Protection and Labor: A key enabler for Climate Change adaptation and mitigation.”

Schwan, S., & Yu, X. (2018). Social protection as a strategy to address climate-induced migration. *International Journal of Climate Change Strategies and Management*, 10(1), 43-64.

ILO (2021). *World Social Protection Report 2020–22: “Social protection at the crossroads – in pursuit of a better future International Labour Office”* – Geneva: ILO.

Ulrichs, M., Slater, R., Costella, C. (2019). “Building resilience to climate risks through social protection: From individualised models to systemic transformation”. *Disasters* 43 (S3), S368–S387.

Ulrichs, M., & Slater, R. (2016). “How can social protection build resilience”. London.

WMO (2021). *Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes (1970–2019)*.

EM-DAT (2023). EM-DAT Public, Emergency Events Database.

OECD (2023). “Environment at a Glance in Latin America and the Caribbean: Spotlight on Climate Change”.

OCHA and UNDRR (2023). “Overview of Disasters in Latin America and the Caribbean 2000-2022”.

Sengupta, S., Dahlet, G. (2023). “Policy coherence between social protection and climate action: initial findings from global studies and projects”. Red Cross Red Crescent Climate Centre.

Wellenstein, A., Makino, M. (2022). “The Latin American climate crisis is also a water crisis. How do we move forward?” World Bank.

WFP, IADB, IFAD, IOM, OAS (2017). “Food Security And Emigration: Why people flee and the impact on family members left behind in El Salvador, Guatemala and Honduras”.

Zuñiga, R.A.A., Lima, G.N., Villoria, A.M.G., 2021.”Impact of slow-onset events related to Climate Change on food security in Latin America and the Caribbean”. Current Opinion in Environmental Sustainability, Volume 50, Pages 215-224.ISSN 1877-3435.



# Let's **rethink** the world

