

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SANS

<b>TA No., Country and Name</b> RETA 6308: Scaling Up of the Social Protection Index for Committed Poverty Reduction			<b>Amount Approved:</b>	\$900,000
			<b>Revised Amount:</b>	\$900,000
<b>Executing Agency</b> South Asia Department, Agricultural and Natural Resources and Social Sectors Division		<b>Source of Funding</b> Poverty Reduction Cooperation Fund	<b>Amount Undisbursed:</b> \$20,987.32	<b>Amount Utilized:</b> \$879,012.68
<b>TA Approval Date:</b> 6 Mar 2006	<b>TA Signing Date:</b> 6 Mar 2006	<b>Fielding of First Consultant:</b> 26 Jun 2006	<b>TA Completion Date</b> Original: 30 Nov 2007    Actual: 20 Dec 2007	
			<b>Account Closing Date</b> Original: 30 Nov 2007    Actual: 31 May 2008	
<b>Description</b>				
<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 varies 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 on 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 (OECD). 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 the DMCs? Which tools are applied? What resources are dedicated to social protection? Who is covered? What is the experience in poverty reduction and prevention?; and (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) tried to address these issues, covering almost all Asian countries. It is a follow-up of TA 6120 (Social Protection Index for Committed Poverty Reduction, TA Completion Report [TCR] circulated on 22 September 2006) that created 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>				
<b>Expected Impact, Outcome and Outputs</b>				
<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) country reports describing the systems and data in each participating country based on the methodology developed under TA 6120, (ii) an update of the data gathered under TA 6120 for six Asian countries, and (iii) a multi-country report analyzing and comparing the data of all participating countries (this includes 32 countries in total).</p>				
<b>Delivery of Inputs and Conduct of Activities</b>				
<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 and also OECD made significant contributions. The TA also benefited from considerable support from country partners as well as from a workshop.</p>				

### **Evaluation of Outputs and Achievement of Outcome**

TA 6120 resulted in the creation of the methodology. TA 6308 extended the index to almost all Asian countries. The methodology consists of (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, and (iii) an update of the data gathered under TA 6120 for six Asian countries.

The SPI is made up of four component indicators reflecting SP expenditure as % of GDP, social protection coverage (combined coverage rates of seven priority groups<sup>1</sup>), poverty targeting of social protection programs (poor SP beneficiaries as a % of the 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 Seoul in December 2007, where government representatives and experts endorsed the SPI and its methodology as a valuable tool for assessing social protection achievements.

While all participating governments supported the SPI, the main challenge encountered during the TA's implementation was collecting the necessary data. The data collection was possible through a large effort by local consultants involving government agencies and other stakeholders.

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 TA 6120 and again during implementation of the TA. 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.

Thus, the SPI can contribute to regional cooperation. 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.

A book with the summary results of the TA was published in May 2008. A book launch was organized on 14 May 2008 with development partners and the press. There was a broad reaction in the press highlighting the interesting results of the SPI.

All the planned outcomes for the TA were achieved, especially the multi-country report and all individual country reports including the descriptions of social protection schemes.

### **Overall Assessment and Rating**

In view of the findings noted above, the TA is rated highly 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; and (iii) The methodology has its limitations as data are frequently lacking or poor, which needs to be taken into account when interpreting the results.

### **Recommendations and Follow-Up Actions**

Of utmost importance are measures to make the SPI known in the developing world and the development community in order to raise awareness about social protection. Activities in this sense have already taken place or are planned in the next months. Further efforts should be made to help DMCs improve their databases (such as data to measure the effectiveness and efficiency of social protection programs) and to create capacity to develop and plan social protection. In some participating countries, initiatives have already started to devise strategies in social protection, for example in Pakistan, Bangladesh, and Nepal. Initiatives to improve the data situation are on the way in Viet Nam. ADB should intensify dialogue with DMCs on social protection and be prepared to support DMCs in their efforts in social protection.

<sup>1</sup> The unemployed, the underemployed, the elderly, the sick, the poor, the disabled, children with special needs (CWSN)