Adaptive, but Not by Design: Cash Transfers in Latin America and the Caribbean Before, During and After the COVID-19 Pandemic

Social Protection and Health Division

Marco Stampini
Pablo Ibarrarán
Carolina Rivas
Marcos Robles

TECHNICAL NOTE Nº
IDB-TN-02346

November 2021

Adaptive, but Not by Design: Cash Transfers in Latin America and the Caribbean Before, During and After the COVID-19 Pandemic

Marco Stampini
Pablo Ibarrarán
Carolina Rivas
Marcos Robles

November 2021

IDB
Inter-American Development Bank

Cataloging-in-Publication data provided by the
Inter-American Development Bank
Felipe Herrera Library
Adaptive, but not by design: cash transfers in Latin America and the Caribbean before, during and after the COVID-19 Pandemic / Marco Stampini, Pablo Ibarrarán, Carolina Rivas, Marcos Robles.
p. cm. — (IDB Technical Note; 02346)
Includes bibliographic references.
1. Cash and carry transactions-Latin America. 2. Pension trusts-Latin America. 3. Coronavirus infections- Latin America. I. Stampini, Marco. II. Ibarrarán, Pablo. III. Rivas, Carolina. IV. Robles, Marcos. V. Inter-American Development Bank. Social Protection and Health Division. IV. Series.
IDB-TN-02346

scl-sph@iadb.org

www.iadb.org/SocialProtection

Adaptive, but Not by Design: Cash Transfers in Latin America and the Caribbean Before, During and After the COVID-19 Pandemic

Marco Stampini, Pablo Ibarrarán, Carolina Rivas, and Marcos Robles[1]

[1] Marco Stampini and Pablo Ibarrarán are with the Social Protection and Health division of the Inter-American Development Bank (IDB). Marcos Robles is with the front office of the Social Sector of the IDB. Carolina Rivas is at Columbia University. E-mail: mstampini@iadb.org, pibarraran@iadb.org, marcosr@iadb.org, cr3190@columbia.edu. Part of this work was funded by IDB's economic and sector work, "From COVID response to a new social protection system" (RG-E1719). We thank Ferdinando Regalia, Luis Tejerina, Mario Sanchez, Mariano Bosch, Carolina Gonzalez for useful comments and suggestions. Professional editing was provided by Lyle Prescott and Marcy Devine. Remaining errors are ours only. The content and findings of this paper reflect the opinions of the authors and not those of the IDB, its Board of Directors, or the countries they represent.

Abstract. The socioeconomic crisis associated with the pandemic put cash transfer programs back at the top of the policy agenda. It revealed that income support systems in the Latin American and Caribbean (LAC) region were both fundamental and insufficient. In this paper, we present novel estimates of the coverage and beneficiary distribution of all non-contributory cash transfers both before and during the COVID-19 crisis. The pre-pandemic estimates are useful to show the degree of preparedness in the region; and the 2020 estimates analyze the magnitude of the policy response. While previous literature has analyzed the coverage and leakage of conditional cash transfers and non-contributory pensions, we are the first to estimate coverage and leakage during the response to the COVID-19 crisis. In addition, we are the first to expand the focus to all non-contributory cash transfer programs, including those that are quasi-universal and/or unconditional. This is the most appropriate focus when the goal is to assess the ability to provide protection to larger population groups (including the vulnerable) and against transitory poverty caused by systemic shocks (such as pandemic or extreme weather events, which may become more and more frequent due to climate change). Using data from the Inter-American Development Bank's "Harmonized Household Surveys from Latin America and the Caribbean," which now provide a more comprehensive coverage of Caribbean countries, we show that before the pandemic non-contributory cash transfers covered 26% of the population in 17 countries with available data. Average coverage of the extreme poor, moderate poor and vulnerable population was 56%, 43% and 28%, respectively. During the crisis, LAC governments implemented 111 new cash transfer interventions, increasing average coverage to 34% of the population in 12 countries with available data. Average coverage increased among the moderate poor (50%) and vulnerable population (37%), while it remained unchanged among the extreme poor. Moving forward, the countries of the region are called on to reform their social protection systems to make them more flexible, efficient, and sustainable, and to include strategies that provide protection against shocks. In this way, resilient and responsive social protection systems can contribute to the fight against climate change and support a just transition toward net-zero emission societies. These efforts must also include measures to close the historical coverage gap among the poorest.

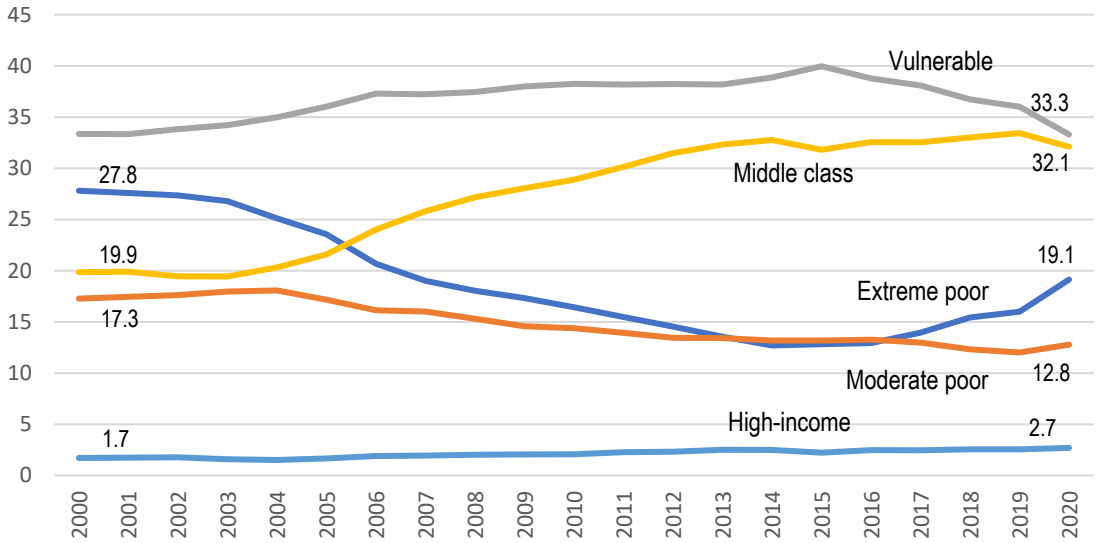
Keywords: cash transfer programs, conditional cash transfers (CCT), non-contributory pensions, coverage, leakage, Latin America and the Caribbean (LAC), social protection, targeting, COVID-19.

JEL classification: I38.

1. Introduction[2]

Between 2000 and 2015, the Latin American and Caribbean region experienced significant improvements in its poverty indicators, but progress stagnated over the 2016–2019 period and reversed in Venezuela. At the regional level, the poverty rate dropped from 45.1% in 2000 to 28% in 2019; over the same period, the rate of extreme poverty fell from 27.8% to 16% (Figure 1).[3] Income inequality fell over the 2000–2015 period (the Gini coefficient dropped from 0.543 to 0.476), after which it stabilized (the Gini was 0.483 in 2019).[4]

Figure 1. LAC socioeconomic groups 2000–2020 (percentage of population, weighted average)



Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: The figure presents weighted averages from the following 18 countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Paraguay, El Salvador, Uruguay and Venezuela.

In 2019, the region experienced major social protests largely motivated by inequality, poor quality of public services, and a feeling of vulnerability and lack of opportunities. Protests were linked to the region's income distribution remaining one of the most unequal in the world, and to the high inequality in access to and quality of social services, including education and healthcare (Sehnbruch, 2019; Ferreira and Schoch, 2020).

[2] In several parts of this paper, we used text from the IDB Social Protection and Poverty Sector Framework Document (IDB 2021, document GN-2784-12, available at: https://www.iadb.org/en/about-us/sector-policies-and-sector-framework-documents) written by Marco Stampini and Pablo Ibarrarán, without rephrasing.

[3] We define poverty as having daily per-capita income under US$5, and extreme poverty as having daily per-capita income under US$3.10, after purchasing power adjustment. For more information on data, definitions and methodology, see Annex 1.

[4] Pre-taxes and government cash transfers inequality in Latin American countries is similar to the level observed in the OECD. However, taxes and government cash transfers reduce inequality by only 6% in Latin American countries, against 45% in OECD countries (Izquierdo et al., 2018, Figure 4.4).

In 2020, the economies of the region were impacted by the crisis caused by the COVID-19 pandemic, which also caused poverty in parts of the population traditionally belonging to the middle class. The GDP decreased by 7.3% on average (Cavallo and Powell, 2021). Countries relying on tourism were hit particularly hard, with international travel coming to a halt. For example, in tourism-dependent Caribbean countries, GDP contracted by 9.8% in 2020 (Werner et al., 2021). The price of commodities dropped, and international trade decreased dramatically, with exports dropping by more than 10%. An estimated 10% of jobs were lost between February and October 2020 (Cavallo and Powell, 2021). The poverty rate and extreme poverty rate grew to 31.9% and 19.1%, respectively. In a single year, the number of individuals living in poverty grew by 25 million (to 206 million), and the number of individuals in extreme poverty rose by 20 million (to 124 million). The percentage of the population in the middle class dropped from 33.4% in 2019 to 32.1% in 2020, and the Gini coefficient of income inequality grew by almost 2 percentage points, reaching 0.501 – a value not observed since 2009 (IDB estimates).

As countries declared the health emergency and implemented lockdowns or tight restrictions on mobility and gatherings, cash transfers were expanded to compensate households for their lost income and enable people to adhere to stay-at-home orders. This social policy response highlighted the importance of LAC's social protection systems, and also their profound limitations in providing a protection floor for poor and vulnerable households. These systems face two long-term challenges. First, the coverage of contributory social protection is low. Most workers are engaged in the informal sector, and even those in the formal sector have extremely limited access to income protection instruments such as unemployment insurance programs. Second, non-contributory cash transfer programs exhibit significant under-coverage of the poor and vulnerable population, and countries lack expansion strategies that allow coverage of transient poverty in the face of shocks.

LAC countries implemented 199 income-support interventions, mostly cash transfers (111), followed by wage subsidies (26), vouchers (23), credits on utility bills (15), insurance (15), and tax exemptions (9) (Cejudo et al., 2021). Forty-five interventions built on existing programs, increasing the value of benefits (vertical expansion, in 26 cases) or number of beneficiaries (horizontal expansion, in 19 cases). In contrast, 154 interventions implemented entirely new programs (Cejudo et al., 2021). While the extent and magnitude of the pandemic crisis is unprecedented, most countries lacked strategies and tools to provide temporary income support to vulnerable populations in the face of any type of shock, even of lesser magnitude.

Non-contributory social protection spending in LAC countries was estimated at US$86.214 billion in 2020, which represents 1.25% of 2019 GDP, and 1.9 times the average proportion of GDP spent in 2018 (0.66%) (ECLAC, 2021). Chile and Bolivia invested significantly more than any other country (7.7% and 7.4% of GDP, respectively), followed by Colombia (3.3%), Brazil (3.0%) and Argentina (2.4%) (Cejudo et al., 2021). The average amount spent on new interventions per capita was US$175 (Cejudo et al., 2021) -compared with an average of

US$345 worldwide, US$847 in high-income countries, and US$4 in low-income countries (Gentilini et al., 2021; and Cejudo et al., 2021).

The number of beneficiaries reached by COVID-19 social protection interventions is equivalent to 37.7% of the LAC population (Cejudo et al., 2021), exceeding the world average of 17% (Gentilini et al., 2021). The highest number of beneficiaries relative to the country population was recorded in Bolivia (129%),[5] Chile (77%), Panama (63%), Dominican Republic (58%), and Colombia (51%) (Cejudo et al., 2021). Most interventions were short lived, arguably due to government budget considerations, with benefits limited to a 3.6-month period (Cejudo et al., 2021), compared with 4 months worldwide (Gentilini et al., 2021).

In this paper, we analyze the role cash transfer programs have played in alleviating poverty during the COVID-19 crisis. First, using household surveys for 17 LAC countries (Table A1 in Annex 2), we analyze the coverage of these programs among different socioeconomic groups prior to the crisis (Section 2). We focus on the combined coverage of all non-contributory cash transfer programs, including conditional cash transfers (CCT), non-contributory pensions (NCP), and other unconditional transfer programs (such as transfers for persons with disabilities, child allowances, public assistance, etc.) (Table A2 in Annex 2). Second, using recent household surveys for 12 LAC countries, we analyze how cash transfer programs were expanded in 2020, assessing both coverage and leakage of pre-existing and COVID-19-specific interventions. We also assess the effect of cash transfer programs in alleviating poverty during the COVID-19 crisis in 2020 (Section 3). Finally, we discuss the lessons learned from implementation of cash transfer programs during the COVID-19 crisis, and the policy implications for the design of future social protections systems in LAC (Section 4).

Relative to the existing knowledge on cash transfer programs in LAC, this work is the first to perform a comprehensive analysis of coverage, while previous papers had focused on CCT and NCP (Stampini and Tornarolli, 2012; Robles et al., 2019). This wider focus is justified by a shift in the social protection debate in LAC during the COVID-19 crisis, which has recognized the importance of expanding the protection beyond the population in structural poverty as well as the role of unconditional transfers for vulnerable households in response to shocks. The use of recent surveys and the broader focus to include unconditional and semi-universal transfer programs (such as the Child Allowance in Suriname and the Public Assistance in Guyana) allows a much richer analysis of the situation in the Caribbean countries, relative to the existing literature. Second, our paper is the first that uses household surveys data collected in 2020 to assess the coverage and the poverty reduction effect of cash transfers, both pre-existing and new, during the COVID-19 crisis. The use of these surveys allows avoiding the double counting that is inevitable when coverage is measured

[5] The figure can exceed 100%, since the numerator is the sum of the number of beneficiaries of the different programs based on administrative data, which may be greater than the country's population. This is the case in Bolivia, where two large transfer programs with overlapping beneficiary populations were implemented at different times during the crisis.

based on administrative data about the number of beneficiaries (as in Cejudo et al., 2021); it also allows assessment of the coverage of different socioeconomic groups.

2. Cash transfers in Latin America and the Caribbean prior to the COVID-19 pandemic

In 2019, non-contributory cash transfers in LAC covered on average 26% of the population in the 17 countries with available data, or 128 million individuals (Table 1).[6] Heterogeneity was notable across countries, with coverage ranging from a minimum of 2% of the population in El Salvador to a maximum of 71% in Bolivia. Cash transfers' average monthly value amounted to approximately US$ 21 per capita, which represented 21.6% of monthly per capita income (Table 2).

Most of the coverage was provided by CCT programs, which reached on average 21% of the population, or 101 million individuals (Table A3 in Annex 2). CCT programs were created in Latin America and the Caribbean to alleviate structural poverty in the 1990s, with the dual objective of alleviating current poverty by supporting consumption and incentivizing accumulation of human capital among children and young people through conditionalities. These were later called *co-responsibilities*, as both beneficiaries and the state had a responsibility – the state to provide high quality services and the beneficiaries to use them. The design of CCT programs generally chose women to be the transfer recipients. CCT programs were catalyzers of doing things objectively. They created a movement in support of social programs' impact evaluations and were the trigger for the creation of social registries. CCT programs spread rapidly throughout LAC and beyond. In 2012, transfers accounted for an average of 20% to 25% of the income in beneficiary households (Stampini and Tornarolli, 2012). In most cases, mature programs invested 0.3%–0.4% of GDP (Paes-Souza et al., 2013).[7]

In 2019, CCT programs' highest population coverage was recorded in Bolivia (54%), which implements the semi-universal Bono Juancito Pinto for students in primary and secondary education – but with a relatively small transfer of approximately US$28 per year for each student, and Panama (50%), thanks to the large number of beneficiaries of the Beca Universal, which is directed to students attending a public school or a private school with yearly tuition below a certain threshold.

[6] The analysis is based on household surveys from 2019 or the most recent year available in three specific cases (2018 for Mexico, 2017 for Chile, and 2017 from Suriname). Coverage is defined as the percentage of the population (overall, or in a certain income group) living in a household in which at least one member is beneficiary of at least one cash transfer program (CCT, NCP, or other). Groups are built based on per-capita household income net of the value of the cash transfers. The coverage for the region is calculated as the unweighted average of the coverage in the countries with available data. We consider the unweighted average so that the regional figure is not dominated by countries with the largest population (or the largest population in a certain income group). For more information on data, definitions and methodology, see Annex 1.

[7] For a review of CCT long-term impacts, see Molina Millán et al. (2019).

Non-contributory pensions (NCP) have been expanded in the region over the past two decades as part of important pension system reforms, with the goal to provide income support to older persons with no access to a contributory pension (in some countries) or in a situation of poverty or vulnerability (in other countries). Through these reforms, the region increased the number of NCP beneficiaries to several million individuals who previously did not have pension coverage (Rofman et al., 2013; Bosch et al., 2013). Some countries have implemented universal NCP (for example, Bolivia since 2008 for all people aged 60 and older, and Mexico since 2019 for all people aged 68 and older).

In 2019, NCPs had an average coverage of 8% of the population in the countries that implemented one of these programs. They were particularly important in Bolivia and Guyana, which implemented quasi-universal pensions that reached about 20% of the population (Table A4 in Annex 2). A similar situation exists in Suriname, but the household survey does not include a question on receiving an NCP.

Other unconditional cash transfer programs have traditionally played an important role in the social protection system of Caribbean countries (and only in Jamaica they have been almost entirely replaced by the implementation of the CCT PATH). They either target poor households, as in the case of Guyana's Public Assistance, or sometimes are quasi-universal (i.e., with few exclusion criteria). In the former case, the targeting mechanism is often based on declared income complemented by a social worker evaluation, as is common in European countries, rather than on a proxy means test, which is calculated based on household's physical assets, human capital, and demographic characteristics.

In 2019, other cash transfers had an average coverage of 12% of the population in the countries that implemented at least one such program. They played a major role in Suriname, which implements a quasi-universal Child Allowance (for all children who do not receive a similar benefit through the parent's employer). They are also prevalent in the Dominican Republic, which has reformed energy subsidies and compensates the poor and vulnerable population with electronic vouchers (Bono Luz and Bono Gas), which reach 29% of the population (Table A5 in Annex 2). The case of this reform in the Dominican Republic is an example of policy that contributes to a just transition in LAC.

Overall, non-contributory cash transfers were well targeted prior to the COVID-19 crisis, with coverage highest among the poorest and most vulnerable. Nonetheless, they exhibit an historical problem of under-coverage of the poorest population. Their average coverage is estimated at 56% for the extremely poor population, even if in some countries the number of beneficiaries is larger than the number of persons living in extreme poverty. This confirms the findings in the existing literature, which focused separately on CCT and NCP programs, despite the fact that this paper adopts a broader focus that includes all non-contributory cash transfers (targeted or universal, conditional or unconditional, etc.).

Most coverage of the poorest is provided by CCT, yet these programs reach only 48% of the extremely poor population and 38% of the moderately poor population, on average, in

15 countries that implement such programs and have information from household surveys (Table A3 in Annex 2). The highest coverage of the extremely poor was achieved in Uruguay (94%), Brazil (77%) and Panama (76%).

CCT programs' under-coverage of the poorest is an historical problem, explained largely by four factors (Robles et al., 2019). First, in some countries, CCT programs have a relatively small scale. For example, in Honduras and El Salvador, the number of beneficiaries is smaller than the number of persons living in extreme poverty. Second, targeting mechanisms, such as proxy means tests, imply a fairly large proportion of error in the classification of applicants' levels of poverty and vulnerability. Third, poor households are often hard to reach. In general, the poorer a household, the higher the cost required (both financially and in terms of effort and human resources) in order to reach it and include it in a social protection program and related social services. In some instances, security is an issue that prevents poor households' enrollment and continued participation in the programs. Fourth, urban areas present special features that can reduce the quality of targeting, degree of take-up, and rate of compliance with program rules (which, in the medium term, can determine exit from the program). In these areas, poverty is more transient (Stampini et al., 2016) and less predictable based on the information on asset ownership. The opportunity cost of compliance with program co-responsibilities is higher than in rural areas for working-age members, given a broader range of available labor opportunities. Additionally, in some cases, eligibility is restricted to households with children.

NCP and other cash transfers contribute to increasing the coverage of the poorest population. The former reach on average 16% of the extremely poor population (with peaks of 38% in Chile, 32% in Bolivia, and 27% in Guyana) and 10% of the moderately poor population (with coverage of approximately 20% in these three countries) in 13 countries that implement such programs and have information in the household surveys (Table A4 in Annex 2). Other cash transfers reach on average 24% of the extremely poor population and 17% of the moderately poor population in 7 countries with information in the household surveys (Table A5 in Annex 2).

Traditionally, the discussion of coverage has been accompanied by the analysis of inclusion errors, or leakage, which is measured as the proportion of non-poor beneficiaries. The pandemic altered the relative importance of these types of targeting errors. Inclusion errors were not the main concern, as there was consensus on the need to provide relief to large sectors of the population (Cejudo et al., 2021). However, during the recovery and moving forward, targeting will be important to increase the sustainability of income support systems. For this reason, before moving to the response to the pandemic in the next section, we will analyze the distribution of the income level of cash transfer beneficiaries.

Table 3 shows that on average only 13% of cash transfer beneficiaries belong to the middle class and high-income group.[8] In general, leakage is higher in countries that also record high coverage of the total population (Figure 1). In some cases, it does not constitute inclusion errors, as in the case of countries that run quasi-universal transfer programs. Also, in several countries, the income level at which households are required to exit a cash transfer program is higher than the income level required to enter the program (to prevent families to fall back into poverty), so that, at any given point, some families do not meet the entry requirement but are receiving benefits according to the rules of the programs. In any case, overall, the proportion of beneficiaries with middle or high income is low. This provides reassurance on the quality of targeting.

[8] Groups are built based on per-capita household income net of the value of the cash transfers. See Annex 1 for details. For the distribution of each category of cash transfer program across income groups in 2019, see Annex 2, Tables A6–A8.

Table 1. Coverage of cash transfer programs in Latin America and the Caribbean prior to the COVID-19 crisis (2017–2019) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	4,862,532	62%	39%	19%	2%	17%
BOL	8,180,699	86%	84%	74%	57%	71%
BRA	45,454,351	78%	44%	20%	4%	22%
CHL	3,730,679	57%	37%	27%	13%	21%
COL	9,766,820	45%	33%	17%	3%	20%
CRI	1,309,213	69%	52%	33%	7%	26%
DOM	3,008,887	54%	36%	33%	19%	29%
ECU	3,597,607	49%	34%	17%	3%	21%
GUY	136,226	27%	20%	19%	18%	18%
HND	377,167	29%	16%	7%	2%	17%
MEX	36,227,598	66%	44%	25%	8%	29%
PAN	2,347,221	85%	83%	71%	40%	56%
PER	6,284,927	63%	41%	16%	2%	19%
PRY	1,201,339	40%	32%	18%	4%	17%
SLV	156,187	8%	3%	1%	0%	2%
SUR	173,376	48%	36%	17%	10%	35%
URY	922,868	94%	89%	52%	8%	26%
LAC-17 weighted	127,737,697	65%	42%	23%	7%	26%
LAC-17 unweighted	127,737,697	56%	43%	28%	12%	26%
LAC-12 weighted	79,249,356	59%	40%	24%	9%	25%
LAC-12 unweighted	79,249,356	58%	44%	28%	11%	25%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB).
Note: ARG=Argentina (urban areas only), BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, DOM=Dominican Republic, ECU=Ecuador, GUY=Guyana, HND=Honduras, MEX=Mexico, PAN=Panama, PER=Peru, PRY=Paraguay, SLV=El Salvador, SUR=Suriname, and URY=Uruguay. LAC-17 includes all the countries previously mentioned. LAC-12 includes all countries except Brazil, Guyana, Honduras, Panama and Suriname. Brazil conducted a household survey in 2020, but it does not contain information on cash transfer programs. The other four countries have no household survey data for 2020. LAC-12 is the aggregate that allows comparison with 2020 data. For coverage, weighted averages are calculated based on the population in each income group. For distribution and income groups, weighted averages are based on countries' total population. Unweighted averages are simple means of country data.

Table 2. Value of cash transfers in Latin America and the Caribbean prior to the COVID-19 crisis (2017–2019)

Country	Monthly per capita transfer (US$)	% of income
ARG	17.30	30.54
BOL	9.86	8.07
BRA	25.56	29.34
CHL	44.29	23.65
COL	5.78	13.00
CRI	60.44	23.40
DOM	7.31	7.71
ECU	24.42	23.91
GUY	39.60	43.84
HND	18.58	41.06
MEX	10.40	14.04
PAN	7.18	5.76
PER	9.17	12.01
PRY	19.93	25.39
SLV	1.41	18.41
SUR	34.57	37.48
URY	15.04	9.40
LAC-17	20.64	21.59
LAC-12	18.78	17.46

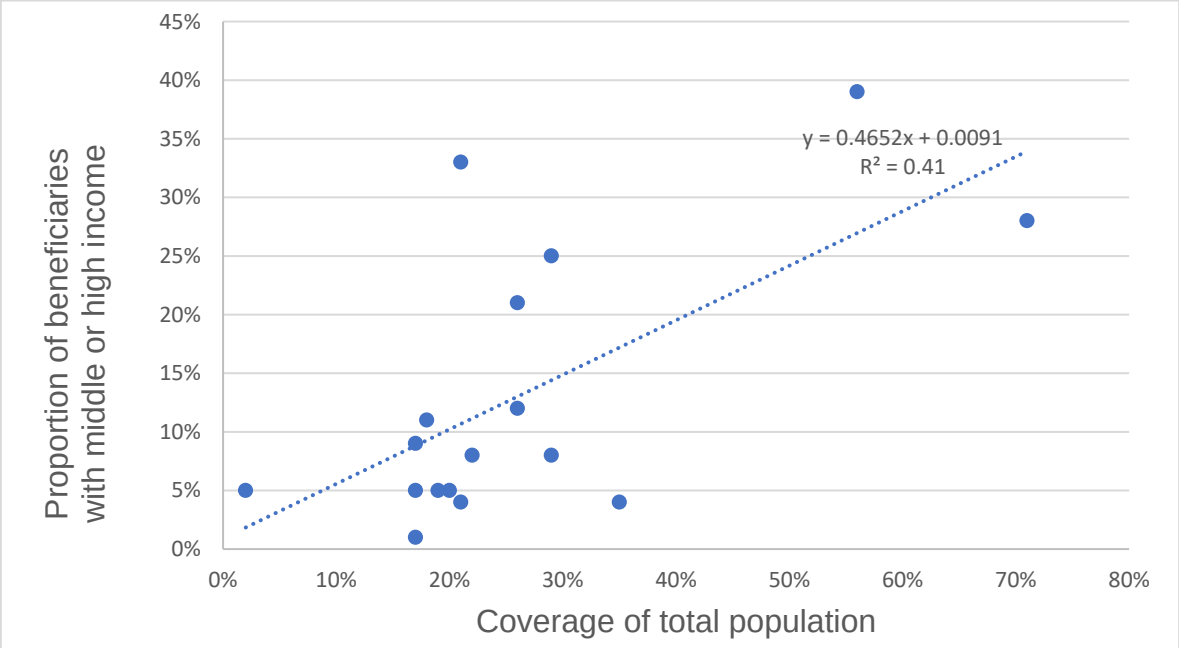
Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table 3. Distribution of cash transfer program beneficiaries in LAC prior to the COVID-19 crisis (2017–2019), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	39%	21%	36%	5%	100%
BOL	15%	13%	43%	28%	100%
BRA	42%	21%	30%	8%	100%
CHL	12%	10%	45%	33%	100%
COL	40%	25%	30%	5%	100%
CRI	25%	18%	44%	12%	100%
DOM	12%	14%	50%	25%	100%
ECU	37%	27%	33%	4%	100%
GUY	42%	17%	29%	11%	100%
HND	70%	16%	13%	1%	100%
MEX	30%	23%	39%	8%	100%
PAN	17%	10%	35%	39%	100%
PER	34%	25%	36%	5%	100%
PRY	30%	19%	42%	9%	100%
SLV	43%	27%	26%	5%	100%
SUR	54%	23%	18%	4%	100%
URY	9%	16%	54%	21%	100%
LAC-17 weighted	36%	21%	34%	9%	100%
LAC-17 unweighted	32%	19%	35%	13%	100%
LAC-12 weighted	31%	22%	37%	9%	100%
LAC-12 unweighted	27%	20%	40%	13%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Figure 1. Coverage versus leakage in LAC cash transfer programs prior to the COVID-19 crisis (2017–2019)



Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB).

3. Cash transfers response to the socioeconomic crisis caused by the COVID-19 pandemic

In response to the pandemic, LAC countries implemented 111 cash transfer interventions. Some were vertical expansions of existing programs, with the value of the benefit temporarily raised for the existing beneficiaries. This is the case, for example, of the Old Age Pension and the Child Allowance in Suriname. Others were horizontal expansions, in which the number of beneficiaries was temporarily increased. For example, this happened in the Dominican Republic's *Comer es Primero* component of the *Progresando con Solidaridad* CCT program, whose number of beneficiaries nearly doubled. The program was later rebranded under the name *Superate*. Finally, some countries (Belize, Brazil, Guatemala, Haiti, Paraguay and Uruguay) created new programs.

In 2020, average coverage of non-contributory cash transfers increased to 34% of the population in the 12 countries with available data (Table 4),[9] which represents an increase of 9 percentage points over 2019. The highest increases in coverage were recorded in Peru (33 percentage points), Chile and Bolivia (27 percentage points in each case).

[9] For coverage of each category of cash transfer program in 2020, see: Annex 2, Tables A9–A12.

This increase in coverage was mostly achieved though the implementation of COVID-19-specific new interventions (Table A11). In Chile, the new *Ingreso Familiar de Emergencia* and *Bono para la Clase Media* jointly reached 40% of the population (with 58% coverage of the extreme poor, 61% of the moderately poor, and 53% of the vulnerable population). In Peru, the *Bono yo me quedo en casa*, *Bono independiente*, *Bono rural* and *Bono familiar universal* jointly covered 38% of the population (46% among the extreme poor, 47% among the moderately poor, and 38% among the vulnerable). In Bolivia, the *Bono Familia*, *Bono Canasta Familiar* and *Bono Universal* jointly reached 96% of the population with one-time payments in 2020 (with nearly universal coverage of all income groups).

Two programs that significantly increased coverage in Belize and Guatemala are worth mentioning, although they cannot be analyzed here due to lack of data. Belize created the temporary Unemployment Relief Program, which benefited more than 80,000 individuals, relying heavily on electronic systems for beneficiary registration and delivery of payments. Guatemala implemented the unconditional temporary cash transfer *Bono Familia*, reaching over 2.6 million families with three payments (two of US$130 and one of US$33). This coverage contrasts with that of the regular CCT program that benefits less than 120,000 families (which by design were excluded from the *Bono Familia*). In Guatemala, beneficiaries were selected based on their consumption of electricity in February 2020 and all payments took place via virtual debit cards. Other mechanisms were implemented to include poor households without electricity.

Overall, cash transfer programs remained well targeted during the pandemic, with only 14% of beneficiaries in the middle or high-income group in the 12 countries with available data (Table A13 in Annex 2).[10] This represents a modest increase of 1 percentage point in leakage over 2019 (Table 2). This finding is reassuring with regard to the efficiency of LAC governments' income-support response to COVID-19.

The increase in coverage represents only part of the expansion of cash transfers in 2020, complemented by 26 vertical expansions of existing programs (which, by increasing the value of the transfers for existing beneficiaries, do not change the coverage). Overall, this policy response reduced the incidence of poverty (and extreme poverty) by two percentage points (2 p.p.) (Table 5). This is a simple "back-of-the-envelope" calculation based on comparing income with and without transfers in the available household surveys. While we acknowledge that this calculation omits behavioral responses (for example, some individuals may react to the transfers by altering other sources of income), it still provides a useful insight into the importance of cash transfers in alleviating poverty during the COVID-19 crisis. As a term of comparison, before the COVID-19 crisis, the reduction in poverty (and extreme poverty) associated with payment of cash transfers in 2019 was estimated at one percentage point (1 p.p.) (Table A18 in Annex 2). The effect of cash transfers on poverty and vulnerability in 2020 was limited by the short duration of the support provided in most countries.

[10] For 2020 data on each type of cash transfer program's distribution across income groups, see: Annex 2, Tables A14–A17.

Beyond this simple calculation of the effect on poverty, the literature has started to include rigorous estimates of the benefits of cash transfer programs implemented during the crisis. The unconditional cash transfer program *Ingreso Solidario* in Colombia had a positive impact on beneficiary rent and education expenditures, improved mental health, increased financial inclusion and the use of mobile payment mechanisms, all without affecting labor supply (Gallego et al., 2021). In Brazil, where a large-scale and generous unconditional cash transfer program was implemented in response to the pandemic, poverty and inequality were projected to decrease in 2020 (Menezes-Filho et al., 2021; Barbosa and Prates, 2020).

Similarly, the literature shows that receiving an NCP helped protect households from the pandemic's economic effects. For example, Bottan et al. (2020) found that becoming eligible for Bolivia's quasi-universal social pension *Renta Dignidad* during the pandemic increased by 25% the probability that households had a week's worth of food stocked and decreased the probability of going hungry by 40%. Relative to the pre-pandemic years, the program's effect on hunger was magnified during the crisis, particularly for households that lost livelihoods.

Overall, the overwhelming evidence on the impact of cash transfers and the role they played in response to the COVID-19 crisis puts these programs at the center of the future social protection policy agenda. As structural poverty decreases and transient poverty and vulnerability become relatively more important, income support systems must adapt and become more flexible and dynamic, introduce mechanisms that allow the frequent entry and exit of the beneficiaries (dynamic targeting), and include strategies that allow their expansion in the face of systemic shocks. We discuss the implications for policy in the next section.

Table 4. Coverage of cash transfer programs in Latin America and the Caribbean during the COVID-19 crisis (2020) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	7,163,277	67%	51%	22%	3%	25%
BOL	10,680,551	100%	99%	99%	90%	98%
BRA	-	-	-	-	-	-
CHL	9,378,654	74%	72%	61%	32%	48%
COL	10,594,692	37%	29%	18%	1%	22%
CRI	1,314,913	63%	39%	28%	5%	26%
DOM	3,110,313	46%	37%	32%	17%	30%
ECU	6,105,598	60%	52%	29%	5%	35%
GUY	-	-	-	-	-	-
HND	-	-	-	-	-	-
MEX	37,376,585	52%	34%	25%	17%	29%
PAN	-	-	-	-	-	-
PER	17,455,837	64%	64%	49%	25%	52%
PRY	1,296,355	33%	31%	20%	1%	18%
SLV	101,192	4%	1%	1%	1%	2%
SUR	-	-	-	-	-	-
URY	909,578	91%	91%	63%	11%	26%
LAC-12 weighted	105,487,545	54%	42%	31%	17%	34%
LAC-12 unweighted	105,487,545	57%	50%	37%	17%	34%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table 5. Income distribution of the population in LAC countries during the COVID-19 crisis (2020), with and without cash transfers

Country	Per capita income without cash transfers				Per capita income with cash transfers			
	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Extremely poor	Moderately poor	Vulnerable	Middle and high income
ARG	20%	12%	33%	35%	11%	12%	39%	37%
BOL	20%	13%	37%	30%	8%	14%	43%	35%
BRA	-	-	-	-	-	-	-	-
CHL	8%	6%	35%	51%	6%	6%	35%	53%
COL	26%	16%	35%	23%	24%	17%	35%	23%
CRI	16%	11%	34%	39%	12%	12%	37%	39%
DOM	10%	14%	46%	29%	10%	14%	46%	30%
ECU	22%	18%	39%	22%	20%	18%	40%	22%
GUY	-	-	-	-	-	-	-	-
HND	-	-	-	-	-	-	-	-
MEX	15%	17%	42%	25%	13%	17%	44%	26%
PAN	-	-	-	-	-	-	-	-
PER	30%	17%	34%	19%	28%	17%	35%	19%
PRY	9%	14%	43%	34%	9%	14%	44%	34%
SLV	17%	15%	45%	23%	15%	15%	47%	24%
SUR	-	-	-	-	-	-	-	-
URY	2%	3%	20%	75%	2%	3%	20%	75%
LAC-12 weighted	16%	15%	39%	29%	14%	15%	41%	30%
LAC-12 unweighted	15%	13%	37%	35%	13%	13%	38%	36%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB).
Note: See Table 1.

4. Policy implications for the future of cash transfers in Latin America and the Caribbean

The COVID-19 pandemic represents a major economic shock that affected large segments of the population for an extended period (and, in many cases, still does at the end of 2021). While global pandemics are rare, shocks due to weather, climate and water extreme events associated with climate change are frequent and increasingly common, affecting many countries in Latin America and the Caribbean. Worldwide, the Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes documents that from 1970 to 2019, the average daily toll was 115 deaths and US$202 million in economic losses (WMO, 2021). In recent years, the Latin American and Caribbean region has been exposed to increasingly diverse and frequent shocks with severe repercussions for the most vulnerable. For example, natural disasters, in certain cases exacerbated by climate change, have affected nearly 150 million people throughout the region since 2002.[11] With 1,295 natural disasters in the last 20 years,[12] Latin America and the Caribbean is the second region in the world most exposed to disasters (UN, 2020). The effects of climate change and natural disasters will exacerbate poverty and inequality in most low- and middle-income countries, in addition to other types of shocks such as sudden migration flows,[13] economic crises[14] or episodes of health emergency.

Given all these challenges, Latin American and Caribbean countries are called to transform their social protection into a more comprehensive, flexible, and sustainable system that is responsive to shocks and strengthens the resilience of vulnerable populations. They need to complement existing strategies and programs that are focused on structural poverty with others that ensure income support in the face of systemic (or idiosyncratic) shocks. The ability to adapt quickly to contingencies and to find flexible and agile ways to respond to the needs of individuals and households affected by shocks is the fundamental characteristic of responsive social protection systems. They are key elements to contribute to the resilience of the most vulnerable in contexts of shocks and crisis episodes and to avoid that these are systematically translated into persistently higher levels of poverty and inequality. At the same time, coverage and effectiveness of existing programs also need to be improved. Efforts must be made to reach the poorest and most marginalized that are still excluded.

To meet the dual objective of strengthening support to persons in structural poverty and providing adaptive protection against transitory shocks, LAC countries face five challenges.

---

11 From EM-DAT: The Emergency Events Database - Université Catholique de Louvain (UCL) - CRED, D. Guha-Sapir - www.emdat.be, Brussels, Belgium. Consulted in May 2020.

12 Ibidem.

13 The case of Venezuela, where about 5 million people left the country since 2015 (4 million of whom have settled in the Latin American and Caribbean region), is emblematic of the current migration challenges and the consequences for migrants and their receiving countries. Migratory flows represent both a short-term economic shock and new long-term challenges for the provision of social services.

14 It is estimated that about 3 million people fell into poverty due to the 2008 financial crisis.

First, the implementation of the social protection response to the COVID-19 crisis showed the fundamental importance of information systems, which enabled identification of beneficiaries (e.g., social registries), and digital payments, that allowed the effective delivery of the transfers (e.g., bank accounts or prepaid cards for payment of government benefits) (Gelb and Mukherjee, 2020). For example, previous administrative information was used to target 76% of cash transfer and voucher interventions.[15] Similarly, 53% of programs used preexisting benefit delivery platforms (Cejudo et al., 2021). In countries without social registries and electronic payment mechanisms, new information had to be collected in a tight timeframe, with challenges for eligibility verification.

Many LAC countries still lack a social or unified registry, which enables socioeconomic classifications of large parts of the population (identifying structural poverty, transient poverty, or vulnerability to shocks) and the frequent entry and exit of beneficiaries. When registries are available, they tend to have low coverage and out-of-date contact information. Interoperability is insufficient, both within the social protection system and with other sources of administrative data, including civil registries and tax records. Berner and van Hemelryck (2020) analyzed the features of social information systems in 15 LAC countries and found that only four countries have registries with high coverage and high interoperability. The data collected by countries through the COVID-19 response programs provides a valuable opportunity to expand the coverage of the social registries, identify persons vulnerable to falling into poverty, and improve targeting.

A second challenge is that many countries lack the electronic payment systems that are necessary to increase efficiency and transparency of cash-transfer delivery and can promote the financial inclusion of recipients. In many cases, there is space for improving coordination with the financial sector for the use of bank accounts, and for building a legal framework that allows the use of e-wallets and other Fintech solutions.

A third challenge is that the ministries in charge of the safety nets generally have limited human resource capacity and/or high staff turnover. At the central level, qualified human resources are missing to manage the development of information systems, and to conduct in-depth monitoring and evaluation, with most institutions lacking appropriate evaluation mechanisms. In the field, social workers generally serve an excessively high number of beneficiary households. In addition, they often have only temporary contracts and no attractive career development path.

A fourth challenge is that the coordination with health, education and labor institutions is often insufficient and hampers social inclusion, human capital accumulation and development of autonomous income-generating capacity. Within CCT programs, governments assume the co-responsibility to provide good quality health and education services to the beneficiaries, but important gaps remain. For example, while the antenatal

[15] The percentage represents the share of programs (not beneficiaries) for which existing systems were used. New information was collected in 45% of cases. Existing and new information can complement each other, and their use is not mutually exclusive.

care coverage gap in Guatemala between the richest and poorest quintiles is 13 percentage points (94.2% vs. 81.3%), the gap in terms of quality is four times greater, 52 percentage points (90.8% vs. 38.4).[16] In addition, according to the Program for International Student Assessment test data in LAC, the average gap between the bottom and top quintile for percentage of poor-performing students (age 15) is 45 percentage points in reading (71.6% vs. 26.8%), 44 in math (83.6% vs 40.0%) and 44 in science (74.0% vs. 29.6%).[17]

Finally, LAC countries face the challenge of making their income support programs more sustainable. This may be achieved, first, through a variety of reforms that increase tax revenues or rationalize government spending. These include the reduction of generalized subsidies and tax exemptions, which are inefficient and regressive (Cavallo and Serebrisky, 2016) and, in the case of energy subsidies, have negative environmental externalities (Coady et al., 2019).[18] Second, resources can be recovered by reducing leakage from existing cash transfer programs. Third, for new temporary support programs against systemic shocks, fiscal sustainability may require setting up reserve funds, insurance and catastrophic bonds, contingent financing and regional risk-sharing facilities (Hallegatte et al., 2017). Finally, the interaction between benefits and labor markets should be carefully assessed, both to promote a smooth exit when employment opportunities are available and to ensure that any incentive to work informally is minimized.

The characteristics of the reformed social protection systems need to adapt to the specific features of the countries or the region, based on levels and types of poverty and vulnerability, and to reflect different public policy objectives. From the literature on implementation of cash transfer programs, four elements are worth considering (Ibarraran et al., 2017; Artuc et al., 2020). First, countries may choose a different combination of targeted and quasi-universal programs, with the latter focusing on response to large-scale shocks. Second, countries may select a different mix of conditional or unconditional programs, depending on their population's type of vulnerability and the duration of the intervention. When benefits are conditional, the co-responsibility must be adapted to reflect policy priorities and bottlenecks for human capital accumulation. Third, the program mix and type of conditionality must be adapted to the different realities in rural and urban areas, reflecting differences in type of poverty, access to services, and labor market opportunities. Finally, some countries face the politically sensitive challenge of providing some income alleviation to migrant populations that have traditionally been excluded from social protection systems. Such a provision could include, for example, relaxing the requirements of minimum periods of work or residence, providing support to obtain the necessary documentation, or implementing regularization campaigns that grant access to social benefits.

Countries in the LAC region are starting to reform their cash transfer programs, addressing the abovementioned challenges. They are investing in social registries and digital payment

[16] Other countries (such as Honduras, Panama, and Colombia) show similar figures.
[17] See https://cima.iadb.org.
[18] Cash transfers could also be used to compensate for the costs of dismantling energy subsidies for the poorest population segments (Vogt-Schlib et al., 2019).

systems. They are elaborating strategies that allow coverage expansion in the face of systemic shocks.[19] They are strengthening their human resources, interinstitutional cooperation and fiscal sustainability. The road ahead is complex, but the COVID-19 crisis showed it must be walked.

5. References

Artuc, E., Cull, R., Dasgupta, S., Fattal Jaef, R. N., Filmer, D., Giné, X., Jacoby, H., Jolliffe, D., Kee, H. L., Klapper, L., Kraay, A., Loayza, N., Mckenzie, D., Özler, B., Rao, V., Rijkers, B., Schmukler, S., Toman, M., Wagstaff, A., and Woolcock, M. (2020). *Toward Successful Development Policies Insights from Research in Development Economics*. http://www.worldbank.org/prwp.

Barbosa, R., and Prates, I. (2020). Efeitos do desemprego, do Auxílio Emergencial e do Programa Emergencial de Preservação do Emprego e da Renda (MP 936) sobre a renda, a pobreza e a desigualdade durante e depois da pandemia (Effects of Unemployment, Basic Emergency. Income and the Emergency Employment and Income Preservation Program (MP 936) on Income, Poverty and Inequality during and after the Pandemic in Brazil). *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3630693.

Berner, H., and van Hemelryck, T. (2020). *Sistemas de información social y registros de destinatarios de la protección social no contributiva en América Latina: avances y desafíos frente al COVID-19. CEPAL.*

Bosch, M., Melguizo, A., and Pagés, C. 2013. Better Pensions, Better Jobs: Towards Universal Coverage in Latin America and the Caribbean. Inter-American Development Bank. https://publications.iadb.org/en/better-pensions-better-jobs-towards-universal-coverage-latin-america-and-caribbean-0

Bottan, N., Hoffmann, B., and Vera-Cossio, D. A. (2020). *Stepping Up During a Crisis: The Unintended Effects of a Noncontributory Pension Program during the Covid-19 Pandemic* (IDB-WP-1153). https://publications.iadb.org/publications/english/document/Stepping-Up-During-a-Crisis-The-Unintended-Effects-of-a-Noncontributory-Pension-Program-during-the-Covid-19-Pandemic.pdf.

Cavallo, E., and Serebrisky, T. (2016). *Saving for Development: How Latin America and the Caribbean Can Save More and Better. Inter-American Development Bank*. https://www.iadb.org/en/research-and-data/iadb-dia-2016-saving-development-how-latin-america-and-caribbean-can-save-more.

[19] For example, the *Superate* cash transfer program recently created in the Dominican Republic contains provisions for its expansion in response to extreme weather events.

Cavallo, E., and Powell, A. (2021). *Opportunities for Stronger and Sustainable Postpandemic Growth*. https://flagships.iadb.org/en/MacroReport2021/Opportunities-for-Stronger-and-Sustainable-Postpandemic-Growth.

Cejudo, G. M., de los Cobos, P., Michel, C. L., and Ramirez, D. L. (2021). *Inventario y caracterización de los programas de apoyo al ingreso en América Latina y el Caribe frente a COVID-19.* Inter-American Development Bank Technical Note No. 2334 (IDB-TN-02334).

Coady, D., Parry, I., Le, N.-P., and Shang, B. (2019). *Global Fossil Fuel Subsidies Remain Large: An Update Based on Country-Level Estimates*. https://www.imf.org/en/Publications/WP/Issues/2019/05/02/Global-Fossil-Fuel-Subsidies-Remain-Large-An-Update-Based-on-Country-Level-Estimates-46509

Economic Commission for Latin America and the Caribbean (ECLAC) (2021). Social Panorama of Latin America 2020. ECLAC: Santiago Chile. https://repositorio.cepal.org/bitstream/handle/11362/46688/8/S2100149_en.pdf

Ferreira, F., and Schoch, M. (2020). *Inequality and social unrest in Latin America: The Tocqueville Paradox revisited*. https://blogs.worldbank.org/developmenttalk/inequality-and-social-unrest-latin-america-tocqueville-paradox-revisited.

Gallego, J., Hoffmann, B., Ibarrarán, P., Medina, M. P., Pecha, C., Romero, O., Stampini, M., Vargas, D., and Vera-Cossio, D. A. (2021). *Impactos del programa Ingreso Solidario frente a la crisis del COVID-19 en Colombia*. https://doi.org/10.18235/0003261.

Gelb, A., and Mukherjee, A. (2020). Digital Technology in Social Assistance Transfers for COVID-19 Relief: Lessons from Selected Cases. *Https://Www.Cgdev.Org/Sites/Default/Files/Digital-Technology-Social-Assistance-Transfers-Covid-19-Relief-Lessons-Selected-Cases.Pdf.*

Gentilini, U., Almenfi, M., Blomquist, J., Dale, P., de La, L., Giuffra, F., Desai, V., Fontenez, M., Galicia, G., Lopez, V., Marin, G., Mujica, I., Natarajan, H., Newhouse, D., Palacios, R., Quiroz, A., Alas, C., Sabharwal, G., and Weber, M. (2021). *Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures*.

Hallegatte, S., Vogt-Schilb, A., Bangalore, M., and Rozenberg, J. (2017). *Unbreakable. Building the Resilience of the Poor in the Face of Natural Disasters.* Word Bank, Washington, DC.

Ibarrarán, P., Medellin, N., Regalia, F., Stampini, M., Parodi, S., Tejerina, L., Cueva, P., and Vasquez, M. (2017). How Conditional Cash Transfers Work. Inter-American Development Bank. https://doi.org/10.18235/0000746.

Inter-American Development Bank. 2021. Social Protection and Poverty Sector Framework Document. Document GN-2784-12. Inter-American Development Bank. Available at: https://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-990561794-9

Izquierdo, A., Pessino, C., and Vuletin, G. (2018). *Better Spending for Better Lives.* Inter-American Development Bank.

Molina Millán, T. M., Barham, T., Macours, K., Maluccio, J. A., and Stampini, M. (2019). Long-Term Impacts of Conditional Cash Transfers: Review of the Evidence. *The World Bank Research Observer*, *34*(1), 119–159. https://doi.org/10.1093/wbro/lky005.

Menezes-Filho, N., Komatsu, B. K., and Rosa, P. (2021). *Reducing Poverty and Inequality during the Coronavirus Outbreak: The Emergency Aid Transfers in Brazil*. Policy Paper No. 54, Centro de Gestão e Políticas Públicas, Sao Paulo, Brazil.

Paes-Souza, R., Regalia, F., and Stampini, M. (2013). Conditions for Success in Implementing CCT Programs: Lessons for Asia from Latin America and the Caribbean. Policy Brief. In *No. IDB-PB-192*. https://publications.iadb.org/publications/english/document/Conditions-for-Success-in-Implementing-CCT-Programs-Lessons-for-Asia-from-Latin-America-and-the-Caribbean.pdf.

Robles, M., Rubio, M., and Stampini, M. (2019). *Have Cash Transfers Succeeded in Reaching the Poor in Latin America and the Caribbean?* Development Policy Review, Vol. 37, Issue S2, pp. 085–0139, 2019.

Rofman, R., Apella, I., and Vezza, E. (Eds.). (2013). *Beyond contributory pensions: Fourteen experiences with coverage expansion in Latin America*. Retrieved from the World Bank website: http://documents.worldbank.org/curated/en/436241468045861160/Beyond-contributory-pensions-fourteen-experiences-with-coverage-expansion-in-Latin-America

Sehnbruch, K. (2019). *The cost of multidimensional inequalities in Chile underlines the need for a new social pact.* LSE Latin America and Caribbean. https://blogs.lse.ac.uk/latamcaribbean/2019/10/29/the-cost-of-multidimensional-inequalities-in-chile-underlines-the-need-for-a-new-social-pact/

Stampini, M., and Tornarolli, L. (2012). *The Growth of Conditional Cash Transfers in Latin America and the Caribbean: Did They Go Too Far? Policy Brief* (IDB-PB-185).

Stampini, M., Robles, M., Sáenz, M., Ibarrarán, P., Medellín, N., and Org, N. (2016). Poverty, vulnerability, and the middle class in Latin America. *Latin American Economic Review*, *25*. https://doi.org/10.1007/s40503-016-0034-1

United Nations. (2020). Global Humanitarian Overview 2020. United Nations Office for the Coordination of Humanitarian Affairs (OCHA). https://www.unocha.org/sites/unocha/files/GHO-2020_v9.1.pdf

Vogt-Schilb, A., Walsh, B., Feng, K., di Capua, L., Liu, Y., Zuluaga, D., Robles, M., and Hubaceck, K. (2019). *Cash Transfers for Pro-poor Carbon Taxes in Latin America and the Caribbean*, IDB Working Paper Series No. IDB-WP-1046. https://publications.iadb.org/publications/english/document/Cash_Transfers_for_Pro-poor_Carbon_Taxes_in_Latin_America_and_the_Caribbean_en.pdf

Werner, A., Ivanova, A., and Komatsuzaki, T. (2021). *Latin America and Caribbean's Winding Road to Recovery – IMF Blog*. https://blogs.imf.org/2021/02/08/latin-america-and-caribbeans-winding-road-to-recovery/.

World Meteorological Organization (WMO). (2021). The Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes (1970–2019).https://library.wmo.int/index.php?lvl=notice_display&id=21930#.YYVaS2DMI2z

6. Annex 1: Data, Definitions and Methodology

In this Annex, we describe data sources, definitions and methodology of the analysis.

Data sources. We rely on the IDB's Harmonized Household Surveys from Latin America and the Caribbean, nationally representative for all countries except Argentina (which only covers urban areas). The original databases were published or delivered by National Statistical Offices and were harmonized by the Social Sector of the IDB to allow for comparisons over time and across countries. Table A1 in Annex 2 provides a complete list of these surveys.

Poverty and income groups. Income groups are defined based on purchasing-power adjusted daily per-capita income (expressed in local currency using 2011 purchasing power parity and the index of consumer prices from that year to the year of the survey): extreme poverty under US$3.10, moderate poverty between $3.10 and $5 (1.6 times the line of US$3.10); vulnerability between US$5 and US$12.40 (four times the line of US$3.10); middle-class and high-income above US$12.40.

Household income is the sum of labor monetary income, labor and non-labor in-kind income, non-labor monetary income received by all household members. It excludes taxes whenever possible, as well as the implicit income from own or occupied housing. It does not have imputations for missing, zero or outlier income in addition to those already contained in the databases provided by the national statistical offices. Per-capita income is constructed by dividing this net household income by the total number of household members.

The use of international poverty lines allows comparisons across countries. The adoption of a monetary definition of poverty is consistent with the fact that cash transfers are the focus of this document. We acknowledge that several countries are complementing the measurement of monetary poverty with estimates of multidimensional poverty, which also consider unmet basic needs. We also acknowledge that the literature recommends measuring poverty through consumption rather than income. However, while only a few countries in the LAC region systematically measure consumption in their household surveys, all countries include questions on individual and household income.

Cash transfer programs. We classify non-contributory cash transfer programs in four categories: conditional cash transfers, non-contributory pensions, Covid-19 interventions (implemented in 2020), and other programs (i.e., unconditional cash transfer programs such as child allowances).

Beneficiaries. Beneficiaries are identified based on their answer to a question related to receiving the program (Yes / No) or on information about income (positive value of the transfer). Although the program identifies individual recipients, all household members are classified as beneficiaries (consistent with the household-level definition of poverty).

Coverage and leakage. We define coverage as the percentage of the population (overall, or in a certain income group) that benefits from at least one cash transfer program. We adopt this broad definition without demographic restrictions (for example, restricting the analysis for NCP to older persons only), because the objective is to analyze cash transfers' reach of the population in response to a systemic shock. We define leakage as the percentage of cash transfer beneficiaries belonging to the middle-class or high-income group. In the case of universal programs (i.e., the NCP in Bolivia), this leakage is by design and does not represent a targeting error.

As cash transfers increase income, we subtract their value from total household income before calculating the daily per-capita income used in the analysis of coverage and leakage. In order to calculate income net of transfers, the value of the transfers was taken from the household survey data (i.e., the amount the interviewees declared to have received). Household surveys from Brazil, Chile, Costa Rica, Ecuador, Honduras, Mexico, Panama, Paraguay, Peru, and Uruguay report the value of CCT, NCP and other transfers. In contrast, Argentina, Colombia, and El Salvador do not disaggregate government transfers by type of program; they only report the value of the sum of CCT, NCP, and other transfers. In countries that do not report the value of the transfers, we deduct the values that each household should receive based on program administrative rules.

7. Annex 2: Additional figures and tables

Table A1. Household surveys used for the analysis

Country	Household survey	Years used
Argentina	Encuesta Permanente de Hogares - Continua (EPHC)	2019, 2020
Bolivia	Encuesta de Hogares (ECH)	2019, 2020
Brazil	Pesquisa Nacional por Amostra de Domicílios (PNAD)	2019
Chile	Encuesta de Caracterización Socioeconómica Nacional (CASEN)	2017, 2020
Colombia	Encuesta Nacional de Calidad de Vida (ENCV)	2019, 2020
Costa Rica	Encuesta Nacional de Hogares (ENAHO)	2019, 2020
Dominican Republic	Encuesta Nacional de Fuerza de Trabajo (ENFT)	2019, 2020
Ecuador	Encuesta Nacional de Empleo, Desempleo y Subempleo (ENEMDU)	2019, 2020
El Salvador	Encuesta de Hogares de Propósitos Múltiples (EHPM)	2019, 2020
Honduras	Encuesta Permanente de Hogares de Propósitos Múltiples (EPHPM)	2019
Guyana	Labor Force Survey (LFS)	2019
Mexico	Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH)	2018, 2020
Panama	Encuesta de Mercado Laboral (EML)	2019
Paraguay	Encuesta Permanente de Hogares (EPH)	2019, 2020
Peru	Encuesta Nacional de Hogares (ENAHO)	2019, 2020
Suriname	Survey of Living Conditions (SLC)	2017
Uruguay	Encuesta Continua de Hogares (ECH)	2019, 2020

Table A2. Cash transfer programs analyzed, by country, year and category

Cash transfer program by country	2019	2020	Group
Argentina			
Asignación Universal por Hijo para protección social	●		CCT
Bolivia			
Juancito Pinto	●	●	CCT
Renta dignidad (elderly)	●	●	NCP
Renta Solidaria	●	●	Other
Bono Juana Azurduy	●	●	Other
Bono de natalidad	●	●	Other
Covid - Bono Familia		●	Covid-19
Covid - Bono canasta familiar		●	Covid-19
Covid - Bono universal		●	Covid-19
Brazil			
Bolsa Familiar	●		CCT
Benefício de Prestação Continuada	●		NCP
Chile	2017	2020	
Chile Solidario	●		CCT
Ingreso ético familiar y bono escolar	●	●	CCT
Bono protección familiar	●	●	CCT
Bono base familiar	●	●	CCT
Bono control niño sano	●	●	CCT
Bono asistencia escolar	●	●	CCT
Pensión básica solidaria vejez	●	●	NCP
Pensión básica solidaria invalidez	●	●	Other
Bono para la clase media		●	Covid-19
Ingreso Familiar de Emergencia		●	Covid-19
Colombia			
Mis Familias en Acción	●	●	CCT
Jóvenes en Acción	●	●	CCT
Colombia Mayor	●	●	NCP
Desplazados	●	●	Other
Ayuda Humanitaria	●	●	Other
Covid – Ingreso solidario		●	Covid-19
Costa Rica			
Avancemos IMAS	●	●	CCT
Crecemos IMAS	●	●	CCT
IMAS support (other)	●	●	Other
Non-contributory pension	●	●	NCP
Covid – Bono Proteger		●	Covid-19
Covid – Local Covid transfers		●	Covid-19
Dominican Republic			
Solidaridad – Comer Primero	●	●	CCT

Solidaridad – Asistencia Escolar	●	●	CCT
Solidaridad – Estudiante posgrado	●	●	CCT
Bono luz	●	●	Other
Bono gas	●	●	Other
Adultos mayores	●	●	NCP
Ecuador			
Bono desarrollo humano (includes elderly support)	●	●	CCT
Bono por discapacidad/Joaquín Gallegos Lara	●	●	Other
Covid – Bono protección familiar		●	Covid-19
Covid – Bono apoyo nutricional		●	Covid-19
El Salvador			
Comunidades solidarias	●	●	CCT
Pensión básica universal	●	●	NCP
Honduras			
Bono Vida Mejor	●		CCT
Guyana			
Old age pension	●		NCP
Mexico	2018	2020	
Prospera, Oportunidades, Progresa	●		CCT
Pensión de Adultos Mayores	●		NCP
Bienestar Benito Juárez		●	CCT
Bienestar de las Personas Adultas Mayores		●	NCP
Beneficio de la Tarjeta SinHambre (PAL)		●	Other
Bienestar por Discapacidad		●	Other
Madres trabajadoras		●	Other
Construyendo el futuro		●	Other
Seguro de Vida para Jefas de Familia		●	Other
Jóvenes Escribiendo el Futuro		●	Other
Panama			
Red Oportunidades (SENAPAN)	●		CCT
Beca Universal	●		CCT
Subsidio 100 a los 70	●		NCP
Paraguay			
Tekopora	●	●	CCT
Adulto mayor	●	●	NPC
Covid – Tekopora (additional transfer)		●	Covid-19
Peru			
Juntos	●	●	CCT
Pensión 65	●	●	NCP
Bono gas	●	●	Other
Bono yo me quedo en casa		●	Covid-19
Bono independiente		●	Covid-19
Bono rural		●	Covid-19

Bono familiar universal		●	Covid-19
Suriname	2017		
Financial child support	●		Other
Financial Assistance/Alivio	●		Other
Financial Assistance - Disability Payment	●		Other
Elderly care			NCP
Uruguay			
Asignaciones familiares – Plan Equidad	●	●	CCT

Table A3. Coverage of CCT programs in LAC prior to the COVID-19 crisis (2017-2019) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	4,862,532	62%	39%	19%	2%	17%
BOL	6,186,018	64%	68%	63%	35%	54%
BRA	38,451,649	77%	40%	15%	1%	18%
CHL	1,414,696	11%	15%	11%	5%	8%
COL	6,869,723	33%	25%	11%	2%	14%
CRI	921,067	45%	42%	24%	4%	18%
DOM	2,703,139	50%	33%	29%	17%	26%
ECU	3,507,569	49%	34%	16%	3%	20%
GUY	-	-	-	-	-	-
HND	377,167	29%	16%	7%	2%	17%
MEX	28,137,140	59%	36%	19%	4%	22%
PAN	2,116,871	76%	73%	64%	37%	50%
PER	3,884,637	44%	28%	9%	1%	12%
PRY	702,018	28%	22%	10%	1%	10%
SLV	83,449	5%	2%	0%	0%	1%
SUR	-	-	-	-	-	-
URY	922,868	94%	89%	52%	8%	26%
LAC-17 weighted	101,140,543	59%	35%	17%	3%	21%
LAC-17 unweighted	101,140,543	48%	38%	23%	8%	21%
LAC-12 weighted	60,194,856	49%	33%	18%	5%	19%
LAC-12 unweighted	60,194,856	45%	36%	22%	7%	19%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A4. Coverage of NCP programs in LAC prior to the COVID-19 crisis (2017–2019) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	-	-	-	-	-	-
BOL	2,469,190	32%	21%	15%	25%	21%
BRA	8,537,647	3%	6%	6%	2%	4%
CHL	1,916,371	38%	18%	13%	6%	11%
COL	3,334,778	15%	9%	6%	2%	7%
CRI	360,855	24%	11%	8%	2%	7%
DOM	168,722	6%	2%	2%	1%	2%
ECU	130,930	1%	1%	1%	0%	1%
GUY	136,226	27%	20%	19%	18%	18%
HND	-	-	-	-	-	-
MEX	10,867,315	14%	11%	8%	5%	9%
PAN	385,073	19%	15%	12%	5%	9%
PER	1,626,717	17%	9%	4%	1%	5%
PRY	538,224	14%	11%	9%	3%	8%
SLV	79,508	4%	1%	1%	0%	1%
SUR	-	-	-	-	-	-
URY	-	-	-	-	-	-
LAC-17 weighted	30,551,556	10%	9%	7%	3%	8%
LAC-17 unweighted	30,551,556	16%	10%	8%	5%	8%
LAC-12 weighted	21,492,610	15%	10%	7%	4%	7%
LAC-12 unweighted	21,492,610	16%	9%	7%	5%	7%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A5. Coverage of other cash transfer programs in Latin America and the Caribbean prior to the COVID-19 crisis (2017–2019) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	-	-	-	-	-	-
BOL	710,332	8%	9%	6%	4%	6%
BRA	-	-	-	-	-	-
CHL	730,480	16%	8%	5%	2%	4%
COL	259,196	1%	1%	0%	0%	1%
CRI	226,414	17%	10%	5%	1%	4%
DOM	2,986,383	53%	36%	33%	19%	29%
ECU	-	-	-	-	-	-
GUY	-	-	-	-	-	-
HND	-	-	-	-	-	-
MEX	-	-	-	-	-	-
PAN	-	-	-	-	-	-
PER	2,529,610	23%	17%	7%	1%	8%
PRY	-	-	-	-	-	-
SLV	-	-	-	-	-	-
SUR	173,376	48%	36%	17%	10%	35%
URY	-	-	-	-	-	-
LAC-17 weighted	7,615,791	11%	9%	7%	3%	12%
LAC-17 unweighted	7,615,791	24%	17%	10%	5%	12%
LAC-12 weighted	7442415	10%	9%	7%	3%	9%
LAC-12 unweighted	7,442,415	20%	13%	9%	5%	9%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A6. Distribution of CCT program beneficiaries in LAC prior to the COVID-19 crisis (2017–2019), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	39%	21%	36%	5%	100%
BOL	15%	14%	48%	23%	100%
BRA	48%	22%	26%	3%	100%
CHL	6%	10%	47%	36%	100%
COL	42%	27%	27%	4%	100%
CRI	24%	21%	45%	10%	100%
DOM	12%	14%	49%	25%	100%
ECU	37%	27%	32%	4%	100%
GUY	-	-	-	-	-
HND	70%	16%	13%	1%	100%
MEX	35%	24%	36%	4%	100%
PAN	17%	9%	35%	39%	100%
PER	38%	28%	32%	3%	100%
PRY	35%	22%	37%	5%	100%
SLV	45%	35%	16%	4%	100%
SUR	-	-	-	-	-
URY	9%	16%	54%	21%	100%
LAC-17 weighted	40%	23%	32%	6%	100%
LAC-17 unweighted	32%	21%	36%	12%	100%
LAC-12 weighted	34%	24%	35%	7%	100%
LAC-12 unweighted	28%	22%	38%	12%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A7. Distribution of NCP program beneficiaries in LAC prior to the COVID-19 crisis (2017–2019), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	-	-	-	-	-
BOL	19%	11%	29%	42%	100%
BRA	8%	16%	48%	28%	100%
CHL	16%	9%	43%	32%	100%
COL	39%	21%	34%	7%	100%
CRI	32%	14%	38%	16%	100%
DOM	23%	11%	45%	21%	100%
ECU	21%	12%	61%	6%	100%
GUY	42%	17%	29%	11%	100%
HND	-	-	-	-	-
MEX	22%	20%	42%	16%	100%
PAN	24%	11%	36%	29%	100%
PER	35%	21%	38%	6%	100%
PRY	23%	15%	47%	15%	100%
SLV	44%	16%	35%	5%	100%
SUR	-	-	-	-	-
URY	-	-	-	-	-
LAC-17 weighted	19%	17%	44%	20%	100%
LAC-17 unweighted	27%	15%	40%	18%	100%
LAC-12 weighted	27%	18%	41%	15%	100%
LAC-12 unweighted	27%	15%	41%	17%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A8. Distribution of other cash transfer program beneficiaries in LAC prior to the COVID-19 crisis (2017–2019), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	-	-	-	-	-
BOL	17%	16%	42%	25%	100%
BRA	-	-	-	-	-
CHL	18%	10%	45%	27%	100%
COL	48%	30%	18%	4%	100%
CRI	37%	20%	37%	5%	100%
DOM	12%	14%	50%	25%	100%
ECU	-	-	-	-	-
GUY	-	-	-	-	-
HND	-	-	-	-	-
MEX	-	-	-	-	-
PAN	-	-	-	-	-
PER	31%	25%	38%	5%	100%
PRY	-	-	-	-	-
SLV	-	-	-	-	-
SUR	54%	23%	18%	4%	100%
URY	-	-	-	-	-
LAC-17 weighted	33%	23%	33%	11%	100%
LAC-17 unweighted	31%	20%	35%	14%	100%
LAC-12 weighted	33%	23%	33%	11%	100%
LAC-12 unweighted	27%	19%	38%	15%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A9. Coverage of CCT programs in LAC during the COVID-19 crisis (2020) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	7,163,277	67%	51%	22%	3%	25%
BOL	-	-	-	-	-	-
BRA	-	-	-	-	-	-
CHL	814,437	6%	8%	6%	2%	4%
COL	5,822,551	23%	17%	9%	2%	12%
CRI	899,662	43%	29%	20%	2%	18%
DOM	2,441,363	39%	28%	25%	13%	23%
ECU	4,355,315	46%	37%	20%	2%	25%
GUY	-	-	-	-	-	-
HND	-	-	-	-	-	-
MEX	20,906,258	33%	21%	14%	7%	16%
PAN	-	-	-	-	-	-
PER	4,902,653	26%	20%	9%	2%	15%
PRY	746,296	19%	23%	11%	2%	10%
SLV	33,945	2%	0%	0%	0%	1%
SUR	-	-	-	-	-	-
URY	909,578	91%	91%	63%	11%	26%
LAC-12 weighted	48,995,335	32%	23%	14%	5%	16%
LAC-12 unweighted	48,995,335	36%	30%	18%	4%	16%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A10. Coverage of NCP programs LAC during the COVID-19 crisis (2020) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	-	-	-	-	-	-
BOL	2,981,566	29%	25%	20%	29%	25%
BRA	-	-	-	-	-	-
CHL	2,031,307	24%	17%	12%	6%	10%
COL	2,836,925	10%	7%	5%	1%	6%
CRI	391,085	20%	9%	7%	2%	8%
DOM	83,175	1%	1%	1%	0%	1%
ECU	-	-	-	-	-	-
GUY	-	-	-	-	-	-
HND	-	-	-	-	-	-
MEX	16,230,264	21%	12%	10%	9%	13%
PAN	-	-	-	-	-	-
PER	1,522,014	5%	6%	5%	1%	5%
PRY	618,204	14%	11%	10%	4%	9%
SLV	70,944	3%	1%	1%	0%	1%
SUR	-	-	-	-	-	-
URY	-	-	-	-	-	-
LAC-12 weighted	26,765,484	13%	10%	8%	6%	9%
LAC-12 unweighted	26,994,407	13%	9%	7%	5%	8%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A11. Coverage of COVID-19 cash transfer programs in LAC during the COVID-19 crisis (2020) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	-	-	-	-	-	-
BOL	11,284,609	99%	98%	98%	90%	96%
BRA	-	-	-	-	-	-
CHL	7,877,428	58%	61%	53%	28%	40%
COL	2,825,969	8%	7%	5%	1%	6%
CRI	12,917	0%	0%	0%	0%	0%
DOM	-	-	-	-	-	-
ECU	2,102,234	20%	18%	10%	3%	12%
GUY	-	-	-	-	-	-
HND	-	-	-	-	-	-
MEX	-	-	-	-	-	-
PAN	-	-	-	-	-	-
PER	13,008,747	46%	47%	38%	20%	38%
PRY	364,558	10%	11%	5%	1%	5%
SLV	-	-	-	-	-	-
SUR	-	-	-	-	-	-
URY	-	-	-	-	-	-
LAC-12 weighted	37,476,462	30%	29%	27%	19%	28%
LAC-12 unweighted	37,476,462	34%	35%	30%	20%	28%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A12. Coverage of other cash transfer programs in Latin America and the Caribbean during the COVID-19 crisis (2020) by income group

Country	Beneficiaries	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total population
ARG	-	-	-	-	-	-
BOL	606,132	7%	7%	5%	3%	5%
BRA	-	-	-	-	-	-
CHL	437,483	6%	4%	2%	1%	2%
COL	123,695	1%	0%	0%	0%	0%
CRI	193,626	12%	5%	3%	1%	4%
DOM	3,033,603	45%	37%	32%	16%	29%
ECU	228,923	1%	2%	2%	0%	1%
GUY	-	-	-	-	-	-
HND	-	-	-	-	-	-
MEX	4,579,673	7%	4%	3%	2%	4%
PAN	-	-	-	-	-	-
PER	5,655,190	23%	21%	15%	6%	17%
PRY	-	-	-	-	-	-
SLV	-	-	-	-	-	-
SUR	-	-	-	-	-	-
URY	-	-	-	-	-	-
LAC-12 weighted	14,858,325	10%	7%	5%	3%	8%
LAC-12 unweighted	14,858,325	13%	10%	8%	4%	8%

Source: Authors' calculation based on data from IDB "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A13. Distribution of cash transfer program beneficiaries in Latin America and the Caribbean during the COVID-19 crisis (2020), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	48%	22%	26%	4%	100%
BOL	24%	15%	38%	23%	100%
BRA	-	-	-	-	-
CHL	12%	10%	44%	34%	100%
COL	47%	22%	26%	4%	100%
CRI	39%	17%	36%	8%	100%
DOM	15%	18%	50%	17%	100%
ECU	37%	26%	33%	3%	100%
GUY	-	-	-	-	-
HND	-	-	-	-	-
MEX	28%	20%	37%	15%	100%
PAN					
PER	37%	21%	33%	9%	100%
PRY	17%	24%	48%	11%	100%
SLV	50%	10%	32%	8%	100%
SUR	-	-	-	-	-
URY	7%	12%	49%	32%	100%
LAC-12 weighted	33%	20%	35%	12%	100%
LAC-12 unweighted	30%	18%	38%	14%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A14. Distribution of CCT program beneficiaries in Latin America and the Caribbean during the COVID-19 crisis (2020), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	48%	22%	26%	4%	100%
BOL	25%	16%	42%	17%	100%
BRA					
CHL	11%	12%	51%	27%	100%
COL	49%	23%	25%	3%	100%
CRI	39%	19%	37%	5%	100%
DOM	17%	17%	50%	16%	100%
ECU	40%	26%	32%	2%	100%
GUY					
HND					
MEX	30%	22%	37%	11%	100%
PAN					
PER	53%	23%	22%	3%	100%
PRY	18%	30%	47%	5%	100%
SLV	68%	17%	13%	2%	100%
SUR					
URY	7%	12%	49%	32%	100%
LAC-12 weighted	36%	21%	34%	9%	100%
LAC-12 unweighted	34%	20%	36%	11%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A15. Distribution of NCP program beneficiaries in LAC during the COVID-19 crisis (2020), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	-	-	-	-	-
BOL	23%	13%	30%	35%	100%
BRA	-	-	-	-	-
CHL	19%	11%	42%	28%	100%
COL	46%	19%	29%	6%	100%
CRI	42%	14%	32%	12%	100%
DOM	16%	22%	50%	12%	100%
ECU	11%	27%	59%	3%	100%
GUY	-	-	-	-	-
HND	-	-	-	-	-
MEX	26%	18%	37%	20%	100%
PAN	-	-	-	-	-
PER	35%	24%	35%	6%	100%
PRY	16%	17%	50%	17%	100%
SLV	41%	9%	40%	10%	100%
SUR	-	-	-	-	-
URY	-	-	-	-	-
LAC-12 weighted	29%	19%	38%	15%	100%
LAC-12 unweighted	27%	17%	40%	15%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A16. Distribution of COVID-19 cash transfer program beneficiaries in LAC during the COVID-19 crisis (2020), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	-	-	-	-	-
BOL	20%	13%	38%	28%	100%
BRA	-	-	-	-	-
CHL	11%	10%	45%	35%	100%
COL	38%	21%	35%	6%	100%
CRI	32%	8%	24%	36%	100%
DOM	-	-	-	-	-
ECU	35%	26%	34%	5%	100%
GUY	-	-	-	-	-
HND	-	-	-	-	-
MEX	-	-	-	-	-
PAN	-	-	-	-	-
PER	36%	21%	34%	10%	100%
PRY	19%	29%	46%	6%	100%
SLV	-	-	-	-	-
SUR	-	-	-	-	-
URY	-	-	-	-	-
LAC-12 weighted	31%	19%	36%	14%	100%
LAC-12 unweighted	27%	18%	36%	18%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A17. Distribution of other cash transfer program beneficiaries in LAC during the COVID-19 crisis (2020), by income group

Country	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Total
ARG	-	-	-	-	-
BOL	29%	17%	38%	16%	100%
BRA	-	-	-	-	-
CHL	26%	15%	40%	19%	100%
COL	67%	10%	21%	2%	100%
CRI	51%	17%	27%	5%	100%
DOM	16%	18%	50%	16%	100%
ECU	-	-	-	-	-
GUY	-	-	-	-	-
HND	-	-	-	-	-
MEX	31%	21%	35%	13%	100%
PAN	-	-	-	-	-
PER	42%	21%	30%	7%	100%
PRY	-	-	-	-	-
SLV	-	-	-	-	-
SUR	-	-	-	-	-
URY	-	-	-	-	-
LAC-12 weighted	31%	19%	36%	14%	100%
LAC-12 unweighted	37%	17%	34%	11%	100%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.

Table A18. Income distribution of the population in LAC countries prior to the COVID-19 crisis (2017–2019), with and without cash transfers

Country	Per capita income without cash transfers				Per capita income with cash transfers			
	Extremely poor	Moderately poor	Vulnerable	Middle and high income	Extremely poor	Moderately poor	Vulnerable	Middle and high income
ARG	12%	10%	35%	43%	9%	10%	37%	44%
BOL	13%	11%	41%	35%	11%	11%	42%	36%
BRA	12%	10%	32%	46%	10%	11%	33%	47%
CHL	5%	5%	35%	55%	3%	5%	36%	57%
COL	18%	15%	36%	31%	17%	15%	37%	31%
CRI	10%	9%	34%	47%	6%	9%	37%	48%
DOM	6%	11%	44%	39%	5%	11%	44%	39%
ECU	15%	16%	41%	28%	15%	16%	41%	28%
GUY	34%	19%	34%	13%	31%	18%	37%	15%
HND	40%	16%	30%	13%	40%	17%	30%	13%
MEX	13%	15%	44%	27%	11%	16%	45%	28%
PAN	11%	7%	27%	55%	10%	7%	28%	55%
PER	10%	12%	43%	36%	9%	12%	44%	36%
PRY	13%	10%	38%	39%	12%	10%	39%	39%
SLV	12%	18%	48%	22%	12%	18%	48%	22%
SUR	34%	20%	33%	13%	29%	21%	36%	14%
URY	3%	5%	27%	66%	2%	5%	27%	66%
LAC-17 weighted	12%	12%	37%	38%	11%	12%	38%	39%
LAC-17 unweighted	15%	12%	37%	36%	14%	12%	38%	36%
LAC-12 weighted	13%	13%	40%	33%	11%	13%	42%	34%
LAC-12 unweighted	11%	11%	39%	39%	9%	11%	40%	39%

Source: Authors' calculation based on data from "Harmonized Household Surveys from Latin America and the Caribbean" (IDB). **Note**: See Table 1.