

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SANS

TA No. and Name TA 6120 Social Protection Index for Committed Poverty Reduction		Amount Approved: \$600,000	
		Revised Amount: \$600,000	
Executing Agency: South Asia Department, Social Sectors Division (until April 30, 2006. Thereafter Agricultural and Natural Resources and Social Sectors Division).	Source of Funding: PRF/NPRF	TA Amount Undisbursed 68,510.62	TA Amount Utilized 531,489.38
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Description:			
<p>Social protection (SP) is defined as policies and programs to reduce poverty and vulnerability by (i) promoting efficient labor markets, (ii) diminishing exposure to risks, and (iii) enhancing capacity to protect against hazards/loss of income. The comprehensiveness of social protection schemes vary among developing member countries (DMCs). These include formal and informal sector social protection financed by the government budget and by contributions from individuals, the private sector, nongovernment organizations (NGOs), and development partners. However, concepts (definitions, priorities, solutions for problems, institutions, perceptions, understandings concerning equity and affordability, etc.) vary greatly among DMCs. No comprehensive studies describe, analyze, and compare social protection schemes in Asia. The International Social Security Association maintains a database with basic information on formal social security schemes, but no information is available to compare the wide range of informal protection schemes in Asia. Activities to measure quantitative dimensions of social protection are increasing, for example from the World Bank, International Labour Organization (ILO) and Organization for Economic Cooperation and Development. Data on social protection schemes nevertheless have to be improved and are a prerequisite for effective planning and monitoring not to mention an informed policy debate. The ILO has compiled and analyzed formal social protection data in various Asian countries using its Social Protection Expenditure and Performance Reviews, and has created a database. However, no information is available on private sector, NGO, development partner, and informal sector activities, which also play an important role in social protection.</p> <p>To support ADB's social protection strategy, increase awareness, and improve the role of social protection in national and international policy discussions, various questions should be answered: (i) How is social protection defined in each DMC? Social protection policies, mechanisms, and instruments vary from one country to another owing to differences in needs, resources, history, and priorities. (ii) What is the status of social protection in DMCs? Which tools are applied? What resources are dedicated to social protection? Who is covered? What is the experience in poverty reduction and prevention? (iii) How can countries' achievements be measured and compared? In the medium term, how can the implementation and the impact of social protection strategies be monitored? How can countries be motivated to improve the data situation? This technical assistance (TA), covering Bangladesh, Indonesia, Mongolia, Nepal, Pakistan, and Viet Nam, tried to address these issues. Specifically, the TA aimed to create a robust methodology for (i) assessing definitions of social protection in each country and arriving at a common definition; (ii) gathering qualitative data on target populations and benefits of social protection schemes, following a uniform structure and methodology; and (iii) gathering basic data to calculate a Social Protection Index (SPI) to allow inter-country comparisons and monitoring.</p>			
Expected Impact, Outcome and Outputs			
<p>The goal of devising the SPI is to help reduce poverty by supporting social protection in the DMCs. The objectives were to (i) define social protection for each DMC involved and develop a common standard regarding what is part of social protection, in order to ensure comparability among DMCs; (ii) improve statistical information on social protection (for impact monitoring); and (iii) allow comparisons between countries and over time on implementation performance. Expected outputs were: (i) a methodology to develop a SPI; (ii) country reports describing the systems and data in each participating country; (iii) a multi-country report analyzing and comparing the data of the 6 countries; (iv) a handbook on how to collect, analyze and compile the SPI data; and (v) an EXCEL sheet to calculate the SPI.</p>			
Delivery of Inputs and Conduct of Activities:			
<p>The concept was adequate and feasible. The terms of reference (TOR) were practical and feasible. The performance of the consultants was excellent in terms of conceptual input and implementation. The ILO through its Social Security Department also made significant contributions. The TA also benefited from considerable support from country partners as well as from two workshops (one to coordinate the methodology and formats; another to discuss the methodology and findings). The main change during implementation was to shift the indicators from share of GDP spent on social protection, coverage and distributive effects, to expenditure, coverage, poverty targeting, and impact</p>			

on poverty line incomes.

Evaluation of Outputs and Achievement of Outcome:

The TA resulted in the creation of a robust methodology for (i) defining social protection in each country; (ii) gathering data on target populations and the benefits of social protection following a uniform structure; and (iii) gathering basic data to calculate a SPI for inter-country comparisons and achievement monitoring. The methodology comprises (i) country reports describing social protection arrangements that provide the SPI data, (ii) a multi-country report analyzing and comparing the data, (iii) a handbook on how to collect and use the data, and (iv) an EXCEL sheet to calculate the index. The SPI is made up of four component indicators reflecting social protection expenditure (SP spending as % of GDP), social protection coverage (combined coverage rates of 7 priority groups), poverty targeting of social protection programs (poor SP beneficiaries as a % of poor population), and the impact on poverty line incomes (per capita SP spending on the poor as % of the current poverty line). The indicators are derived from information on the individual programs in each country, which were compiled for the first time under the TA. The SPI components were combined using a method similar to the human development index (i.e., they were scaled and equally weighted).

Government institutions, officials, development partners, NGOs, and stakeholders in each participating country, and international and national consultants were all involved in the TA, as were ADB social protection experts and external reviewers (e.g., ILO experts). The TA culminated in an international conference in Manila in March 2005, where government representatives and experts endorsed the SPI and its methodology as a valuable tool for assessing social protection achievements. The conference concluded that, for the SPI to gain broader acceptance, it would need to cover all regional member countries. The tools for this and for SPI updates were also developed.

While all participating governments supported the SPI, the main challenges encountered during the TA's implementation were (i) finding a generally applicable definition of social protection; (ii) defining the components of the index so that they reflect on the ground reality while being technically feasible; and (iii) getting the necessary data. That said, the SPI significantly contributes to operationalizing social protection policy and planning because it (i) provides the necessary country information, (ii) helps identify gaps and priorities, and (iii) provides feedback to improve the design and delivery of social protection services through better information. The robustness of the SPI's methodology was extensively discussed, tested, and revised during implementation. The SPI is a useful tool for policy dialogue and for identifying strengths and weaknesses of programs; for comparing progress on the Millennium Development Goals, and for raising awareness of the role and impact of social protection. For example, the SPI can facilitate a better understanding of countries' own and comparators' social protection arrangements, to initiate debate on the scope for improving social protection arrangements, and to share experiences.

Thus, the SPI could also contribute to regional integration. The extent to which countries will make use of this opportunity remains to be seen, but first reactions from some countries were positive. How each country will conduct the process should be left up to them, but ADB can help through its products and services, for example in capacity building, institutional development, governance, financing, and specific advice on design issues. Meanwhile, a follow-on TA to extend the SPI to nearly all regional member countries has been approved in March 2006.

The completion date of the TA was delayed by more than 1 year. This was due to the fact that the TA timeframe did not take into account that a significant amount of time was needed for editing and publishing the TA results of this size. ADB staff contributed to reduce the delay.

Overall Assessment and Rating:

In view of the findings noted above, and the fact that the delay did not reduce but improve the results, the TA is rated successful.

Major Lessons:

Lessons learned from the TA include (i) the need for careful analysis and interpretation of the SPI index. This is why country and consolidated multi-country reports are necessary. (ii) Countries' awareness of their own efforts and their need for and the benefits of social protection are low. The SPI was therefore welcomed as support for policy dialogue. (iii) The pilot tests were necessary and led to various improvements in the methodology. (iv) The methodology has its limitations as data are frequently lacking or poor, which need to be taken into account when interpreting the results. (v) the planned project duration should take into account at least 6 months for editing and publishing of a publication of this size.

Recommendations and Follow-Up Actions

A follow-up TA, which will provide a solid basis for developing policies and strategies in social protection, has been approved as noted above and will be completed in December 2007. Further efforts should be made to help DMCs improve their data bases (such as data to measure the effectiveness and efficiency of social protection programs). In some participating countries, initiatives have already started to devise strategies in social protection. ADB should intensify dialogue with DMCs on social protection and be prepared to support DMCs in their efforts in social protection.