



# Guatemala

## **BEING PREPARED AND ACTING FAST:**

**A series of case studies on UNICEF's role in the delivery of effective social protection responses to COVID-19**

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# Guatemala:

## Strengthening system capacities and supporting rapid innovation to deliver at-scale emergency payments

*As part of the response to COVID-19, UNICEF and the World Bank supported the Government of Guatemala with the design and implementation of Bono Familia, an unconditional emergency cash transfer programme to cover the most vulnerable families impacted by COVID-19. More than 2 million poor and vulnerable families were reached across the country, representing 80 per cent of all households in Guatemala. Alongside a concerted effort from government entities, commercial banks, electricity companies, telecommunication companies, ATM providers and call centres, UNICEF, in partnership with the World Bank, supported the creation of an innovative platform to identify, register and pay benefits to affected families. Innovations included electronic registration, token distribution, as well as monitoring dashboards and electronic signatures to improve managerial and administrative processes within the Ministry of Social Development (MIDES).*





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Telma was one of the many parents who lost their main source of income during the pandemic and who were left scrambling to find a way to put food on the table.

Cash assistance from a government programme supported by UNICEF and the World Bank enabled Telma to find a new source of income – making face masks to protect against COVID-19.

Telma's first priority upon receiving the cash benefit was to buy food for her children. "My greatest fear was not being able to afford food for them," she says. The money also meant that Telma could buy flour to make pancakes, which she sells to try to make ends meet. Then, with the money she had left over, Telma bought fabric to make face masks based on a pattern she downloaded from the internet. "I make reusable masks, which I'm selling now."

Source: <https://www.unicef.org/coronavirus/protecting-families-economic-impact-COVID-19>

## Context

Guatemala's poverty rate increased from 45.6 per cent to 47 per cent in 2020 (World Bank, 2021). Without the implementation of the social protection programmes, poverty was estimated to increase by three to four times. Poverty is projected to decrease to 45.9 per cent in 2021. Children are particularly vulnerable, with 68 per cent of them living in poverty. Chronic malnutrition affects 58 per cent of indigenous children and 47 per cent of children under the age of five. In addition, just under 70 per cent of the total employed population are informal workers. Between 2002 and 2018, migration of children and adolescents into Guatemala increased five-fold. The COVID-19 pandemic has had a devastating impact on the most vulnerable households, with 82 per cent of households indicating at least one member had stopped working due to the measures imposed to contain the spread of the virus. Vulnerable households also faced further hardship due to the impact of tropical storms Eta and Iota in November 2020, which aggravated an already dire situation.

In 2018, Guatemala only spent 1.3 per cent of GDP on social protection programmes. The national cash transfer programme, Bono Social, managed by MIDES, continues to experience gaps linked to the design, registration, implementation and monitoring components of an incipient social protection system. Bono Familia, a cash transfer scheme implemented in response to the pandemic, was effective in supporting vulnerable families in Guatemala.

## UNICEF's Response and Results

### **Preparedness, coordination and strategic support:**

Since 2018, UNICEF and the World Bank have worked closely with MIDES to strengthen the social protection system with a focus on building an effective Management Information System (MIS) to support Bono Social. This programme aims to promote access to health and education services for girls and boys, ensuring Guatemalan children and youth living in poverty and extreme poverty, are able to fulfill their potential. At the

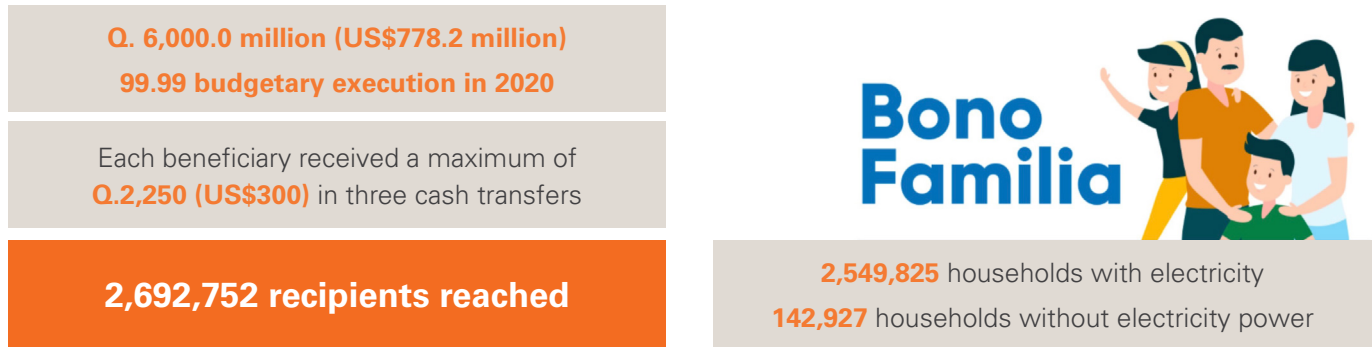
onset of the pandemic, Bono Social, with coverage of approximately 175,000 households, was not able to respond effectively to meet the needs of vulnerable families that were impacted. The design did not include the use of a social registry, and therefore missed many of these families.

In just three months, UNICEF and the World Bank supported MIDES to implement Bono Familia, an emergency cash assistance programme to support vulnerable households impacted by COVID-19. Three cash transfers were provided to approximately 2.6 million recipients in 340 municipalities across the country, reaching 80% of the vulnerable population. An investment equivalent to 1 per cent of GDP (US\$769.23 million) was made to develop this programme using funds from the national budget. Due to the absence of a Social Household Registry, the criterion established for recipients was for families whose electricity consumption was less than or equal to 200 kWh in February 2020. In addition, electricity companies make monthly visits to all households that have their services to issue invoices, which also provided families with an opportunity to clarify their eligibility for the programme. Additional families without access to electricity were also included as special recipients given that 12% of households lack access to electricity. Bono Familia was the largest social protection intervention in the country's history, in terms of both investment and coverage. The programme had a significant impact on protecting vulnerable children and adolescents from the effects of family income loss, and also contributed towards reactivating the local economy.

### **Designing an innovative and comprehensive MIS:**

UNICEF's technical support to MIDES included developing an innovative platform that served as a social registry and allowed the government to swiftly expand its cash transfer response. The interface was developed to minimize personal contact, to support case management, and to deliver cash effectively to the most vulnerable families. The money was received through simplified bank accounts, either through ATMs and bank branches, or used to pay for goods in stores, pharmacies and gas stations which allowed for recipients who did not have bank accounts to receive the transfer.

**Figure 1: Bono Familia – target groups and investment**



The United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA) and other partners supported the process of communicating the availability and accessibility of the emergency cash transfers, especially to families without electricity. As of 31 December 2020, the platform registered 2,761,361 people who enrolled via text message, call centres, website registration, or through home visits in special cases. Furthermore, the technological

innovations also allowed a deeper understanding of the dynamics of the response; for example, adolescents and youth were found to be supporting their grandparents, neighbours and others in the community to access these benefits. This platform forms a key component of building a national integrated social protection system and is expected to serve as a basis for the design and implementation of new programmes.

**Figure 2: Bono Familia – number of recipients in each region**

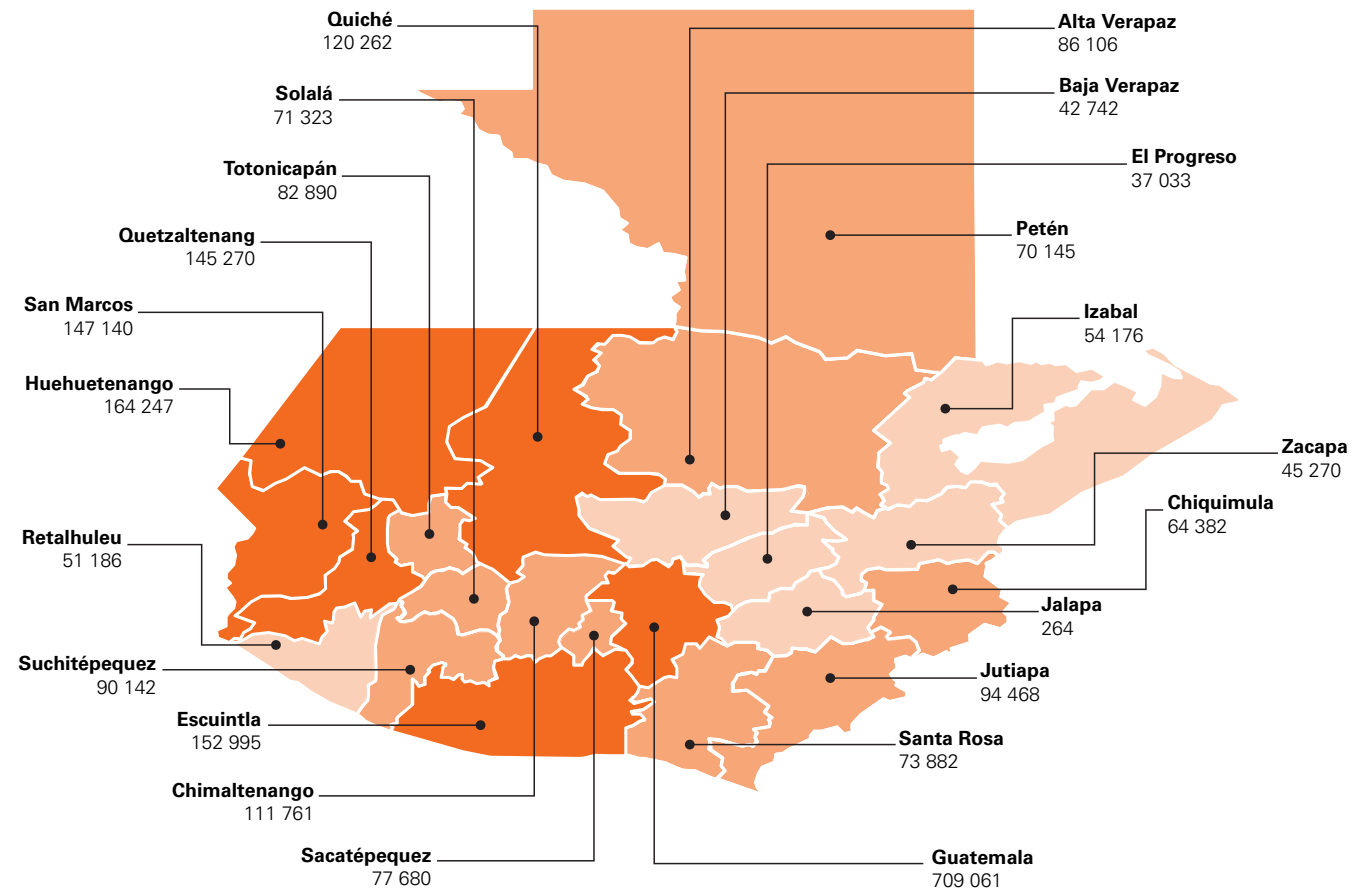


Figure 3: Bono Familia enrolment channels



## Partnerships

The experience with Bono Familia and the main findings of the Core Diagnostic Instrument (CODI) assessment, published in 2018 with the support from UNICEF, World Bank, UNDP, UNFPA, the World Food Programme (WFP) and UN Women, led to a strong consensus regarding the need to utilize a social registry in Guatemala. UNICEF, UNDP, UNFPA and the Office of the High Commissioner for Human Rights (OHCHR) are now working together to conduct a pilot with MIDES aimed at reaching 20,000 households as part of their efforts to develop a social registry in Guatemala. At the onset of the pandemic, partners were ready to support the government to undertake a swift social protection response, and this extensive partnership was key in raising people’s confidence and enhancing access to the emergency cash transfer programme.

## Lessons Learned

**Political will and a strong legal framework played an integral role:** In the period leading up to the first outbreak of COVID-19 in Guatemala, the government articulated a vision on how they wanted to respond to the crisis, with a focus on providing financial stimulus to the economy. On 8 April 2020, the Congress of Guatemala passed Government Decree 13-2020 to create the Bono Familia Fund, which stated the budget and the source of financing to be executed by MIDES to support the population most severely affected by the socioeconomic

effects of COVID-19 pandemic. The legislation defined prioritized groups, such as people living in poverty, single and female-headed households, the elderly, people with disabilities, people living with chronic or degenerative diseases, and families with children at risk of malnutrition. Another key aspect of the law was that it requested the National Banking Authority to issue the required measures and exceptions to allow financial entities to open bank accounts in a quick, socially distanced and accessible way. Throughout design and implementation, this intervention received high-level support, with close follow up by the Presidency.

**Frontline operational presence was critical every step of the way:** The fact that UNICEF was on the ground and ready to respond quickly to the needs of the government was critical. The previous collaboration between UNICEF, the World Bank and partners on promoting an integrated MIS in Guatemala was crucial in building confidence among key government stakeholders, in particular on how implementing a comprehensive social protection response would result in the type of economic stimulus they envisioned. As soon as the challenge was set for MIDES to deliver Bono Familia, UNICEF was with the government every step of the way. UNICEF provided support in the design phase, the implementation phase at the national and local level, coordinated with partners to ensure the most vulnerable families received the cash transfer, and supported the stocktaking phase on how lessons learned could be integrated to build a comprehensive social protection system. Specific areas of support included building organizational capacities to deliver, manage



and process the cash transfers. Working side by side with directors, technicians from MIDES and Information Technology specialists, UNICEF helped create and update monitoring dashboards on programme implementation and helped to digitalize internal processing of beneficiary lists and authorization of payments. These steps represented major progress in the Ministry's capacity to deliver assistance quickly.

**Public-private partnerships were pivotal:** Bono Familia created an alliance between the private and public sector which was unparalleled in Guatemala. Developing this platform required digitalizing the process, developing the infrastructure, introducing security precautions, and relied on developing new partnerships with telecommunication companies, call centres, 11 banks, the National Registry of Persons (RENAP), VisaNet Guatemala, and many others. This alliance was unique and proved to be a key factor in successfully ensuring an effective expansion of the cash transfer response.

## Way Forward

**Pursuing a national child-sensitive social protection system:** UNICEF will support the government to develop a consolidated social protection system which includes strengthening all child-focused social protection programmes, enhancing access to services as well as early childhood programmes, and augmenting humanitarian support. Furthermore, based on the experience of designing and implementing Bono Familia, combined with the fact that Guatemala ranks ninth in the world in terms of climate risk, UNICEF will continue to support the government to build a shock-responsive social protection system to mitigate the impact of future shocks.

UNICEF will support the Government of Guatemala in three main areas: (i) Consolidating and strengthening the social protection system, including developing a unified social registry and further enhancing the management information system; (ii) Supporting municipal governments with planning and budgeting; and (iii) Working with the Ministry of Finance and other key line ministries to ensure child services are effectively reflected in the budget.

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