

# Modernizing Social Protection Program Delivery Systems

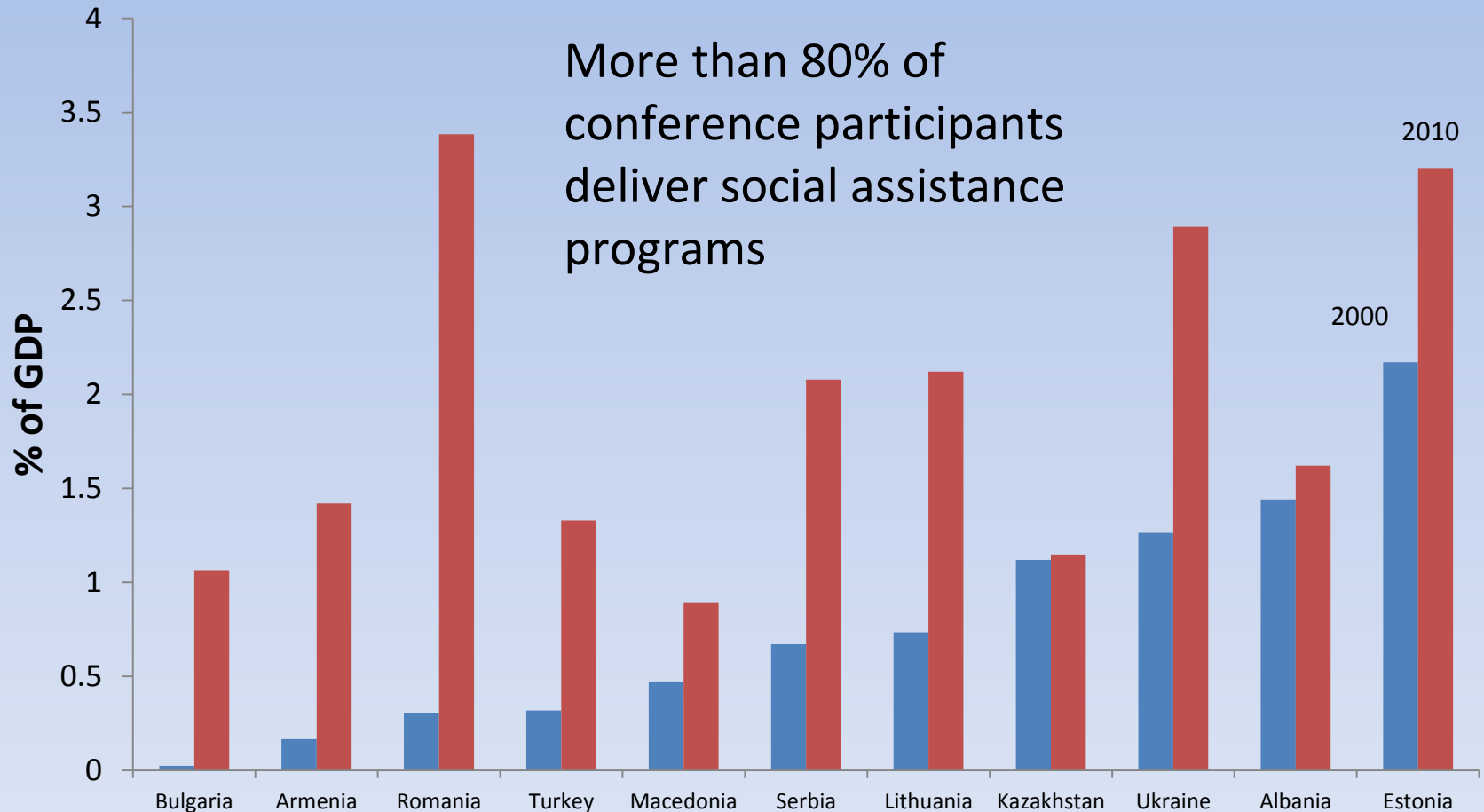
**Robert Palacios, World Bank**

**HDECA Regional Forum on Management Information Systems  
and Modernization of Social Protection Programs**

**May 21-24, 2014, Istanbul, Turkey**

# Spending more on social assistance

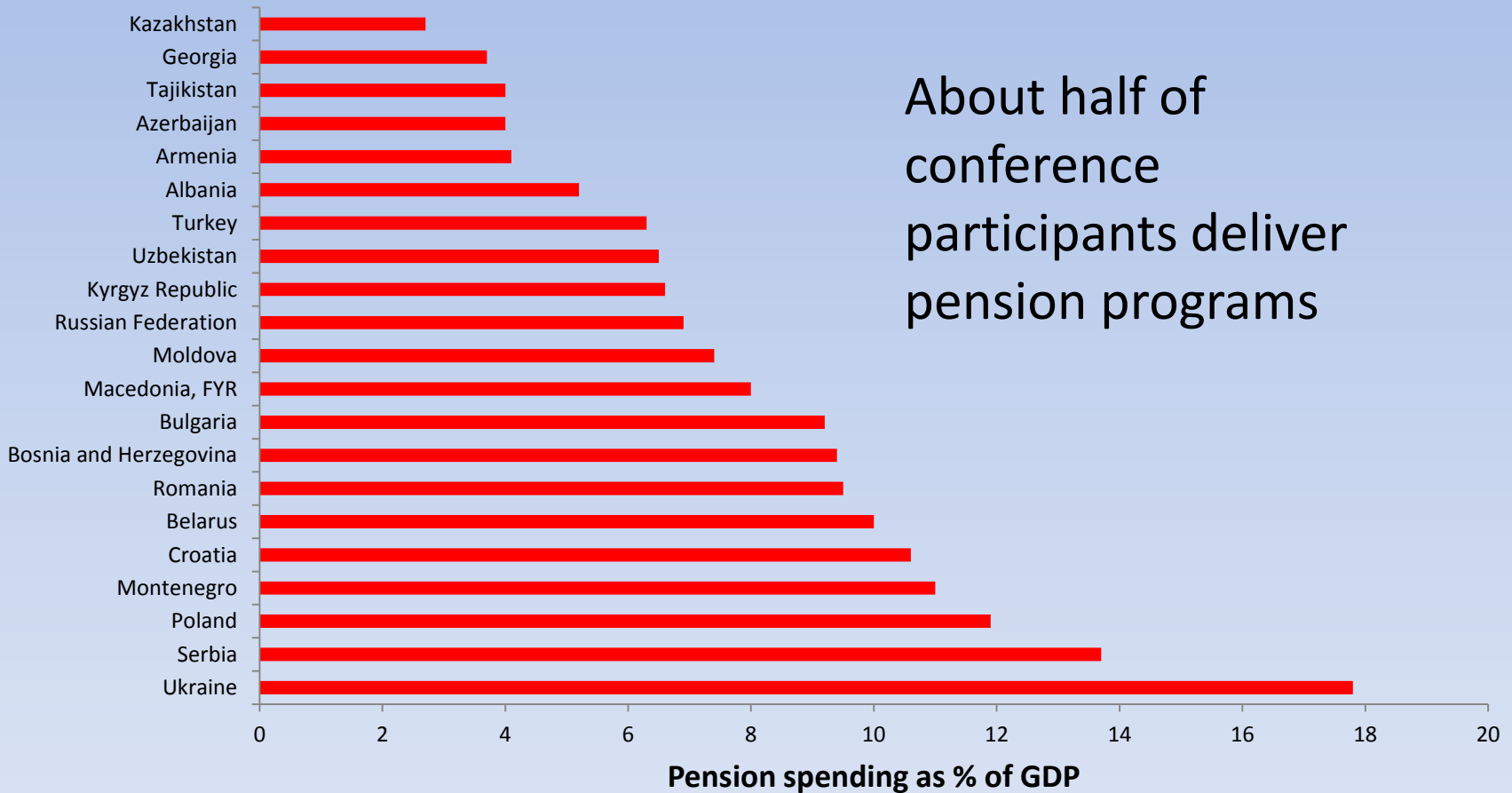
Selected countries 2005-2010



Source: World Bank. "The State of Safety Nets 2014"

# Already high pension spending

## Selected countries, 2010-11



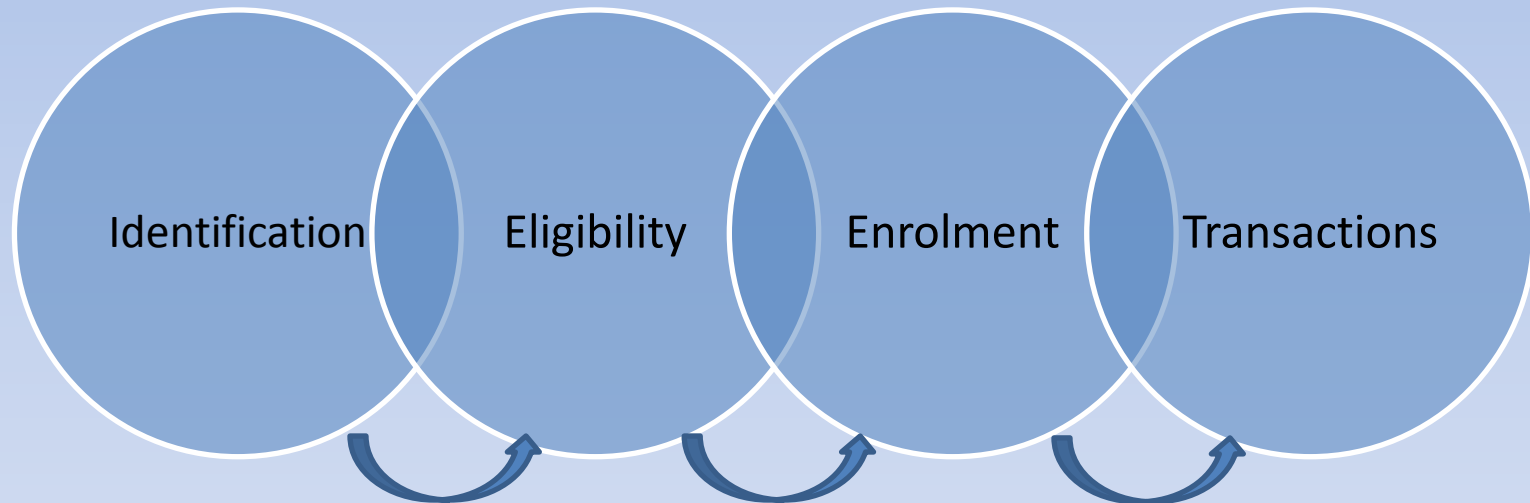
# Why modernize?

- These programs
  - are the main source of redistribution and poverty alleviation.
  - directly affect 15-25% of the population,
- The stakes are high so it is important that they work well. This means:
  - Reducing errors and improving accuracy
  - Faster processing times
  - Lower transaction costs to beneficiaries
  - Reduction of fraud
  - Better program monitoring and planning
  - More transparency and accountability
  - Reduce costs ? Not necessarily

# Useful to unbundle the key delivery processes

*Each process involves spending on a combination of labor and capital (technology)*

$$Q = a + bX_1 + cX_2 + dX_3 + \dots$$

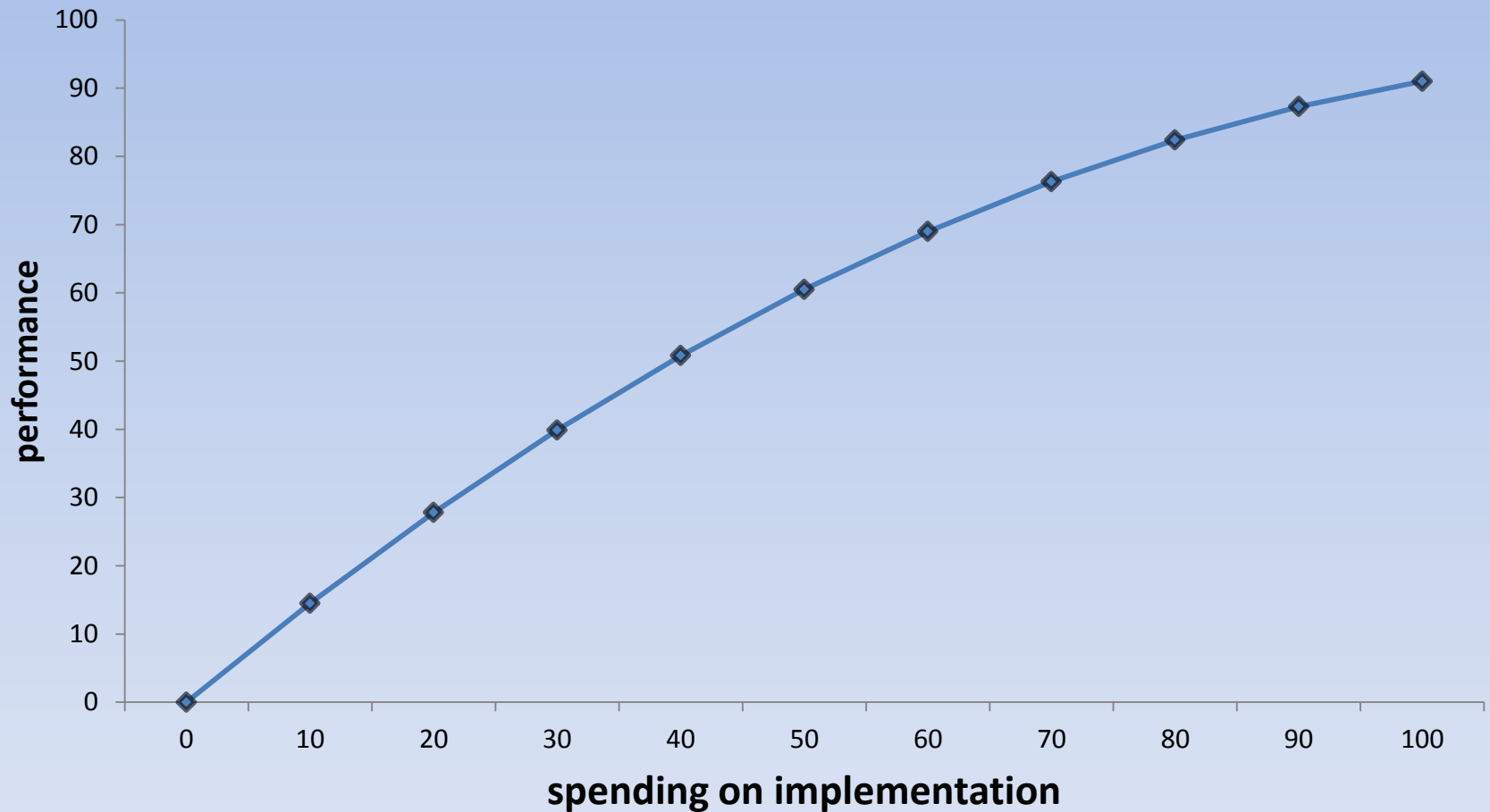


MIS facilitates, links and automates these processes... but if process is not sound...

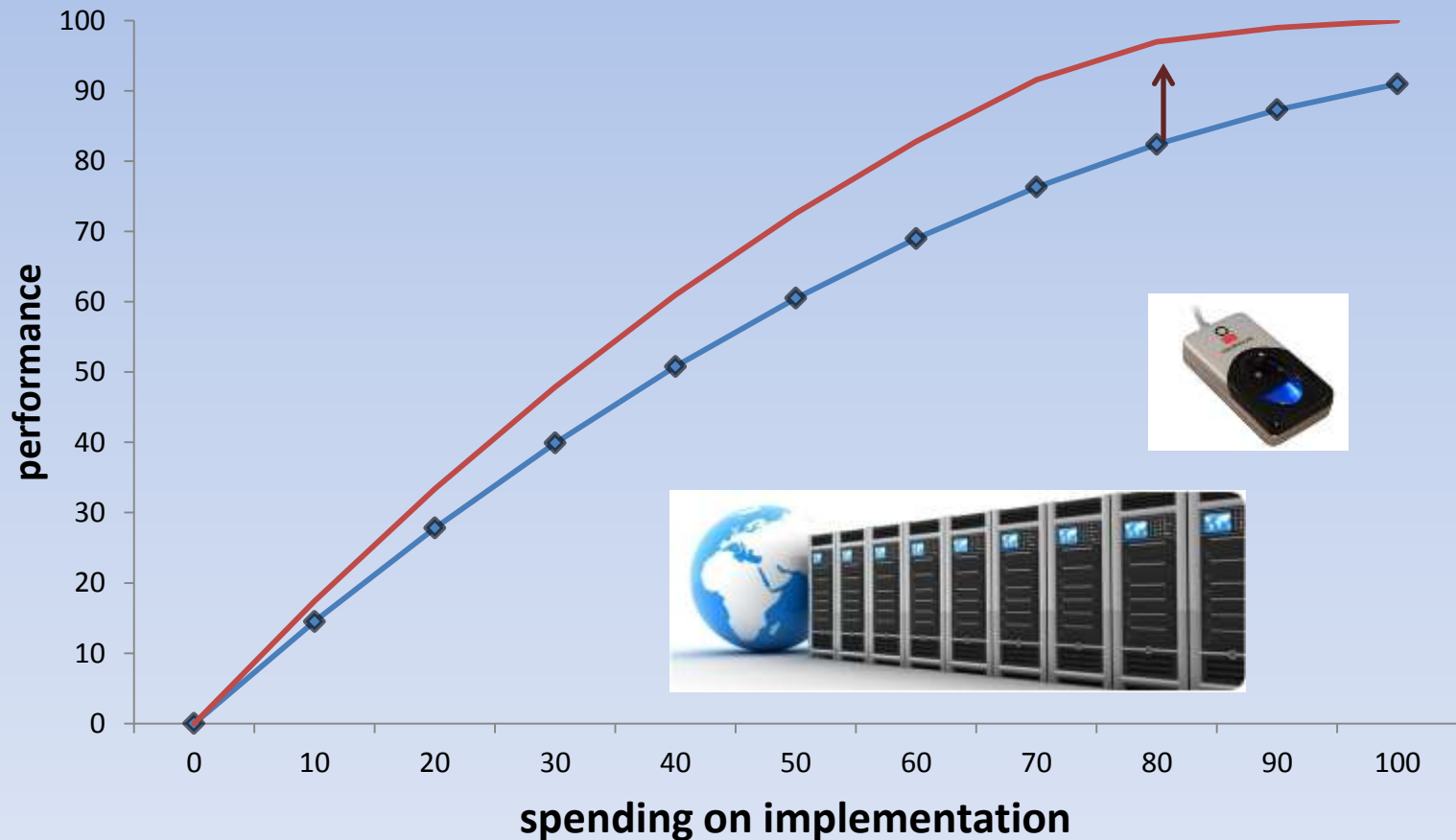
And generates useful reports to detect problems and for accountability...



More resources devoted to these processes should lead to better performance and is often justified

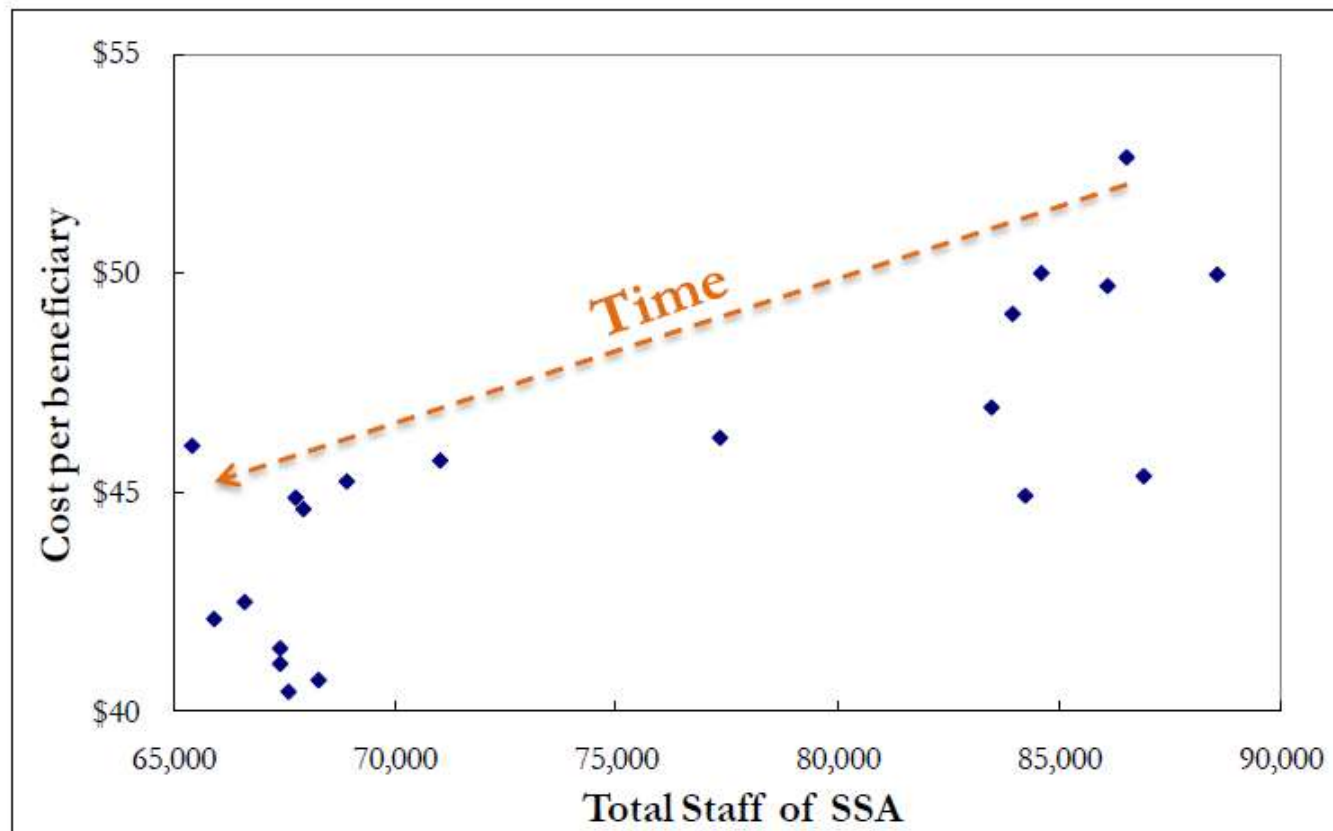


But 'modernization' should shift the cost curve with improvements in process and/or technology



# The case of US Social Security

Figure 1: US SSA Staffing and cost per beneficiary\* (1978-1998)



Source: Sluchynskyy (2014)



- Each of these processes is different in terms of what can and cannot be outsourced or the feasibility of public-private partnerships
  - Some processes require direct government participation (e.g, banking correspondent regulation, databases of beneficiary records, security for smart cards and IDs.) while others can be contracted out with standards set by government with the necessary oversight;
  - Determining the minimum government in-house capacity both for procurement and ongoing administration is key especially when complex ICT is involved;
  - incentives are crucial and care must be taken to specify robust service level agreements with private firms and in determining whether to use proprietary technology.
- Shifting the curve is not easy and there are risks of ‘white elephants’

# But shifting the line is not easy

- Each of these processes is different
  - Some changes require direct government participation (e.g, banking correspondent regulation, databases of beneficiary records, security for smart cards and IDs.) while others can be contracted out with standards set by government with the necessary oversight;
  - Determining the minimum government in-house capacity both for procurement and ongoing administration is key especially when complex ICT is involved;
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# What did you report?

- Only 20% gave themselves the highest self-rating for their MIS
- About 75% have upgraded their IT systems within the last 3 years and 70% have plans to upgrade in the next 3 years
- About 65% used external contractors and about 15% through a combination of internal and external
- About 31% rated the last contractor a 2, 3, or 4 out of 5 (for a total of 93%). No one gave a rating of 5.
- About 84% reported contractor delays;
- About 25% said delivery did not correspond to specifications
- About 10% had serious problems including serious legal disputes and having to take over the project

# What about integration?

- Based on your survey responses, the lowest rating for a specific element of MIS performance was for integration with other agencies; 80% of those responding cited the need for better integration with external MIS
- Integration is useful for at least two reasons:
  - Better coordination across policies/programs
  - Reducing costs through less duplication
- But important to be clear on what we mean by integration – integration of what?

# Integrating across processes within social protection

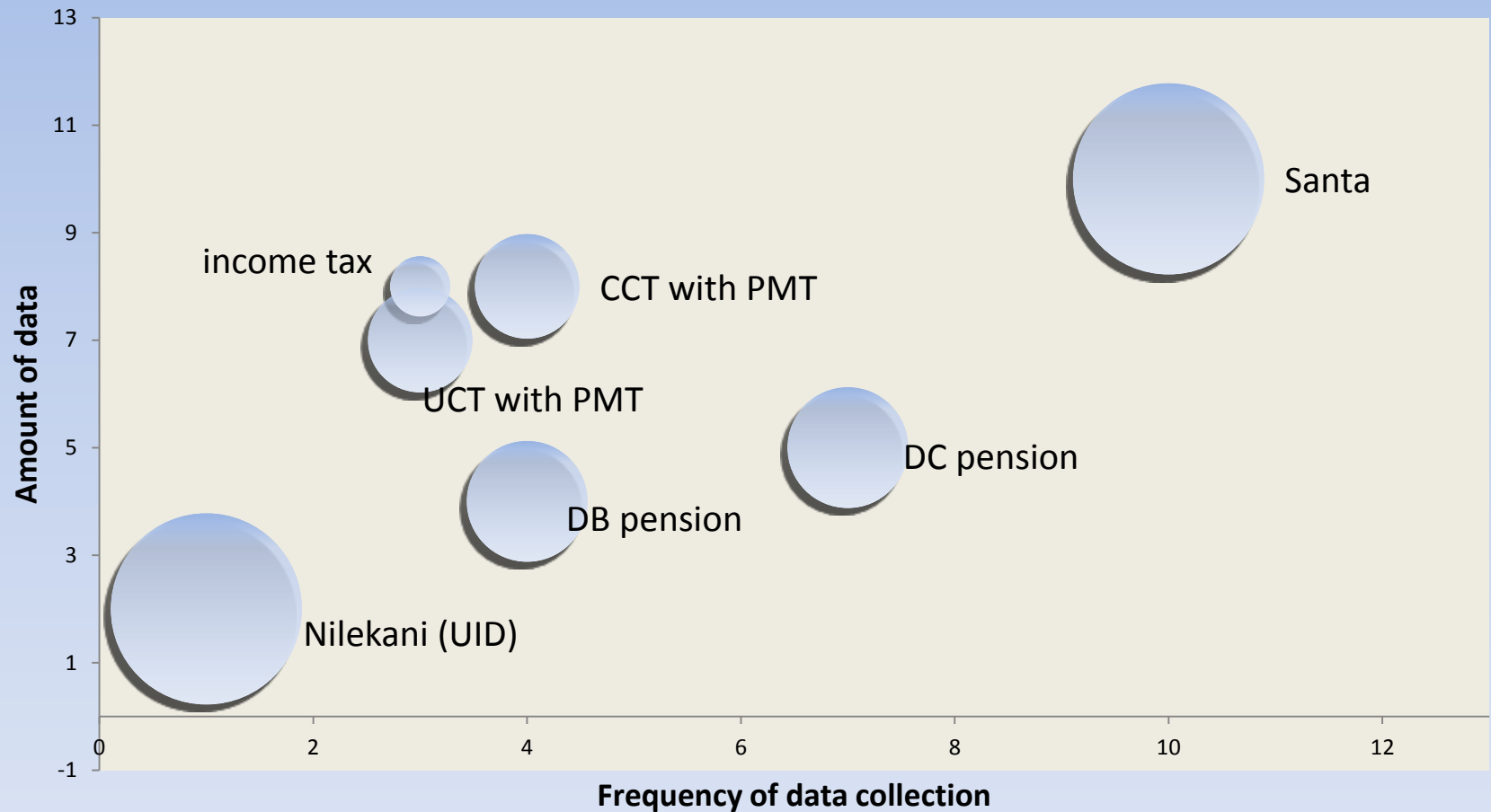
## No integration

Program/ Process	Identification	Registry	Eligibility determination	Enrolment	Transaction
Program 1					
Program 2					
Program 3					
Program 4					
Program 5					

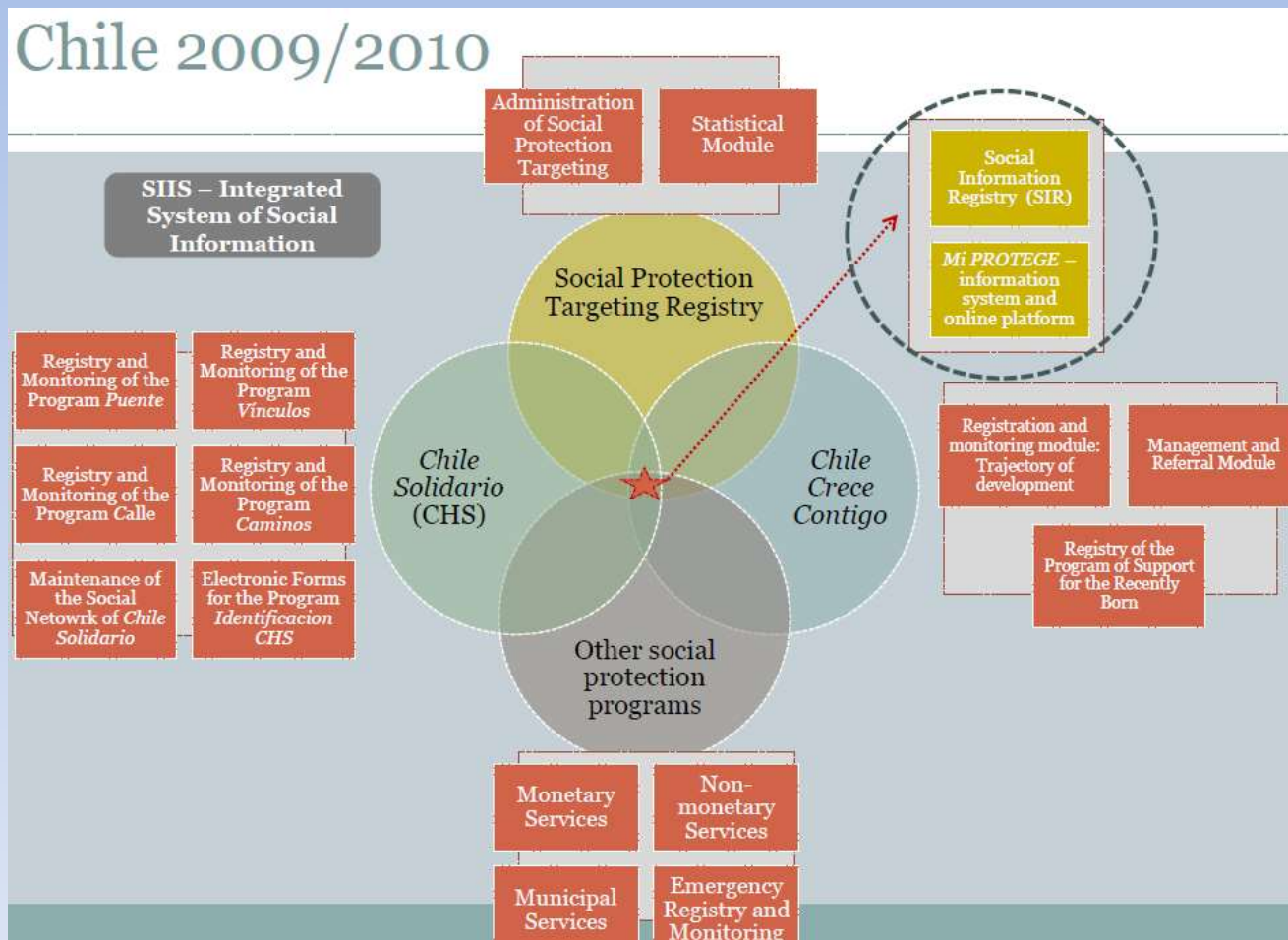
## Differential integration

Program/ Process	Identification	Registry	Eligibility determination	Enrolment	Transaction
Program 1					
Program 2					
Program 3					
Program 4					
Program 5					

# Integrating across sectors/agencies



# But integration $\neq$ unification



# Social Protection Assessments and MIS

- SPA: a multi-donor initiative that aims to develop common assessment tools in different areas of delivery systems for social protection
- Purpose: to identify gaps and monitor progress
- First module was “Identification”
  - Inclusiveness
  - Robustness
  - Integration
- What would a standardized assessment of SA or SI MIS look like?



Thank you