

GRiF Technical Talks

Online Speaker Series, Session 2: In-Country Project - Sierra Leone

Introduction

The Global Risk Financing Facility (GRiF) Technical Talks webinar series is focused on technical and operational issues and shares lessons learned from the set-up and implementation of GRiF, a trust fund program housed at the World Bank.

The series aims to increase the understanding and awareness of GRiF and the projects it finances among partners interested in crisis and disaster risk finance—officials from ministries of finance as well as other line ministries, development professionals, World Bank donors, World Bank project teams, and others. In each webinar, members of the GRiF Secretariat facilitate conversations with experts in the field of crisis and disaster risk finance, who share their experiences working with the program.



Technical Talk #2: This talk will provide an overview of a shock-responsive safety net project in Sierra Leone, where the project held \$4 million of its IDA funds contingent, which were rapidly mobilized as emergency cash transfers in response to COVID-19.





About the GRiF Project in Sierra Leone

Development Need

In 2014, the Government of Sierra Leone established a Social Safety Net program to provide regular cash transfers to extremely poor households. The program intended to help lift people out of poverty and live more productive and dignified lives. Since then, Sierra Leone has had experience responding to disasters and pandemics by transferring emergency cash transfers to its most vulnerable citizens via the safety net program and its delivery systems. For example, in response to the massive landslide in 2017 and the Ebola outbreak that started in 2014, the government was able to channel funds to households affected by the crises by leveraging the safety net program. However, these responses and scale ups have, to date, been initiated in an ad hoc manner after a shock has hit via systems and processes that were not institutionalized or sustained long term to prepare for future events. Given the frequency of shocks and crises in the country, and the fundamental role that safety nets have come to play in disaster response in recent years, the government recognized the need for a more systematic approach to scaling up safety nets in the future.

Project Objective

The objective of these funds was to build the systems and technical capacity needed to establish and scale up the national safety net for faster response to natural disasters and crises, including health emergencies.

Project Description

This GRiF project builds on Sierra Leone's existing national safety net system and co-finances the USD 30 million World Bank Social Safety Net project, ensuring country ownership and long-term sustainability. To ensure that systems for shock-response are linked to available finance for emergency cash transfers, the Government held USD 4 million from the USD 30 million World Bank project for release as emergency cash transfers in response to natural disasters and health shocks. Linking cash transfers that target the poor with pre-arranged processes for payment and service delivery has been found in several countries to help ensure more timely and effective post-disaster assistance for affected populations.

The GRiF grant of USD 2.5 million includes the following:



 A sum of USD 1 million to help build systems and strengthen implementation of prearranged funding linked to national delivery systems, specifically by setting up the infrastructure necessary to implement the scalability mechanism, improving the quality of existing data and filling data gaps, and identifying pre-defined triggers for disbursement.



• A sum of USD 1 million to provide technical assistance to strengthen the government systems for implementing the contingent financing component and enhance the sustainability of the systems beyond the project itself, as well as to incentivize preparedness.



• The remaining USD 0.5 million is allocated for technical assistance to assess the feasibility of risk-transfer solutions in the future through analytical work and capacity building.

Impact



While the utilization of the GRiF grant was initially focused on designing systems to respond to potential flooding in 2020, the COVID-19 global pandemic changed this course. GRiF resources for systems strengthening were used to support the COVID-19 emergency cash transfer response after the outbreak began in Sierra Leone in April 2020.



The GRiF resources were used to develop a COVID-19 Emergency Response Manual that defined the rules and processes for the safety net scale up. The grant also enabled the government to adapt its systems to target and enroll beneficiaries who were not in the existing registry, thus also expanding the database in preparation for the next shock. The corresponding World Bank project supported the government in rolling out an electronic payments system to deliver the emergency cash transfers, enabling the rapid disbursement of funds and creating the foundations for a system for future shock responses.



Based on the success of the project, the European Union provided an additional EUR 5 million for emergency cash transfers, making use of the same systems that were used to channel the USD 4 million for the initial response. This additional funding is designed to reach 228,000 more beneficiaries, further leveraging GRiF's impact beyond the 170,000 beneficiaries that the initial emergency cash transfer response reached.



Following the COVID emergency cash transfer response, the remainder of the GRiF grant will support the government in strengthening systems and processes based on learning accumulated during this crisis, to continue enhancing its preparedness for the next shock. This is evidenced from the country's focus on designing its risk finance strategy, which will help establish pre-arranged financial instruments in the country. Linking these instruments to delivery mechanisms like safety nets will allow more effective and timely shock-response in the future.



For More Information

To learn more about the Global Risk Financing Facility, please visit: https://www.globalriskfinancing.org/

Contact Information

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