Institutional framework for system modernization

Ministry of Labor, Social Protection and Family
Republic of Moldova
Name: Republic of Moldova
Location: Eastern Europe
Capital City: Chisinau
Population: 3,559.5 (58% in rural areas)
GDP: 99.2 billion MDL
Exchange rate: MDL/USD 12.59
Poverty headcount ratio at national poverty line: 16.6%
Why was the reform launched?

• Social assistance used to be dominated by categorical benefits
  • 16 programs with an overall budget of 1.6% - 2% of the GDP
  • More than 10 “categories”/groups of recipients e.g., disabled people, War veterans, single pensioners, families with many children etc.

• Social welfare programs did not fully cover the poorest
  • only half of the bottom decile were receiving benefits

• The resources were used inefficiently
  • only 22% of the benefits were received by the poorest decile

• Passive administration of benefits
  • a social worker did not play any role and no needs assessments were conducted
Challenges of identifying the poor in the poorest European country

• In Moldova, it is difficult to measure the incomes accurately and it is not always possible to capture the actual living conditions of the household

• This is caused by:
  • The widespread self-employment in agriculture (70% of employed in agriculture)
  • The huge role of remittances (20%-30% of GDP)
  • Significant informal economy/underreporting of wages (30% informal employment)
Reform Features

In 2008 Moldova adopted a framework for reforming the social assistance intended to HELP THE POOR.

Reform Objective:

 IMPROVE THE POVERTY IMPACT of the available resources for social benefits.

New cash benefit program- Ajutor Social - launched to drive the reform effort:

• Last resort program for poverty reduction implemented since 2009;
• Income-gap benefit targeted to the poorest 8% of the country population;
• A proxy means-tested approach;
• One single scheme across the country funded from the central budget and administered by local governments;
• In 2011, topped up/expanded for heating season (5 months) with additional benefit to cover more vulnerable households.
Reform Progress

Ajutor Social benefits performance
• 20% in the bottom quintile or 5% of the total population in receipt of the benefits;
• 77% of beneficiaries are from the poorest quintile;
• 84% of the money goes to the bottom quintile.

Poverty Impact
• Extreme poverty reduced by 3.2% percentage points (from 3.2% to 0%)

Available budget
• Increased targeting in the limits of previous budget
Reform Implementation Challenges: what it takes to launch and deliver benefits to the neediest

• Underdeveloped network of field-based social workers
• Local Social Assistance Offices lack experience in implementing centrally-funded cash benefits, no experience in applying means-test.
• Processing of applications at regional level causing backlog of benefits and payment delays.
• No central beneficiary registry and cross-checks with other information resources.
• Telecommunications missing or underdeveloped.
Why a Management Information System?

- Enhanced effectiveness of benefit administration
  - Lower burden on applicants (copies of IDs and other documents);
  - Reduced turnaround due to automated verification and data cross-checking;
  - Continuous monitoring of changes in welfare of beneficiary households for repeated eligibility checks;
- Facilitated application of laws, regulations and service standards
- Improved time management – on social services, etc.;
- Mitigation of fraud and errors at the application;
- Improved quality of service for applicants and recipients;
- Better information and analysis for evidence-based policy making.
  - Improved data quality.
  - Monitoring of the quality of services;
  - Monitoring of the workload of local Social Assistance Offices;
  - Flexible policy adjustments.
Official Procedures

• Government Decision on approval of the Social Assistance Automated Information System
  • Functional space of SAAIS
  • Organizational Structure
  • Information Resources
  • Information Security and Protection

• Terms of Reference
  • Task to review in details the business processes
  • Task to develop technical requirements for the hardware section (servers node, communications, workstations for users etc.)
System Development

• Vendors will provide anything to everyone

• Selection of vendors should be done using a very objective evaluation, and by getting professional help to make your selection a successful one.

• Expertise and experience, proved quality and previous practice in work with Gov

• Practical benefits following the selection criteria
  • MLSPF has tightened control and assessment condition
  • Developer has changed the subcontractor in favor of local one
  • Warranty period has been increased up to 5 years
  • The training courses for E-Transformation department has been extended
  • Additional works have been done without any changes of the contract amount
Conclusion

Poor business analysis and design creates future complex problems.

It is important that the design and development stages produce systems that are easy to maintain and are flexible enough to handle future expansion, upgrading and capacity increases.

Beneficiary involvement – even “brand” developers must be supervised. The right mixture of user involvement and information systems expertise is crucial.
Performed works monitoring and acceptance

• Steering Committee
  • Quality and Executing Terms Monitoring (semester reports and at the end, monthly reports)
  • Analyze and identify the ways to solve the deficiencies met within SAAIS development and implementation

• Third bodies involvement into the extended composition of the Steering Committee
  • Ministry of Finance
  • Ministry of Information Technology and Communications
  • NSIH etc.
Production and maintenance

- End-User and administrator training – computer literacy and system use. Documentation.
- Direct cutover – overnight implementation with full migration
- Help desk is supported by developer
- Support team – ensure the dialog between users, beneficiary and developer
- 5 years of extended maintenance – fixing of bugs and regular system updating
Changing the Institutional Frame for IT administration structures

- E-Transformation Department establishing
- Staff increased up to 7 persons
  - Establishing of the network administration and equipment division
  - Establishing of the information system administration division
- Extended trainings for IT staff
  - Establishing of the network administration and equipment division
  - Establishing of the information system administration division
- Ensuring support by the Supplier’s technical team within SAAIS warranty period (5 years)
Staff Training

- Training on computer literacy skills for 1500 persons (MS WINDOWS, OFFICE, OUTLOOK etc)
- Training on familiarizing with SAAIS for 1500 persons
- Training for checkers (SAAIS administrators at rayon level) about 80 persons
- Training for rayon managers (about 40 persons)
Changing the institutional frame to ensure IT safety

• Creating and implementing the Policies on Information Security according to the national legislation
• Creating and implementing the Regulation on Information Security according to the ISO 27001 recommendations
• MLSPF registration at the National Center for Personal Data Protection.
• Creating within the e-Transformation department of the Center for e-Transformation user certification
• Ensuring access to SAAIS through the e-certificates issued by the MLSPF’s certification center
HELP DESK

• Creating the hotline for the SAAIS users
  • During 8 months period the hotline registered more than 10000 calls
System implementation to date

• Launched in September 2013 in 1500 points (local-regional-central level)
  • Total cost below USD 4 mln.

• System Architecture
  • Web-based System Architecture
  • Centralised DB. Online communications.
  • Implemented in 21 months

• Infrastructure
  • Equipment and communications for more than 1500 local points
  • Data center at Ministry level
  • Implemented in 12 months

• System components - Two basic modules:
  • Administration of Ajutor Social benefits and heating top-ups.
  • Social services.
Overview of the Business Process for Ajutor Social
By Functions

- Receipt of Application
  - Changes

- Review of Eligibility

- Calculation of Ajutor Social quantum
  - Monthly update

- Appeals

- Decision

- Payment

- Control
E-documents and paper documents flows
Legal mandate

• The law does not always provide clear direction, but sets boundaries within which we can work with discretion

• The law provides duties and powers, but how it is used makes the difference, and experience can help with this

• The law should provide the authority to undertake actions that would generally be seen as unlawful interference in private and family life

• Information technology should be allowed to influence process design from start
Further evolution of the System

**Timeframe** – March 2014 – March 2015

**Extension of Benefits**
- Paperless application for Ajutor Social benefits
- Integration of local benefits

**Extension of Social Services**
- Children, people with disabilities
- Victims of domestic violence
- Prevention of human trafficking
- Drug and Alcohol Prevention

**New modules**
- Accreditation of social service providers and their registry
- Social Inspection
- Determination of disability