

Wednesday, September 22, 2021

Dear IDA Deputy,

The undersigned are members of the NGO Collaborative and its partners and allies, a group of NGOs, researchers, and practitioners dedicated to reaching SDG 1 through economic inclusion programs that help the poorest increase assets and income. Members have regularly engaged with the Partnership for Economic Inclusion (PEI) housed at the World Bank to support robust knowledge exchange, expand awareness of best practices, and contribute to the growing evidence base for social and economic inclusion programs.

Economic inclusion programs help boost the income and assets of the world's poorest individuals and households with a "big push" of coordinated interventions – usually a combination of cash or in-kind transfers, skills training or coaching, access to finance, and links to market support.

We find it encouraging to see two proposed policy commitments for IDA 20 that have considerable potential. We are however concerned that the current wording might not lead to reaching the extreme poor. Our experience and rigorous research has shown us that the extreme poor are not reached and fully impacted unless there is a specific intention and targeting mechanism to reach them and address their multidimensional needs to ensure they benefit from the program. Given the staggering numbers of people who have fallen into extreme poverty as a result of the COVID-19 pandemic, the intentional inclusion of the extreme poor in programs is critical to ensuring a resilient and equitable economic recovery.

The policy commitment with respect to women's economic empowerment under the Gender theme currently reads as follows:

***Scaling up productive economic inclusion:** Incorporate specific productive economic inclusion components (e.g., producer cooperatives/associations, digital finance/savings and service delivery, entrepreneurship support, social care services, regulatory frameworks, and/or links to market support) for women in at least 30 IDA social protection/jobs, agriculture, urban, and/or community development projects*

Women in producer cooperatives or accessing digital finance may be in the bottom 40% but are not very likely to be among the extreme poor, defined by the World Bank as those whose consumption is less than \$1.90/day. IDA-funded projects that support scaling up productive economic inclusion must include targeting mechanisms that ensure that women living in extreme poverty are specifically included as beneficiaries of these programs. We therefore propose the following language:

***Scaling up productive economic inclusion:** Incorporate specific productive economic inclusion components (e.g., producer cooperatives/associations, digital finance/savings and service delivery, entrepreneurship support, social care services, regulatory frameworks, and/or links to market support) for women in at least 30 IDA social protection/jobs, agriculture, urban, and/or community development projects **where at least 50% of women reached by these projects are measurably among the extreme poor.***

Another policy commitment under the Human Capital theme appears promising:

***Expanding adaptive social protection and building resilience to shocks: To ensure inclusive and effective response against shocks and crises, support at least 20 IDA countries' resilience by building adaptive social protection systems, including the use of digital technologies***

As the Center for Global Development has [well established](#), strategically deployed cash transfers will be a critical instrument to help ensure an inclusive recovery: “Cash transfers and other forms of social assistance directly targeting women to support them and their households in the face of lost employment and income can help mitigate increases in poverty and food insecurity. ‘Cash plus’ designs in particular, those that bundle cash transfers with other features, such as assets, training and coaching, can further ensure that recipients access income and build livelihoods. (...) Social protection systems can aid in getting relief out quickly in a crisis. (...) While many of these policies have made efforts to target women and address their gender-specific constraints, the majority have not. According to the [COVID-19 Global Gender Response Tracker](#), cash transfers targeted specifically to women account for just 2.5 percent of all national COVID-19 response policy measures, and only 19.8 percent of all cash transfer measures”. Further, in low-income countries with social assistance programs, only 21 percent of the very poorest are covered by even a single social protection program.

Without specifically-dedicated efforts, social protection coverage fails to reach those below the World Bank's extreme poverty line of \$1.90/day whose life is conditioned by multiple, structural vulnerabilities. **IDA Programs supporting expansion of adaptive social protection and building resilience to shocks must intentionally prioritize reaching those deeper in poverty to more fully accelerate upward social and economic mobility.** For these reasons, we suggest the following amendment:

***Expanding adaptive social protection and building resilience to shocks: To ensure inclusive and effective response against shocks and crises, support at least 20 IDA countries' resilience by building adaptive social protection systems, including the use of digital technologies **starting with intentionally reaching those living in extreme poverty, especially women*****

Relatedly, there is an opportunity to directly include a focus on people living in extreme poverty in the Results Measurement System's Tier 2 Human Capital indicators on social safety net program. There is considerable leakage in social protection schemes, and the World Bank Aspire database indicates that between 25% to 60% of cash transfer and social assistance payments went to the upper three quintiles in 2018 in Africa. Reporting on the lowest poverty quintile, systematically reflected in the World Bank Aspire database, should also appear in the RMS.

As for the numerical target associated with the social safety net indicator, we know that the *Africa Human Capital Plan Progress Report – Year 1* sets the objective of providing social protection to 13 million more people in the lowest quintile by 2023. A bit less than one million of them might be in non-IDA African countries. So the target should be 12 million additional people covered (and remaining covered even after pandemic). The target set for IDA 19 was 30-40 million, which was for all quintiles; with demographic growth this range should now be 31.5-42 million; so the cumulative IDA19+IDA 20 total should be at least 44-54 million (excluding COVID-19 temporary coverage), for all quintiles, and the majority should be in the bottom quintile.

Therefore, the following sub-indicator should be included in the RMS [\[Tier 2, Number 12\]](#) to ensure these initiatives reach the extreme poor as intended:

*Beneficiaries of social safety net programs (million)*

**Sub indicator: Of whom, Beneficiaries in the poorest quintile reached**

**Target: 44-54 million people (excluding COVID-19 temporary coverage).**

IDA 20 will be seeking an unprecedented contribution from donor treasuries at a time of high deficits and strong competition for scarce resources. To build support for the new replenishment, it will be important to demonstrate clear efforts to effectively reach those who require our assistance the most. Our proposals are offered in this spirit. We hope to hear from you soon.

We are available to provide any clarifications by contacting Anne Hastings, Facilitator, NGO Collaborative at [ngocollaborative@gmail.com](mailto:ngocollaborative@gmail.com).

Yours truly,

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BOMA

BRAC International, including

BRAC Afghanistan

BRAC Liberia

BRAC Myanmar

BRAC Philippines

BRAC Rwanda

BRAC Sierra Leone

BRAC South Sudan

BRAC Tanzania

BRAC Uganda

BRAC UK

BRAC USA

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