KNOWLEDGE SHARING AND CAPACITY BUILDING ON THE
ESTABLISHMENT OF INTEGRATED SOCIAL PROTECTION SYSTEMS

Regional Workshop

Marseille, France & Brussels, Belgium

March 23-27, 2015

Background

The World Bank’s MENA Community of Practice (CoP) on Employment and Social Safety Nets (SSN) facilitates knowledge exchanges related to the design and implementation of employment and SSN programs. Similarly, the Center for Mediterranean Integration (CMI) Employment and Social Protection Program, which is being co-managed by the World Bank’s Social Protection and Labor Global Practice and the French Development Agency (AfD), seeks to promote knowledge sharing and capacity building in employment and social protection topics of importance for MENA countries. As part of the activities of the MENA CoP and the CMI program, the World Bank together with AFD and with participation of the ILO is organizing a knowledge sharing and capacity building activity on the establishment of integrated SP systems.

Middle East and North Africa (MENA) countries spend, on average, 6 percent of their gross domestic product (GDP) on general subsidies: 4.6 and 1.4 percent of their GDP on fuel and food subsidies respectively. On the other hand, MENA countries spend a mere 0.7% of their GDP on targeted social safety nets (SSNs), most of which are fragmented and display poor targeting and low coverage. For example, as a result of targeting inefficiencies, two out of three people in the poorest quintile are not reached by targeted SSNs. Moreover, inadequate targeting results in significant leakages of SSN
benefits to the non-poor. The average targeted SSN program in MENA distributes only 23 percent of its total benefits to the bottom quintile, while the corresponding figure for the average comparator programs in Latin America and the Caribbean and in Eastern Europe and Central Asia is 59 percent.

In this context, countries in the MENA region are seeking to establish integrated SP systems that protect the poor and vulnerable, all while being fiscally sustainable. SSNs are an important component of SP systems, as these programs can help to address poverty and equity as well as to promote human capital accumulation if well designed. As such, many MENA governments are interested in learning about best practices of SSN programs and, in particular, about the identification, registration, and targeting of SSN programs’ beneficiaries, including the establishment of national registries for social programs and related functions & IT infrastructure (targeting, payment systems, M&E, etc.).

Verification of a beneficiary’s identity is a fundamental process to implement social programs, particularly when they provide services and/or transfers. Government agencies dealing with beneficiary constituents, whether for social insurance, social assistance, voter registration or income tax collection require robust means of identification. However, most low- and middle-income countries, including countries in the MENA region, have weak national identification (ID) and registration systems. The weaknesses in these systems can lead to two major issues in the provision of social services. First, identification problems can result in exclusion from much-needed social service programs, as eligible people are sometimes not able to register for government programs. Second, the inability of governments to verify identities can also result in massive leakages, fraud, and misallocation of benefits. In both cases, weak systems can lead to undesirable outcomes for otherwise well-designed programs.

A second process for the implementation of social programs is the determination of an individual’s eligibility to benefit from a program. For example, is an individual eligible to receive a targeted cash transfer or to buy food at below market rates? In an application based program, where individual applicants provide information to an agency in order to qualify for benefits, it may be more efficient to capture the information required by multiple programs at the same time. With this in mind, Governments in MENA are seeking to establish “social registries,” which refers to databases with socio-economic information needed to determine the eligibility of individuals for the benefits of different social programs. Social registries, which could be the product of linking different social programs’ databases, reduce transaction costs and allow for better monitoring of the overall set of social programs aimed at the poor. However, many challenges remain, especially in terms of design and implementation (how to best develop the social registry, data access, etc.).

A related challenge is the fact that SSNs in MENA countries have been shown to be poorly targeted. SSNs that are meant to target the poorest have little success in reaching their target. The share of the population in the bottom income quintile that is reached varies widely across countries. On average, it is lower in MENA than in other regions of the world. Probably because of capacity constraints and lack of statistical data, most MENA countries use categorical and geographical targeting, which is only adequate when poverty is clearly linked to observable characteristics. When properly designed, such
designs have been effective in reaching larger segments of the targeted population; they however tend to be fiscally costly, especially when they need to be expanded in time of crisis.

Scope of the activity

The World Bank is supporting countries in the region in their effort to develop integrated SP Systems. Among the different types of assistance provided by the Bank, one promising channel to continue supporting MENA countries in their efforts to improve their SSN programs, and ultimately develop SP systems, is through the sharing of lessons, experiences and international best practices by way of knowledge exchanges. In this context, the MENA CoP of Employment and SSNs in partnership with the CMI Social Protection Program seek to build the capacity of governments in the region to establish integrated SP systems through 2 main activities: 1) a technical workshop to be held in Marseille, France; and 2) a study tour to be held in Brussels, Belgium (See Annex 1 for the activity’s agenda).

The target audience will be technical government officials from Algeria, Egypt, Djibouti, Jordan, Morocco and Tunisia. A total of 20 government officials are expected to benefit from this activity (see Annex 2 for the activity’s confirmed participants).

Technical workshop in Marseille

The two-day technical workshop will provide participants an overview of SP systems in MENA as well as the main objectives and elements of an integrated SP system. Leveraging international good practices, the workshop will focus on the identification and eligibility processes for the implementation of SSNs, and will cover topics that are the foundation of an integrated SP system: the development of national IDs, social registries and Management Information Systems. International experts will cover basic terms and definitions, as well as the different design/implementation options for reform available to policymakers. The workshop will also enable participating countries to present their ongoing efforts with regards to identifying and targeting eligible population for social programs, thus fostering south-south knowledge.

Study tour to Belgium

The study tour complements the workshop in Marseille and seeks to bridge theory with practice by exposing the same participants to an international best practice of identifying target populations of Government programs. In particular, the Belgium system of individual identification has a unique ID for individuals that allows to verify their identity while making it possible for social programs to have information about the socio-economic status of the individual (through inter-operable interphases with other datasets, such as those of social security and taxes). The system in Belgium also has an
electronic ID (e-ID) that allows performing transactions electronically (such as registration, ID verification, and payments). The objective of the two-day study tour to Belgium is to learn about the Belgium model of identification and how such a model can be adapted by participating government officials in their respective countries.

The main aspects to be discussed during the study tour are the following: (i) the system's regulatory framework, (ii) its institutional arrangements, (iii) how the system was designed and operationalized, (iv) the cost of producing such system and the ICT platforms needed, (v) how the system is used to assure security of transactions and verification of IDs (especially those involving transfer of money, such as pensions, social security, or any other social benefits in kind or in cash etc.); (vi) if the system can be used to verify the socio-economic status of individuals (for example, by cross checking data from the tax revenue admin or the S.S. administration), and (vii) how the system can be used to improve governance and M&E for the delivery of social services (i.e. cross checking with beneficiaries who are benefiting from one or more social program, cross checking databases across ministries/programs, etc.).

Output

Each delegation will be responsible for preparing a technical report on main conclusions (both from the workshop and study tour), lessons learned as well as relevance of the Belgium model to their respective countries. These reports will be shared through the MENA CoP and the CMI platform. In addition, the activity will be subject to an evaluation to assess participants’ satisfaction, and will include questions on both quality and relevance of content.