Financing Adaptive Social Protection: Setting Priorities for Action

GROUP EXERCISE

Why Financing Matters

Rising vulnerabilities from the triple crisis

Persistent social protection coverage gaps

Need for sustainable, predictable, risk-informed financing

Adaptive Social Protection

Builds flexibility and responsiveness

• Integrates climate risk, disaster preparedness, social support

Supports resilience and more efficient crisis response

Financing Challenges

Limited domestic fiscal space

Fragmented and project-based funding

Weak linkages to climate and disaster funding

Lack of contingency or shock-responsive reserves

Opportunities & Innovations

- Blended finance: Combine public, private, and philanthropic capital to scale ASP.
- Social impact bonds: Link funding to social protection outcomes.
- Catastrophe bonds & climate risk insurance: Trigger funding during shocks.
- Development bank guarantees: De-risk private investment in resilience.
- Sustainability-linked loans: Tie concessional terms to SP targets.
- Private sector engagement: Leverage fintech, mobile payments, and data tools.

Insights from World Bank State of Social Protection 2025

- Invest in digital infrastructure (registries, payments) to expand coverage
- Redirect subsidies to the poorest to cover financing gaps
- Improve adequacy of benefits, address gender gaps
- Strengthen shock-responsiveness (early-warning, scalable payments)
- Optimize financing (social bonds, contingency funds, climate links)

FfD4 Seville Outcomes (2025)

- "Seville Commitment" to close \$4 trillion SDG gap
- Target tax revenue ≥15% of GDP for public services
- Blended finance and MDB lending tripling
- UN-led debt reforms for fiscal space
- Social protection coverage target +2% per year
- Climate and gender equality mainstreamed

EXERCISE: Advancing an InterRegional Report

- Project will develop a report on Financing for Adaptive Social Protection
- The focus should reflect your priorities and challenges
- Today's exercise will provide inputs will shape its focus and recommendations

Group Discussion Questions (1 group per country)

1. What are the main challenges your country faces in financing adaptive social protection?	List and rank your top financing constraints – fiscal, institutional, external, etc. 1
2. What good practices or innovations (domestic or observed abroad) are worth highlighting?	E.g. contingency reserves, blended finance, digital delivery tools, etc. 1 2 3
3. What topics or themes should the regional report focus on to help your country take action?	Where would evidence, tools, or guidance be most useful? 1 2 3
4. What partnerships or external support (technical, financial, political) would help address these challenges?	Identify partners, programmes, forums, etc. 1 2 3



Each group should complete this form during the 30-minute discussion. You may list more than one item per question and then select your top priority for each. Responses will help shape the upcoming interregional report on financing adaptive social protection.

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Group Inf	formation		
Country			
Your answ	/er		
Rapporte	eur Name		
Your answ	ver		
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Financing Challenges

What are the top challenges your country faces in financing adaptive social protection?

List 2–3 key constraints (e.g., limited fiscal space, fragmented funding, weak contingency reserves, etc.)

Your answer

Which of these is your top priority challenge?

Your answer



What good practices or innovations (from your country or others) are worth highlighting? Include examples like shock-responsive budgeting, blended finance, digital delivery systems, others. Your answer Which is the most promising one for scale-up? Your answer

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Priorities for the Regional Report

What topics or themes should the regional report focus on to help your country take action?

Please reflect on what type of focused analysis, case examples, or comparative insights would help your country move from recognizing financing challenges to identifying solutions. This report will not repeat global-level diagnostics but instead aim to surface actionable priorities, underexplored tools, and context-relevant pathways based on countries' real needs. Think of themes that are currently missing in the conversation or deserve deeper attention to support implementation.

Your answer

Which of these themes is your top priority?

Your answer

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Support and Partnerships

What external support (technical, financial, political) would help your country most?

Please identify the types of external support — whether technical, financial, institutional, or political — that would be most useful to help your country advance in financing adaptive social protection. We are not looking for generic needs, but for specific gaps that external partners (e.g., UN agencies, IFIs, bilateral donors, climate funds, regional bodies) could help address in a practical and coordinated way. Think of what you would like to see more of — or what kind of engagement has worked well but needs scaling or adaptation.

Your answer

Which is the most urgent or needed form of support?

Your answer

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Social Inclusion