

Croatia:
**Social Protection System Modernization
Project Presentation**

March 16th, 2015

Scope of the project: Five Areas, Five Ministries

Thematic area	Policy objective
<p>1) Consolidation of Social Benefit Administration and Simplification of Procedures (One Stop Shop)</p> <p>2) Unified and Harmonized Disability Certification</p>	<p><i>Reduce admin costs & private costs of beneficiaries; improve service delivery; Simplify payment system; Improve program compliance; Improve quality of employ. & social services</i></p>
<p>3) Reducing Error, Fraud and Corruption in Cash Benefits (disability pensions; undeclared earnings; social assistance)</p>	<p><i>Pay the right beneficiary, the right amount, at the right time; Generate fiscal savings & create fiscal space for pov. reduction activities; Modernize the oversight and control system across the social protection system;</i></p>
<p>4) De-institutionalization of Vulnerable Children and Adults</p>	<p><i>Improve quality of life and care for vulnerable people; Absorb EU Funds.</i></p>
<p>5) Activation of Vulnerable Groups, (in particular social assistance beneficiaries)</p>	<p><i>Improve the occupation rate; Absorb EU funds;</i></p>

Scope of the Project

Result Area	Participating ministries & (agencies)	Cash benefits and services covered
OSS	MPA, MSPY, MH (CIHI), MPE (PIF, CES)	GMB, child allowances, non-contributory maternity & child grant, unemployment benefit
CDCI	MLPS, CDCI	Disability pensions and allowances
EFC	MLPS, MSPY, 3 Inspection Teams (SI, LI, Disability pension)	GMB, child allowances, maternity, disability pensions, unreported earnings
De-institutionalization	MSPY	Social services
Activation	CFS	Job-search, ALMPs

Scope of the Project

Component	Size (tentative)	Project Areas Covered
1. Results – Based Disbursement	Euro 50 million	OSS CDCI EFC De-institutionalization
2. Technical Assistance & Investments	Euro 20 million	All of the above plus Activation

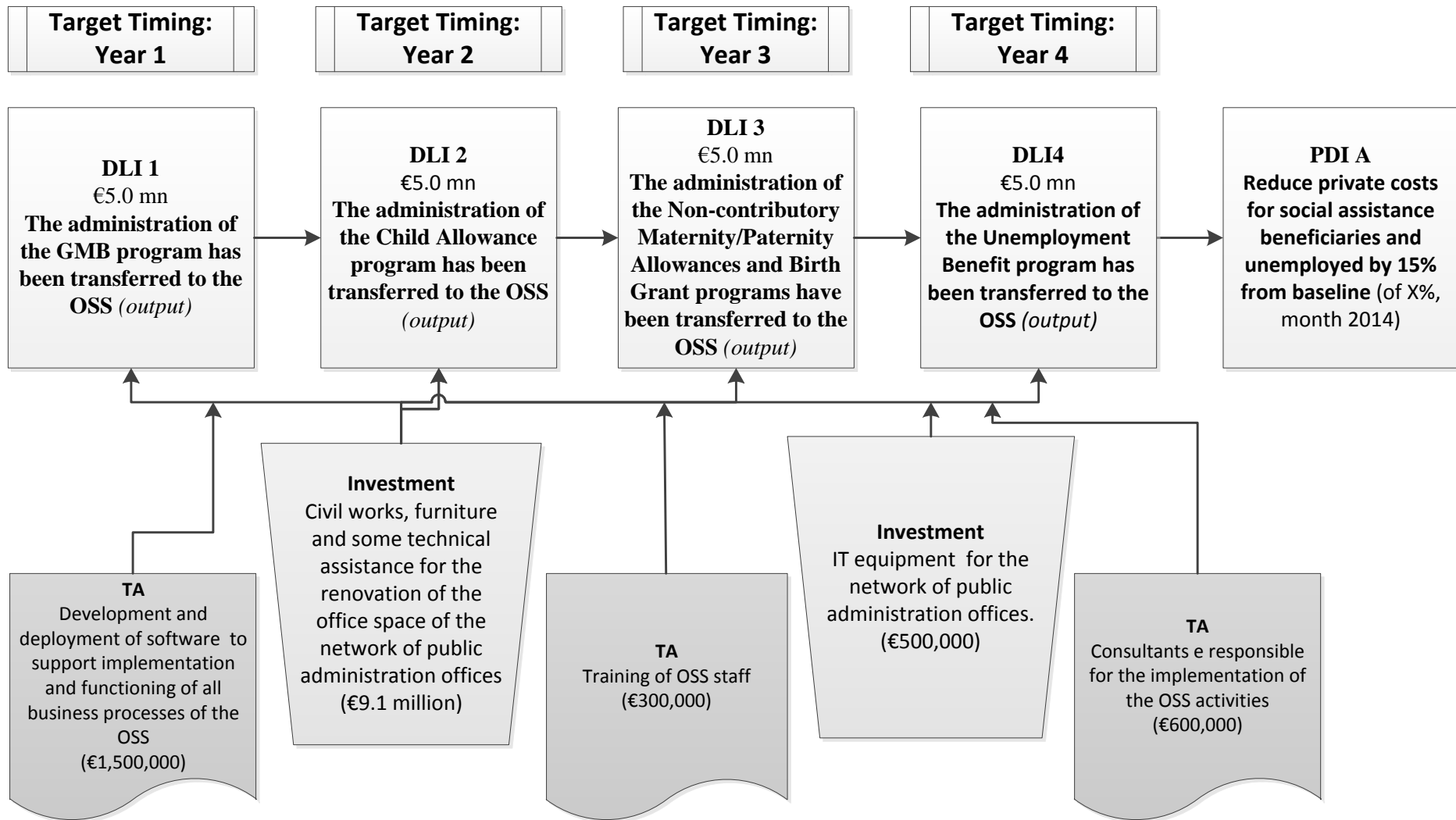
Social Assistance Reform:

Before and After

Area/Topic	Before	After	Ultimate results
OSS & CDCI	Multiple service delivery networks Multiple benefits Heavy paperwork and duplications	One Stop Shop for cash benefits Single disability certification body Less paperwork	Streamlined vs. delivery network; Lower administrative costs Lower private costs for applicants
Reduce EFC	Weak, incomplete controls against EFC	Effective mechanisms to reduce EFC	Fiscal savings from reduced EFC
Activation	Job-Search and ALMPs not tailored to individual circumstances	Client profiling tested; if outcome positive, streamlined in CES operations	Higher employment rate, less unemployment
De-institutionalization	Preference for residential care units	Reduction of the caseload in residential care units, beneficiaries moved to family-type settings, some institutions transformed	Improved quality of life for vulnerable

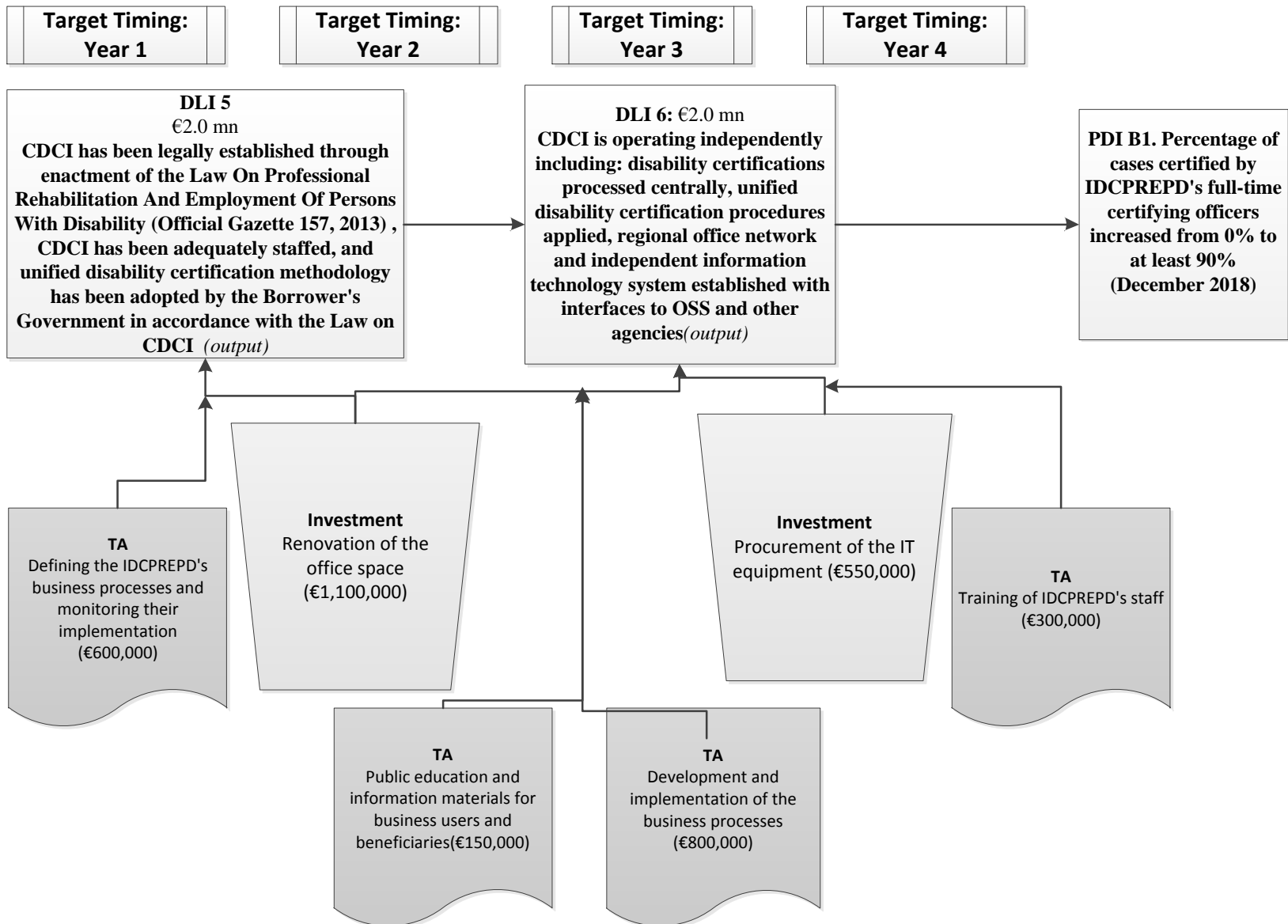
Thematic Area 1

One Stop Shop



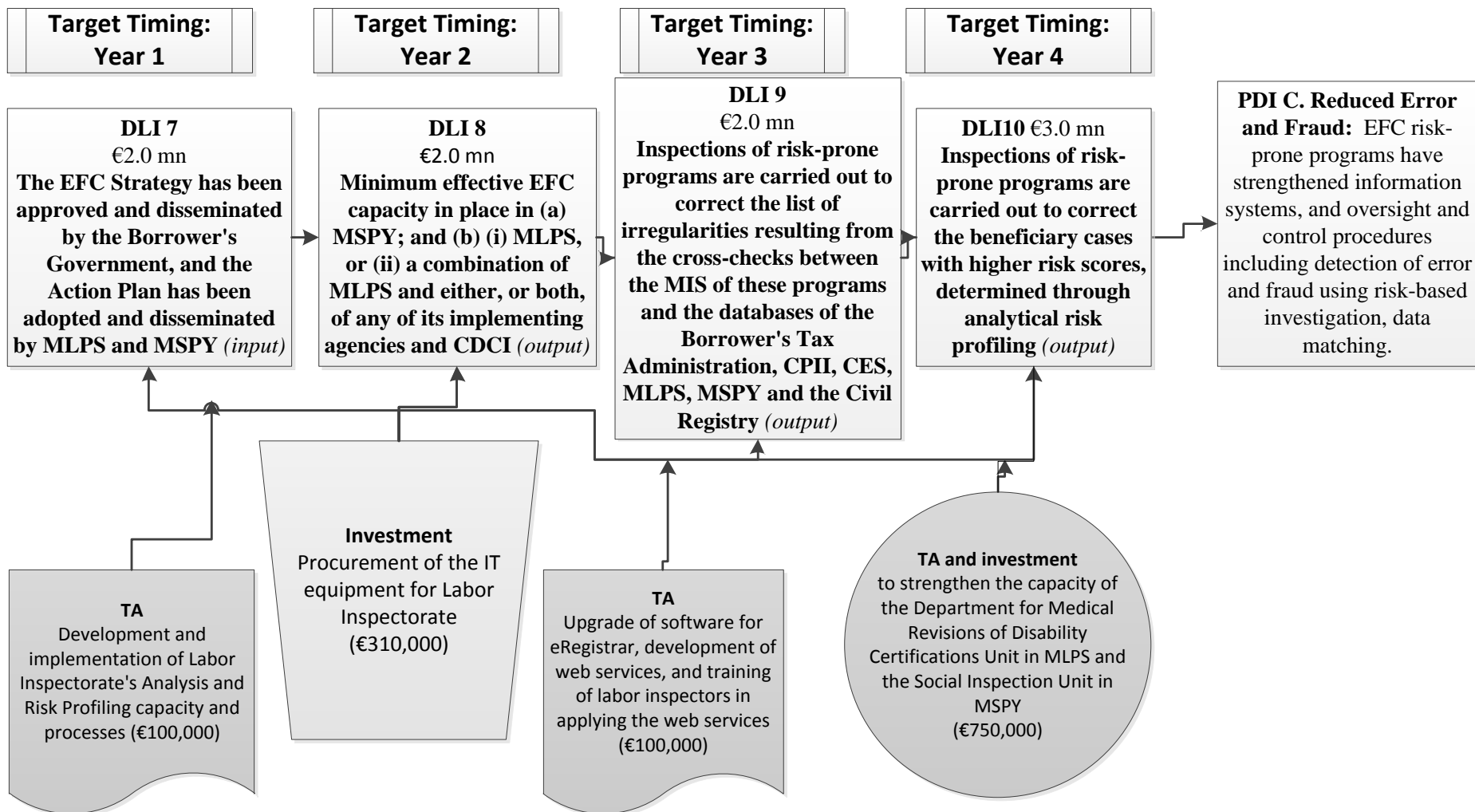
Thematic Area 2

CDCI



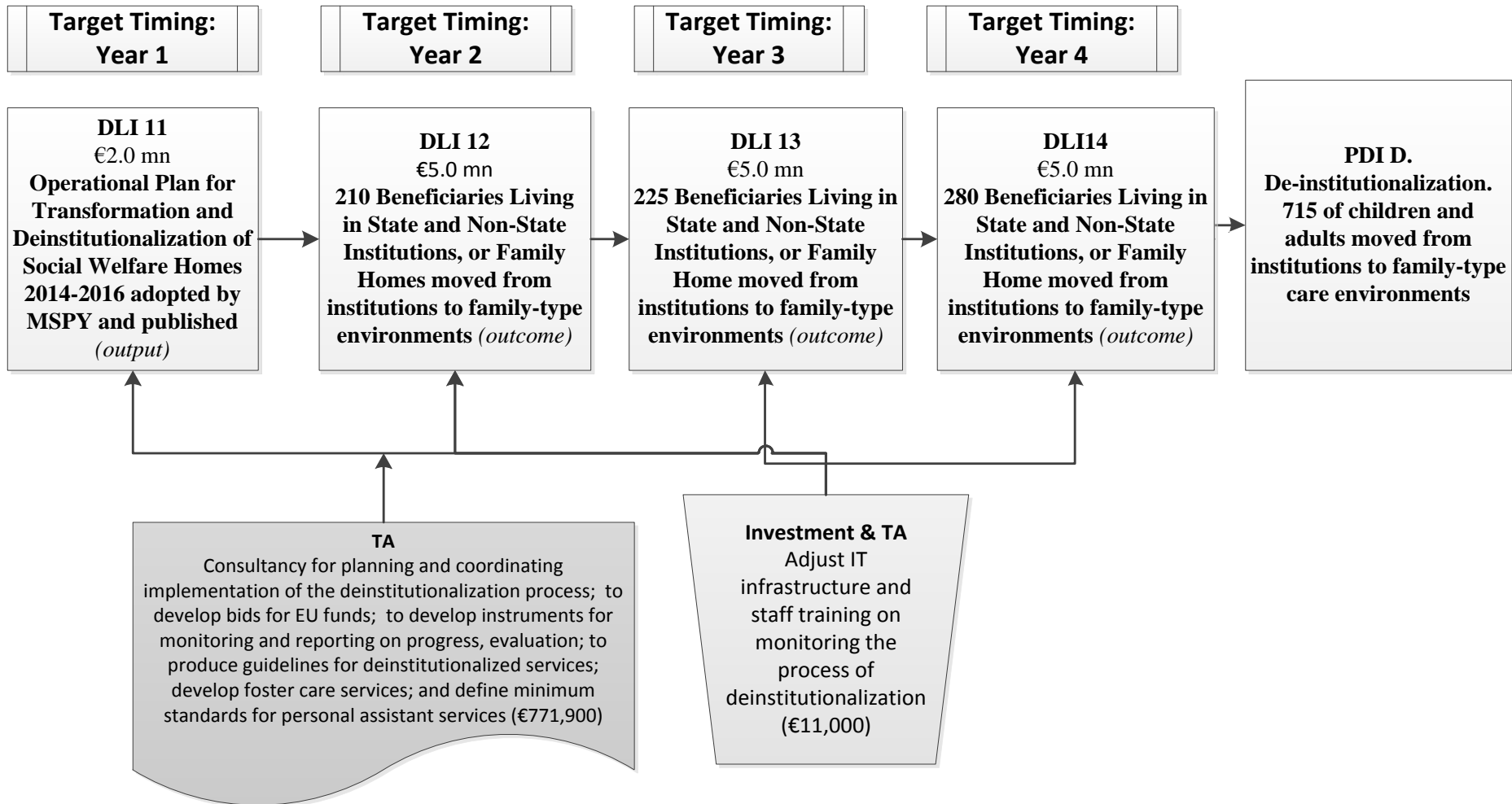
Thematic Area 3

Reduce Error and Fraud



Thematic Area 4

De-Institutionalization



Thematic Area 5

Activation

- TA only
- Activity 1: develop a tool to profile the CES clients such as to detect the ones who face the risk of long-term unemployment
- Activity 2: carry out an evaluation, examining outcomes and process to learn the impact of the profiling tool and how to troubleshoot it, if needed
- End-goal: incorporate profiling into the CES toolkit

Example of DLI Compliance Protocol

DLI #	Disbursement-linked Indicator (DLI)	Definition of the DLI		Draft Protocol to Evaluate Compliance of the DLI
1	The administration of the GMB program has been transferred to the OSS (output)	<p>This DLI will be met when at least 90% of the GMB beneficiaries are paid, with GMB administered through the OSS, for two consecutive months; and at least 80% of the PAOs met minimum service standards.</p> <p>The formula to calculate the DLI is:</p>	$\frac{\text{Number of applicants approved by OSS that have been paid in month X}}{\text{Number of applications approved by OSS in month X}} \times 100$	<p>Data sources: GMB payment monitoring report</p> <p>Procedures: Payment monitoring reports are sent to the World Bank upon completion of the DLI target</p>

Example of DLI Compliance Protocol

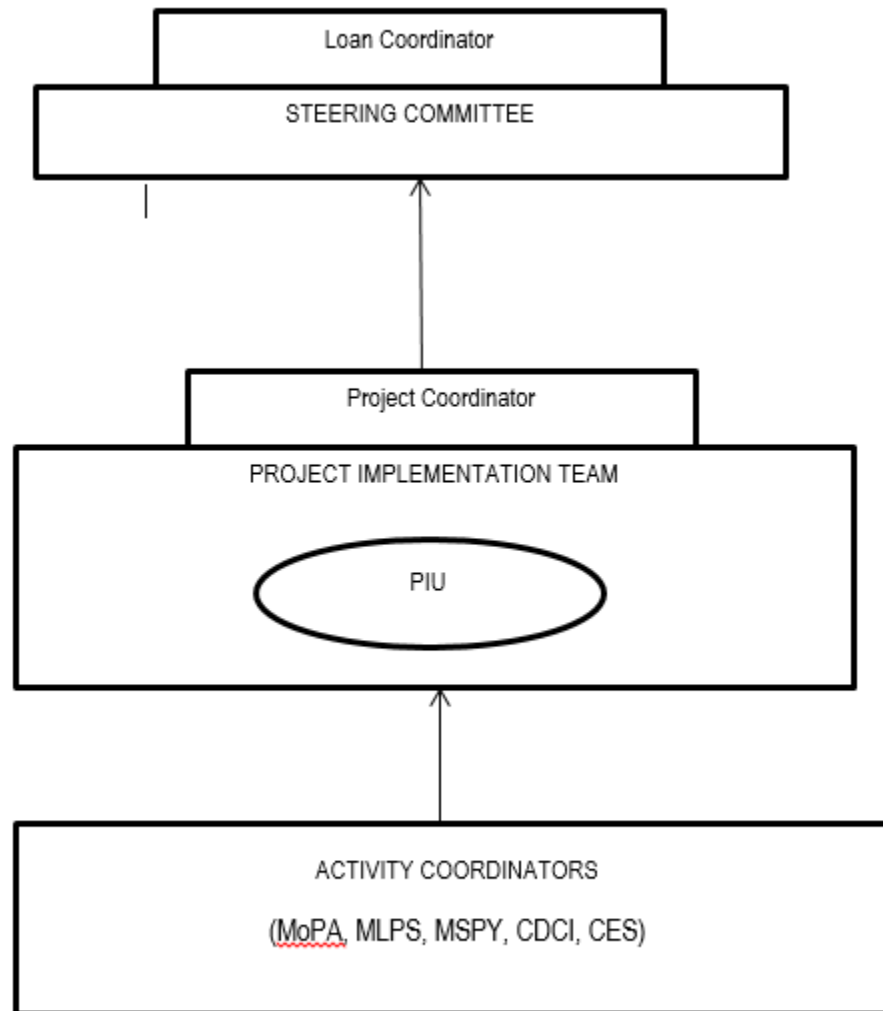
- Verification of the achievement of a DLI:
 - All the compliance conditions have been met?
Satisfactory evidence submitted by client.
Certification by WB TTL
- Once achieved, the DLI amount is disbursed to a Treasury account

Technical Assistance/ Investment

- Supports the implementing ministries/ agencies to achieve the DLIs
- Tentative Allocation of Investment / TA

Thematic Area	Estimated amount (million Euro)
Thematic Area 1: OSS	12
Thematic Area 2: CDCI	4
Thematic Area 3: EFC	2.25
Thematic Area 4: De-institutionalization	0.75
Thematic Area 5: Activation	0.4
Project Management	0.6
Total	20.0

Institutional Arrangements on the Croatian Side



Monitoring and Evaluation

- **14 DLIs, plus:**
- **Indicator 1:** Reduce private costs for social assistance beneficiaries and unemployed by 15% from baseline (of X%, month 2014)
- **Indicator 2:** Number of beneficiaries living in State and non-State Institutions or Family homes moved from institutions to family-type care environments
- **Indicator 3:** Cumulative fiscal savings of at least 0.5% of GDP

Final Remarks

- Complex project with a number of involved institutions/stakeholders
- Project effective since December 2014
- Project implementation structures in place (Steering Committee, Project Implementation Unit)
- Several activities already implemented
- Several DLIs already achieved
- Your active involvement and contribution crucial in making the project a success!