How to Implement Inclusive Social Protection Schemes

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ACKNOWLEDGEMENTS

Disclaimer

How to implement social protection schemes

This is the third in a series of policy guides developed to support policymakers and practitioners in Asia and the Pacific in their efforts to strengthen social protection. This policy guide explains the administrative processes, organizational policies and systems required to implement tax-financed social protection, focusing on schemes providing income support.

For social protection schemes to be effective, inclusive and sustainable, the right amount of money needs to be paid to the right person at the right time. This requires institutions and administrative systems that are efficient, account for public resources transparently and ensure good quality service delivery.
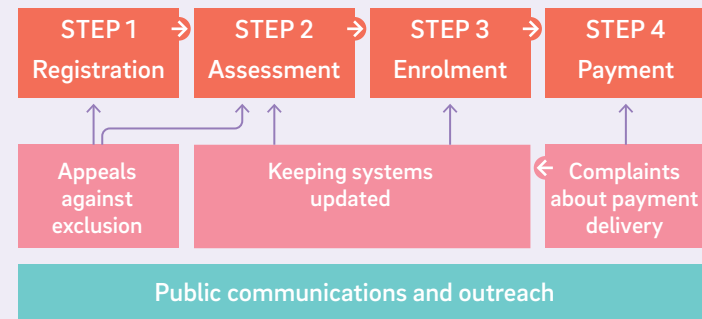
The administrative processes, organizational policies and systems required to implement tax-financed social protection schemes are described on the following pages.

Administering social protection

Two key factors underpin the successful implementation of social protection schemes: simplicity and the level of investment. Firstly, the simpler the scheme, the easier it is to implement. For example, universal schemes offered to all children are not only cheaper to administer, but also easier to monitor and manage than schemes with narrow selection criteria or conditions. Secondly, the level of investment in the administration of a scheme has an impact on the quality of implementation.

The operational cycle of a social protection scheme includes the core administrative steps of: 1) registration, 2) assessment of eligibility, 3) enrolment for benefits, 4) payment of benefits, 5) keeping systems up-to-date; and, 6) appeals and complaints (see Figure 1).

FIGURE 1 THE OPERATIONAL CYCLE OF A TAX-FINANCED SOCIAL PROTECTION SCHEME

STEP 1 Registration	→	STEP 2 Assessment	→	STEP 3 Enrolment	→	STEP 4 Payment

Appeals against exclusion	Keeping systems updated	← Complaints about payment delivery

Public communications and outreach

STEP 1: REGISTRATION

Registration is the process through which the personal data of prospective beneficiaries are either submitted by applicants or collected by officials.

The submission of basic personal data from prospective beneficiaries is required to register for social protection schemes. Where reliable civil registries and vital statistics do not exist, a more detailed and time-consuming submission process is required. To facilitate this process, applicants should be provided with the option to register electronically or at a government office.

Personal data, including personal income data, are usually collected by officials for poverty-targeted schemes when such data are not available as part of a tax registry or other national database. This process is often completed through so-called proxy means testing when enumerators visit households in an effort to assess income levels by proxies, including household assets and levels of education. Universal schemes do not require information on income or assets and, as a result, registration is much simpler and more accurate.

BOX 1

THE USE OF BIOMETRIC TECHNOLOGIES IN CASH TRANSFER PROGRAMMES

Thanks to advances in new technology, governments are increasingly using biometric identifiers as integral data fields in government registries, including those for social protection schemes. Biometric identifiers are distinctive, measurable characteristics possessed by individuals, such as fingerprints, facial recognition and iris recognition. As biometric identifiers are unique to individuals, they can be reliably used to authenticate personal identity — thereby guarding against identity theft and the fraudulent use of identification documents to obtain social protection benefits.

In India, the government has combined biometric technology with the use of unique identification numbers to facilitate cash transfers to almost 340 million people, including the poorest and most vulnerable, while achieving cost savings of approximately US$7.51 billion over three years.[1] Its digital identification programme, Aadhaar, launched nearly a decade ago and currently the world's largest, reaches 99 per cent of Indian residents. Individuals registering for Aadhaar submit both biographic and biometric data, and are issued with a single, unique identification number which they can use as proof of their identity to access public and social services, including social protection schemes. The biometric data collected serve to protect their identity while the single, unique identification number enables residents to access and manage participation in social protection schemes in a simpler, more convenient way.

All potential beneficiaries should be able to submit their personal data and information, or have this collected, without facing barriers or discrimination. Among the factors that can prevent people from accessing social protection schemes are complex administrative processes, completion of forms that require literacy or knowledge of a specific language, difficulties of travelling to the registration point due to geographical distance, care-taking responsibilities in the household, prohibitive costs of transportation and limited physical mobility of the applicant, as well as lack of information about the scheme.

The registration process therefore needs to be administratively simple. Where physical registration is required, it should be located within reasonable distance and should be accessible for all applicants. Because the process often requires applicants to present several documents from various offices, 'one-stop shops' where applicants can complete all the required documents in one place at one time can remove barriers. This requires various institutions and ministries to collaborate at the local level and locate staff in a joint office (see Figure 2). Some provinces in Indonesia have successfully established one-stop shops, which have significantly reduced barriers faced by applicants. Good communications are required to ensure that people know whether they can apply for a scheme, and how. These should be tailored to the needs of persons with disabilities and minority language groups.

FIGURE 2 THE ONE-STOP SHOP

A single location where applicants can complete all documents required for registration

STEP 2: ASSESSMENT OF ELIGIBILITY

Once the required personal data are obtained, it is then verified for accuracy. Valid personal data are assessed against the eligibility criteria of the scheme. It is critical that the assessment process is objective and completed by knowledgeable officials to avoid arbitrary results that differ between individuals and households.

For universal schemes the assessment can be relatively simple and limited to, for example, the age of the applicant. Targeted schemes using proxy means tests require a consolidation of all information collected, upon which a ranking is made. Depending on whether a person falls above or below a certain threshold they are selected as eligible for the scheme.

Determining eligibility for a disability benefit usually involves a more complex process.

STEP 3: ENROLMENT FOR BENEFITS

Once applicants have been assessed as eligible for a social protection scheme, they are enrolled to receive payment. In some cases, those eligible for targeted schemes may be placed on a waiting list prior to enrolment when funds allocated to the scheme are insufficient to cover all eligible women, men and children. Enrolment for benefits can be either electronic or manual.

The enrolment process is often led by a service provider responsible for delivering payments. More sophisticated electronic payment mechanisms use smart cards and, potentially, take biometric data such as fingerprints and digital photographs for future identification during payments. Where automatic payments are used, a social insurance number or other identification number, holding an account of personal data, can be issued to facilitate deposits into accounts. Where schemes rely on manual payments, for those not able to receive electronic payments, a programme identification card bearing the recipient's name and a photograph may be provided.

As with registration, the enrolment process needs to be accessible for potential beneficiaries. Governments should implement the enrolment process in a way that addresses the challenges beneficiaries may face in obtaining identity and other documents. For example, once the person has been assessed as eligible for the benefit and enrolled in the scheme, a national identity card should be automatically issued if one has not been issued prior.

Requirements for additional information and documents for a particular payment service provider's system or technology need to be carefully considered when selecting providers to avoid creating additional barriers. In several countries in the Asia-Pacific region, the lack of required citizenship or identification documents constitute a major barrier to enrolment, sometimes leaving millions of otherwise eligible families excluded from social protection schemes. It is therefore critical to also build reliable databases to manage civil registration and vital statistics.

STEP 4: PAYMENT OF BENEFITS

Social protection benefit payments need to be regular and reliable. An effective payment mechanism must be properly administered to reduce the scope for errors and fraud.

Secure and direct payments to recipients, such as through bank or postal services or ICT-enabled payment methods, increase accuracy and transparency in the delivery of cash benefits. While some schemes use manual payments, governments are increasingly outsourcing payments to private companies, including financial institutions and mobile phone companies. Outsourcing can increase access to payments and enable social protection schemes to benefit from existing financial service infrastructure. Using financial service companies, such as banks, can also be a step towards establishing and providing services in more remote areas, thereby increasing access to financial services to communities at large.

Payment delivery must put the recipient first. This means ensuring delivery does not require the recipient to incur costs in collection. For example, long queues at manual payment points can result in forfeited working hours and lost wages. Requiring recipients to travel long distances increases the costs they incur in receiving payments and poses significant obstacles for persons with disabilities and those with care-giving responsibilities. It is therefore important to consider the capacity of payment service providers to deliver payments efficiently and in a location convenient to recipients.

STEP 5: KEEPING SYSTEMS UP TO DATE

STEP 6: APPEALS AND COMPLAINTS
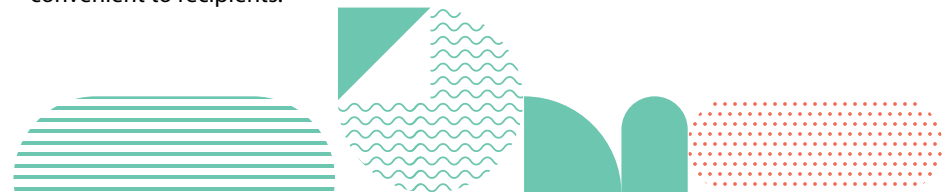
It is important that processes are in place allowing personal information on beneficiaries to be regularly updated to reflect changes in circumstances, such as age, income or family size, that may impact on eligibility. It is also important that schemes remain flexible to adjust levels of payment to reflect inflation over time.

Because incomes and circumstances fluctuate over time, targeted schemes relying on income or proxy means tests should regularly collect personal data on at least an annual basis to allow for new beneficiaries to be added and exclude those who no longer meet the criteria.

When eligibility for a benefit relies upon certain conditions, such as attending meetings, health check-ups or sending a child to school, the process is made significantly more complicated as compliance must be continuously monitored and reported. Social protection schemes are often unable to effectively build this in to operational processes.

When eligibility for a benefit is defined by age, e.g. for universal old-age pension schemes, the process of keeping schemes up to date is simpler and the number and frequency of changes required is greatly reduced. When such schemes are supported by good management information systems (MISs) changes can be reflected automatically, just as Mongolia's Child Money Programme discontinues payments to children once they reach 18 years of age.

People enrolled in or registering for a benefit, should be able to raise concerns regarding the registration, assessment and benefit payment process through a formal procedure. The two most common types of grievance are: appeals against exclusion during registration, assessment and enrolment; and complaints about, for example, delays of payments, administrative errors, excessive distance to access payments, or fraud at pay points.

These grievance mechanisms are important tools for upholding objectivity and the quality of a scheme and help to identify systemic weaknesses that could undermine the effectiveness and reputation of the scheme. The International Labour Organization's (ILO) Recommendation 202 on Social Protection Floors states that complaint and appeal procedures should be free of charge to the applicant. Further, complaint and appeal procedures must also be impartial, transparent, effective, simple, rapid and accessible.[2] To ensure fair and effective grievance mechanisms, those handling the appeal or complaint should not be those responsible for programme or payment delivery.

Appeals against exclusion are easiest to handle when eligibility criteria are clear, such as for universal pensions or child benefits, but more complicated to manage for targeted schemes when criteria are complex, such as with proxy means tests, or when beneficiaries are required to fulfil certain conditions to receive payments.

Effective grievance mechanisms need to be publicly available to ensure that beneficiaries are aware of the appeal and complaint process. While information on applicants must be kept confidential to respect privacy, it should be made available to applicants and beneficiaries upon request to facilitate their own appeals.

Grievance mechanisms can be established by employing three tiers:

- The first tier should be operated by the frontline payment service provider to deal with issues such as a lost programme identification card or malfunctioning payment tokens.

- The second tier should be operated by the administrators of the social protection scheme.

- The third tier should comprise an independent authority to act as a last resort, such as a Human Rights Commission, an Ombudsman or the justice system.

What arrangements are needed to implement a reliable social protection scheme?
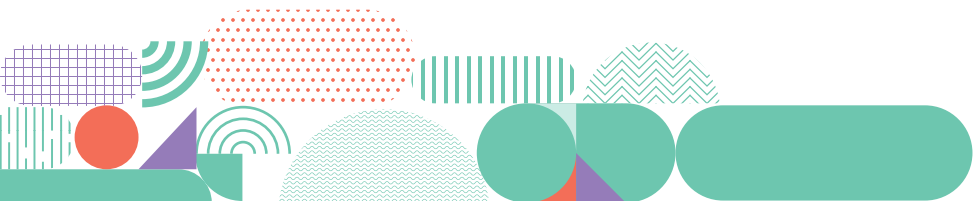
The administrative processes of a social protection scheme need to be underpinned by strong operational policies and systems supported by adequate institutional arrangements, human resources, management information systems (MISs), public communications strategies, fiscal management and monitoring, evaluation and learning.

Getting institutional arrangements right

Capable and accountable institutions governed by transparent regulatory frameworks are prerequisites for effective service delivery, sustainability and for building trust between the citizen and the State.

Fragmentation and lack of coordination across social protection schemes can be a major challenge undermining effective implementation. In some countries in the Asia-Pacific region, multiple ministries are independently delivering social protection services. A clear coordination between schemes, both in terms of objectives and administration, can generate both efficiencies and greater impacts from social protection.

Social protection schemes often start as small initiatives implemented through existing government structures. As schemes grow, institutional arrangements need to be reviewed to ensure that processes are adequate and support effective implementation.

One option is to make an institutional division between policy and delivery. Some governments give responsibility for service delivery to existing social security agencies provided they have significant reach nation-wide. South Africa, which delivers social protection transfers of an annual value of 3.5 per cent of GDP, has divided responsibilities between the Ministry of Social Development and the South African Social Security Agency (SASSA). Within this institutional arrangement the Ministry is responsible for policy development and oversight of programmes and plays a key role in ensuring independence in grievance mechanisms. SASSA is responsible for programme delivery through a network of offices in each province.

Human resources for successful implementation

Effective administration requires having the right people implementing the schemes and building their skills to deliver. Social protection schemes are operationally intensive and require specialist competence, backed by robust performance management systems with an appropriate number of skilled staff at all levels of programme delivery.

As weak human resource capacity can contribute to programme failures, it is therefore important to invest in staff and capacity development to ensure effective administration and delivery while minimizing the risks of errors and fraud. Capacity development

strategies must also ensure that front line staff do not discriminate or entertain any other form of prejudice and must treat all applicants and beneficiaries equally.

Reaching out and communicating

To register, enrol and receive payments, potential beneficiaries need to know what is available, what they are entitled to and how to register. As such, effective information and outreach adapted to people's levels of literacy and local languages are essential. The choice of communication channel, approach and messaging should also reflect the location, social marginalization, sex, age, disability, language and other circumstances of the potential beneficiaries.

Common communication tools can include radio jingles, talk shows and posters. However, programme managers should also consider the needs to rely on word-of-mouth and contact with local officials and elected representatives, fellow community members and religious institutions.

Managing the money

The financial management of social protection schemes should ensure that funds are used for their intended purpose and that accurate payments reach intended beneficiaries in a timely manner. It is therefore important to develop a clear link between financial systems and the systems that manage information within a scheme.

The financial system is a crucial tool for monitoring, transparency and accountability. Financial reporting should be regular and the methods used to account for funds over time must be consistent and comparable. This is important for ensuring objective and full disclosure of the use of funds in a way that can build public trust.

A key source of delay in payments is often the result of late transfers of funds between ministries and from ministries to payment service providers. Submitting a projection of required funds at the beginning of the fiscal year that accounts for anticipated changes in levels of payment and number of recipients is, therefore, essential. Classifying social protection transfers as part of the recurrent budget is also important to ensure priority is given to accessing and transferring resources between ministries.

Information and how to manage it

A key function of social protection schemes is to manage and transfer large amounts of information and resources, placing management information systems (MISs) at the heart of programme delivery. Each scheme requires an independent MIS with relatively sophisticated and efficient systems.

These can include:

- Tailor-made databases that can store, manage and transmit large amounts of information;

- Web-based systems that enable local entry and management of data and immediate updates across the entire system; and

- Computerized data entry during registration.

The minimal operational processes supported by a MIS to facilitate a scheme's operational cycle are summarized in Box 2. Consequently, the specific functions are likely to differ between schemes. MISs should also seek to include electronic document filing, to ensure that copies of essential documents are retained, and incorporate the capacity to notify programme staff to undertake specific actions.

A number of countries are developing 'single registries' to support programme management and monitoring at the national level. Single registries refer to electronic warehouses that store information from all types of social protection schemes so that government officials can access comprehensive information across the entire social protection system on a wide range of performance indicators (see Figure 3). In addition, a single registry acts as a nexus of information, providing interlinkages between MISs of individual schemes and other external databases used during registration, such as the income tax and civil registration.

BOX 2 MINIMUM FUNCTIONS THAT SHOULD BE SUPPORTED BY EFFECTIVE MANAGEMENT INFORMATION SYSTEMS

The minimum operational functions that should be supported by an effective MIS in a social protection scheme are:

- Application and registration;

- Enrolment of beneficiaries;

- Monitoring of compliance with conditions (if applicable);

- Production of lists of those who should receive payments and the level of payment to be given;

- Identification of those recipients who have been paid and those who have not, for payment reconciliation;

- Management and monitoring of the Grievance mechanism;

- Identification of those who should be removed from a programme when no longer eligible or deceased;

- Notification of when different processes have happened or should happen (e.g. when a payment is due or when recipients should exit a scheme); and

- Provision of reports to be used for management and monitoring.

ILO Recommendation 202 informs that States should establish a legal framework to secure and protect private individual information contained in their social security data systems.[3] As such, it is important to maintain individual privacy and confidentiality at all stages of implementation and, therefore, names of applicants or recipients should not be published. The right to privacy and the principles of respecting dignity and autonomy of individuals in the registration process are integral parts of a human rights-based approach to social protection.

Monitoring and evaluating delivery and performance

Effective monitoring and evaluation is essential for accountable, transparent and efficient service delivery. Feedback and evidence on whether schemes are working as intended support governments and administrators to constantly improve their social protection schemes, allow for a comparison of different schemes and a better understanding of what works and why.
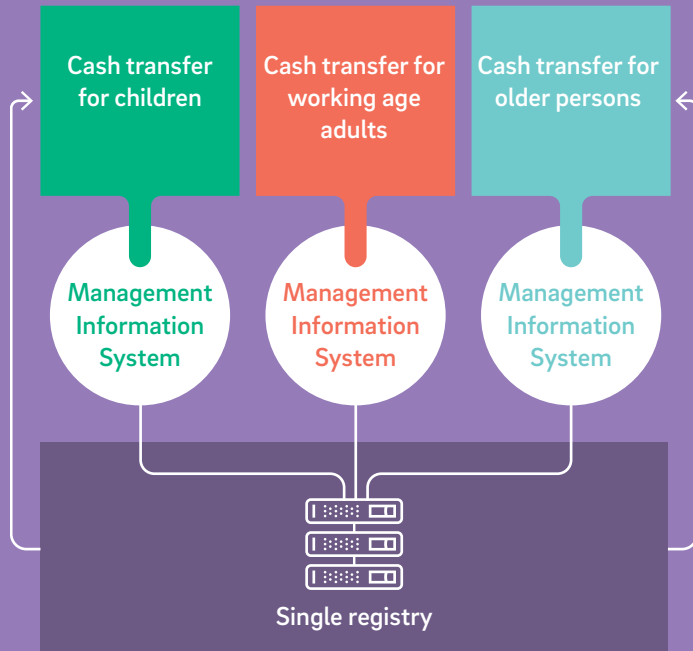
An effective monitoring and evaluation system should be participatory and comprise a coordination mechanism that consults with recipients and other stakeholders to assess and discuss policies for the continuous extension of the scheme. ILO Recommendation 202 stipulates that this consultative approach should facilitate the regular collection, compilation and analysis of data to be published disaggregated by gender on a regular basis.[4]

The monitoring and evaluation process should also consist of check-list-based quality assurances, special investigations and spot checks, as well as internal and external audits. It is important to monitor the effectiveness of the administration of a scheme, as well as complaints and appeals for any inaccuracies in delivery, including in payments.

An effective MIS and 'single registry', as outlined above, should generate regular monitoring reports for a wide range of programme performance indicators. This could, for example, help monitor the number of people who receive a benefit within the entire system, compared to the extent of coverage stipulated in national legislation. Such a mechanism can also facilitate other broad-based policies to measure impacts on poverty and inequality.

FIGURE 3: A MODEL OF SINGLE REGISTRY[5]

| Cash transfer for children	Cash transfer for working age adults	Cash transfer for older persons
Management Information System	Management Information System	Management Information System

Single registry

Implementation that upholds human rights

To uphold human rights, the foundation for social protection, it is critical that social protection is available to all and that it is adequate in amount and duration to ensure that all women, men and children have an adequate standard of living.

In this regard, all social protection schemes must be free from discrimination and subjectivity and ensure that women access and receive benefits on an equal footing to men. This means that implementation arrangements need to carefully consider differences in how women and men, but also vulnerable population groups, access information about social protection schemes.

To uphold human rights, social protection schemes must be accessible, barrier-free and inclusive, providing everyone with equal opportunities to access them. This may require special measures for categories of the population who face additional barriers, such as persons with disabilities. This includes ensuring that the needs of applicants and local contexts are considered and that information about schemes is available in forms and languages understandable by all, including the most vulnerable.
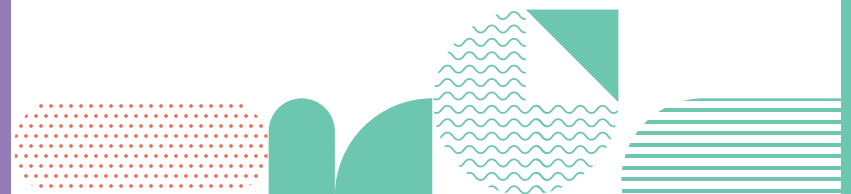
Conclusion

As social protection systems and schemes expand across Asia and the Pacific, it is important to strengthen implementation to ensure that they go beyond a good intention and effectively achieve their objective.

For any social protection scheme to have the desired impact, no matter how well-designed it is on paper, it needs to be implemented effectively. Successful implementation requires a robust administration supported by sound policies and institutional arrangements, as well as systems to manage information, finances, communications and outreach, and grievances, backed by regular monitoring and evaluation. The simpler the design of a scheme, especially in terms of eligibility, the more likely it is to reach all those it intends to reach and the easier it becomes to implement and manage.

Social protection is a strong tool for governments across the Asia and Pacific region to achieve the 2030 Agenda for Sustainable Development. To play this role, sufficient human and financial resources need to be committed and invested in the design, administration and implementation.

Did you get that?

KEY TAKEAWAYS FROM THE POLICY GUIDE "HOW TO IMPLEMENT INCLUSIVE SOCIAL PROTECTION SCHEMES"

The simpler the design of a scheme, especially in terms of eligibility, the more likely it is to reach everyone it intends to, and the easier it becomes to implement and manage.

THE CORE ADMINISTRATIVE STEPS OF A SOCIAL PROTECTION SCHEME ARE:

Step 1 — Registration needs to be available, accessible and transparent to all potential beneficiaries for barrier-free submission or collection of their personal data and information.

Step 2 — Assessment of eligibility needs to be objective and completed by knowledgeable officials to avoid arbitrary decisions that differ between individuals and households.

Step 3 — Enrolment for benefits can be either electronic or manual, and needs to be accessible to all potential beneficiaries. This requires addressing challenges beneficiaries may face in obtaining identity and other documents.

Step 4 — Payment of benefits needs to be regular, reliable and supported by mechanisms to reduce the scope for errors and fraud. Secure and direct payments, such as through bank or postal services or ICT devices, increase accuracy and transparency.

Step 5 — Keeping systems up to date ensures that information on beneficiaries is regularly updated and corrected to reflect changes in circumstances, such as age, income or family size, which may have an impact on eligibility.

Step 6 — Appeals and complaints mechanisms need to be in place to uphold objectivity and quality of a scheme and help to identify systemic weaknesses. These mechanisms need to be publicly available so that beneficiaries are aware of the appeal and complaint process.

IMPLEMENTING A RELIABLE SOCIAL PROTECTION SCHEME REQUIRES…

… Capable and accountable institutions with clear roles and responsibilities that are governed by transparent regulatory frameworks for effective service delivery, sustainability and for building trust between the citizen and the State.

… Human resources with the right skills and capacity at all levels to support delivery. Policies must also be in place to ensure that front line staff do not discriminate or entertain any other form of prejudice.

… Communication and outreach adapted to different languages and varying levels of literacy to ensure that potential beneficiaries are informed of their right to social protection, what they are entitled to and how to register, enroll and receive payments.

… Financial management that is transparent and ensures funds are used for their intended purpose and that accurate payments reach intended beneficiaries in a timely manner.

… Management information systems (MISs) to manage and transfer large amounts of information for each scheme. A number of countries are developing 'single registries,' or electronic warehouses that bring MISs together, to store information across schemes.

… Monitoring and evaluating delivery and performance to continuously improve schemes and ensure accountable, transparent and efficient service delivery.

To uphold human rights it is critical that social protection is available to everyone without discrimination and that it ensures an adequate standard of living. Social protection schemes must be accessible, free of barriers and inclusive, providing everyone with equal opportunity to access them.

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4   Ibid.
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How to Implement Inclusive Social Protection Schemes

This is the third in a series of policy guides developed to support policymakers and practitioners in Asia and the Pacific in their efforts to strengthen social protection.

This guide explains the administrative processes, organizational policies and systems required to implement tax-financed social protection. The first guide explores the basic principles of why social protection is needed; the second guide explains the critical steps in designing a social protection scheme; and the fourth guide discusses options for financing of social protection.

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