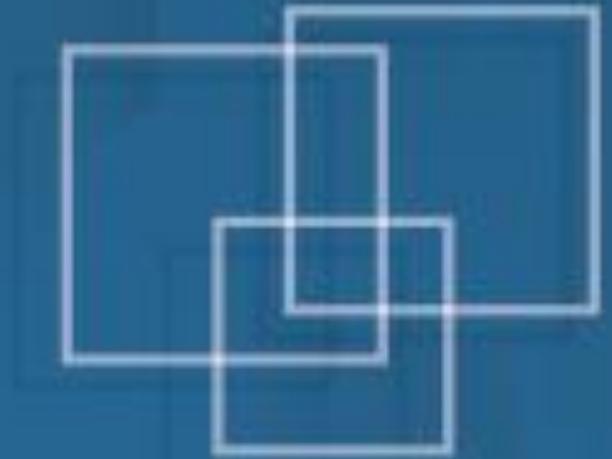




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SOCIAL PROTECTION FLOOR (SPF) COST CALCULATOR 2015

User Manual



Objective:

The Social Protection Floor (SPF) Cost Calculator helps to

- Estimate the costs involved in providing Social Protection Floor benefits for the population of a specified country or set of countries
- Provide policy makers and the general public with an initial assessment of the affordability of basic social protection benefits
- Explore and compare different policy options towards a gradual implementation of a Social Protection Floor (based on ILO Recommendation No. 202)

The simple outlook makes this tool accessible to a wide range of users. Whereas comparable ILO costing tools, such as the Rapid Assessment Protocol (RAP), project the cost of social protection programmes for a longer period and assume gradual implementation, this tool focuses on cost of the full implementation of a guarantee under given conditions and without considering the existing provisions in the country and the initial institutional costs of installation.

Hence, this tool is useful to get an initial idea of the cost range of prospective social protection schemes, and does not aim to substitute more extensive and context-specific cost estimating models.

Inputs and Data Sources:

The costing tool is based on most recent data provided by the

- Country specific statistics
- World Bank Development Indicators
- The UN World Population Prospects
- The IMF World Economic Outlook
- The ILO and other relevant data sources.

This data is then used directly, combined and/or adjusted to 2014 level to create a comprehensive list of variables necessary to conduct the SPF calculations.

The specific sources used for each indicator are listed in the model.

How to use the SPF Cost Calculator:

A welcome page receives the user, the page gives access to different documents that introduces the user to the whole set of documents to help in the use of the tool and the understanding of the results. Clicking on the “**START**” button will take user to the first step of the estimation process.



Notice that there are certain buttons on each page of the calculator and their uses are described in the table below. Also note that, a selection of at least one option presents in each step is necessary to be made to progress to the next step. A non-selection will present an error message prompting user to make a selection.

Buttons	Use
Restart	Start the process all over again
Previous	Takes user back to the previous page
Continue	Takes user to the next step
Help (?)	Gives user further explanation

There are basically five (5) simple steps in the costing process.

Step 1: Choosing the relevant country/countries

There are four options for the choice of countries to include in the cost estimation. These options are:

1. Costing benefits for a set of countries
2. Costing benefit for country income group
3. Costing benefit for a region
4. Costing benefit for all countries

Please select a type of report :

- Costing benefits for a set of countries >
- Costing for a country income group >
- Costing benefits for a region >
- Costing benefits for all countries >



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The **first option** opens a window with a list of 104 countries to choose from. Select the relevant countries and add them to the box on the right as the selected countries using the «**Add button**». In case of the wrong selection, use the «**Remove button**» to deselect.

Costing benefits for a set of countries

Please select the countries for which you want to cost the benefits

Non selected countries

- Afghanistan
- Algeria
- Angola
- Argentina
- Armenia
- Azerbaijan
- Belize
- Benin
- Bhutan
- Bolivia, Plurinational State of
- Botswana
- Burkina Faso
- Burundi
- Cambodia

Add >

< Remove

Selected countries

- Bangladesh
- Brazil
- Cape Verde
- Jamaica
- Myanmar
- Nicaragua
- Panama
- Suriname
- Viet Nam

Restart

< Previous | Continue >



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The **second option** opens a window with three (3) categories of income groups. Choosing any one will provide estimate for all countries considered under the specified income group. The “**Edit selection**” tab allows users to add or remove certain countries to and from the predefined set of countries in the selected income groups.

Costing for a country income group

Please select an income group for which you want to cost the benefits

Low income	<input type="checkbox"/>
Lower middle income	<input type="checkbox"/>
Upper middle income	<input type="checkbox"/>

Edit selection

Restart

< Previous | Continue >

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The **third option** provides users with six (6) geographical regions to consider for the estimation. Choosing any one will provide estimate for all countries considered under the specified geographical region The “**Edit selection**” tab allows users to change the selection by adding or removing countries.

Costing benefits for a region ?

Please select the regions for which you want to cost the benefits

East Asia and Pacific	<input type="checkbox"/>
Europe and Central Asia	<input checked="" type="checkbox"/>
Latin America and the Caribbean	<input type="checkbox"/>
Middle East and North Africa	<input type="checkbox"/>
Sub-Saharan Africa	<input type="checkbox"/>
South Asia	<input type="checkbox"/>

 Edit selection

[Restart](#) [Previous](#) | [Continue](#)

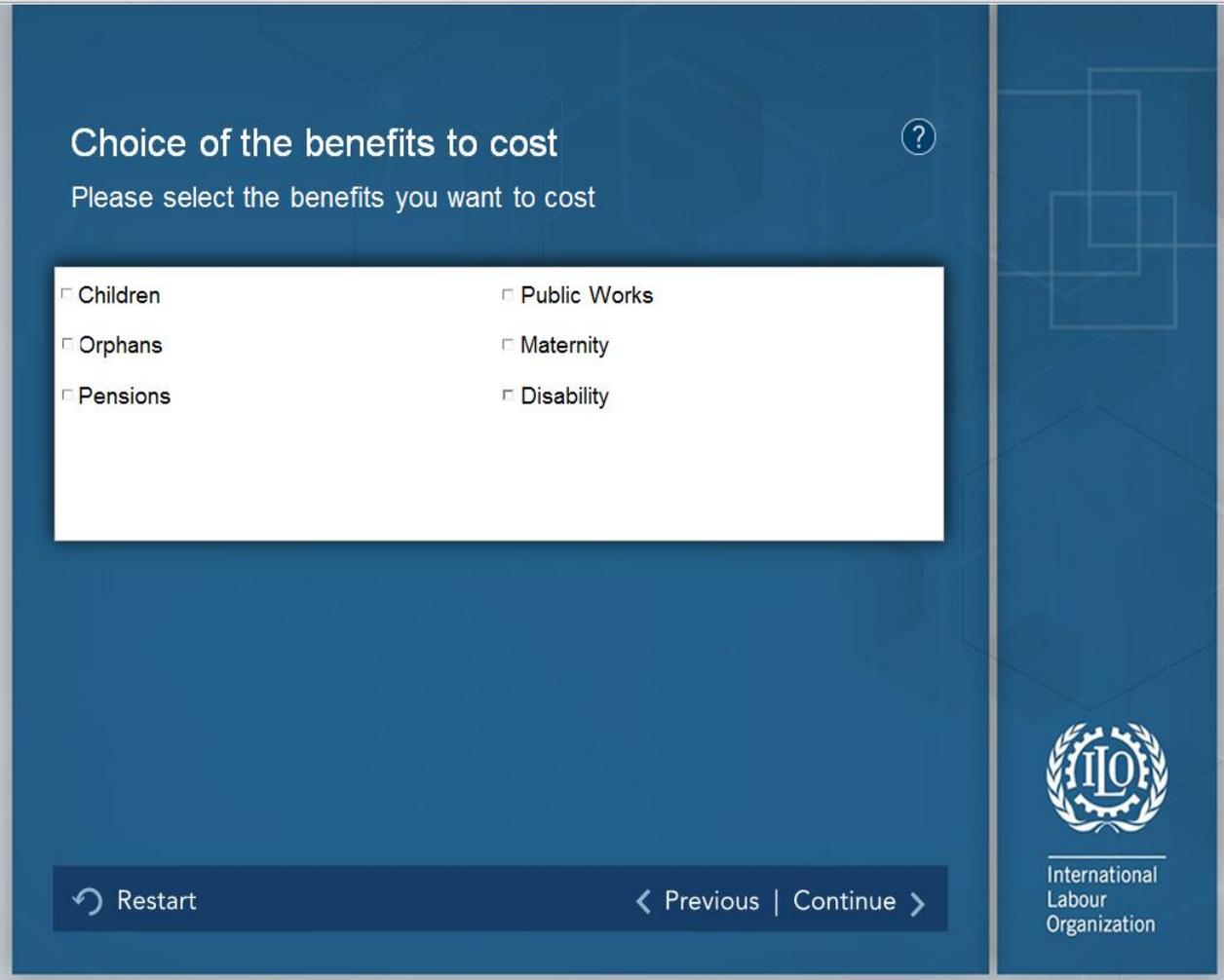


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The **last option** does not open up a new window, but rather considers all countries available in the database. As such the estimation will be presented for all the countries (104) already pre-set in the calculators' database.

Step 2: Choose benefits to be included

The tool can provide cost estimates for six social protection schemes: Child benefits, Orphan benefits, Old-age pensions, Public works programmes, Maternity benefits and Disability benefits. The user picks one or more benefit types.



Choice of the benefits to cost ?

Please select the benefits you want to cost

- Children
- Orphans
- Pensions
- Public Works
- Maternity
- Disability

[Restart](#) [< Previous](#) | [Continue >](#)


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Step 3: Specify the desired programme architecture

The user has the choice between different benefit designs in terms of

- Benefit level
- Further specifications

All the benefits have two things in common:

1. **Reference Value** for the calculation of the benefit and there are three (3) options to choose from:
 - National poverty line
 - National minimum wage
 - Dollars Adjusted by Purchasing Power
2. **Replacement Rate** in respect to that value.

The replacement rate specifies which percentage of the poverty line or minimum wage, or how many PPP US\$/day should be granted.

For some programmes, the benefit design can be further specified.

- For children, the target group can be limited to poor children (measured either by the national or international poverty threshold of 2 PPP US\$/day) or to a certain number of children per household.
- Likewise, the target group for the old-age pension can be limited to the poor. In addition, the user can choose to exclude the share of the elderly population that is already covered by existing schemes.
- For the Public Works scheme, the duration of the employment guarantee can be specified:

Children

Type of program ?

Universal

Directed to the poor

Limited number of children per household

Poverty threshold

National Poverty Line

2 USD PPP per day

No. of children covered

Benefit Level

Poverty Line

% of poverty line or minimum wage

Minimum Wage

USD PPP per day

No. of USD PPP per day

 Restart

[< Previous](#) | [Continue >](#)

The benefit considered consists of a Cash transfer (or its equivalent) to families for each child under 15 (unless it is limited to a certain maximum number of children per household).

The results are based on assumptions such as that the age of individuals and social status of families can be known.

The administration costs are not included in any of the alternatives.



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Public Works

Benefit Level ?

Poverty Line

% of poverty line or minimum wage

Minimum Wage

USD PPP/d

No. of USD PPP per day

Benefit Duration

Set a number of working days guaranteed per year

 Restart

[< Previous](#) | [Continue >](#)

The benefit consists of a cash transfer of given value to one (1) unemployed person of working age per each vulnerable household.

Underlying assumptions are the capacity to identify vulnerable households with an unemployed person of working age.

No administration costs are included.



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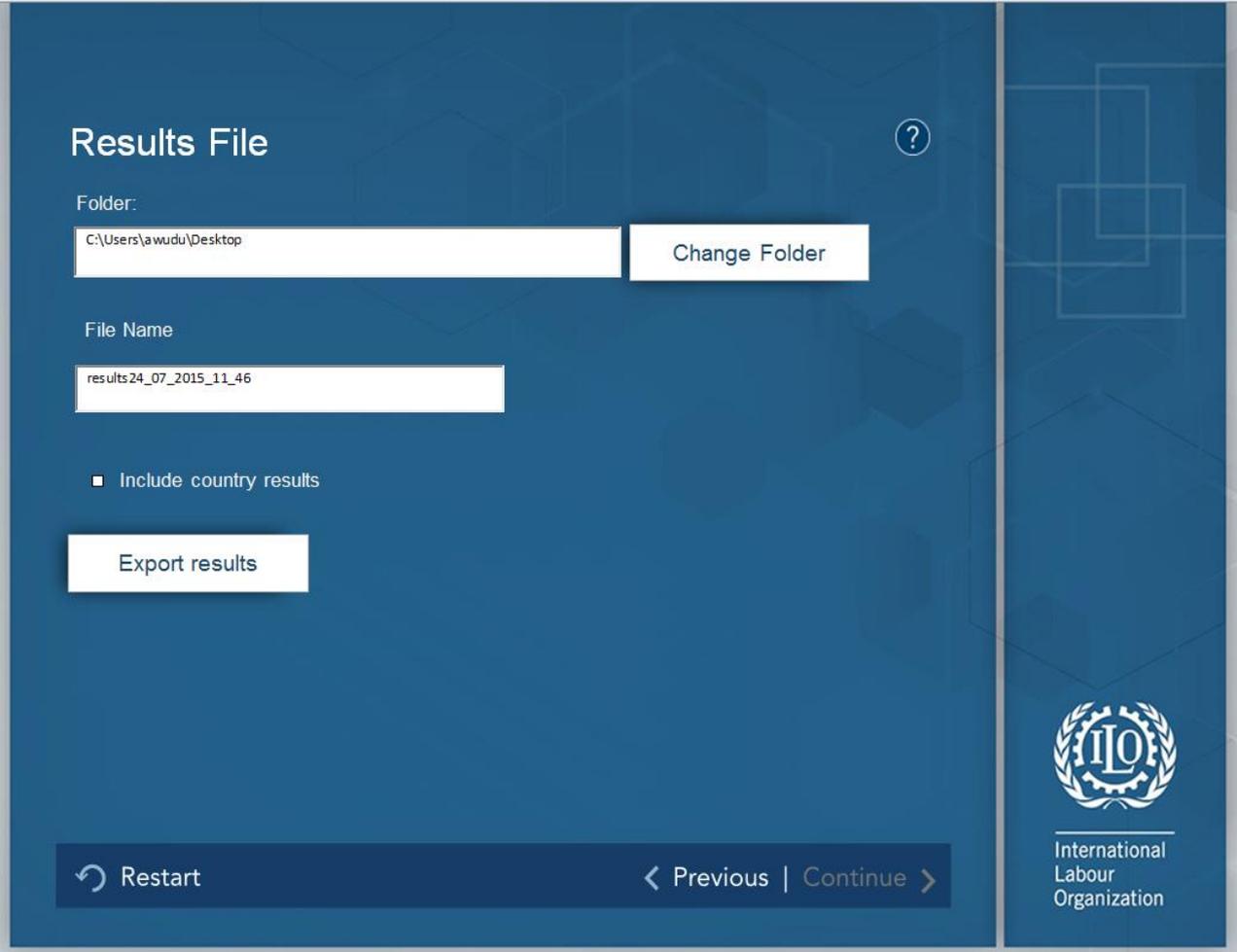
Step 4: Saving the results file

The results are automatically set to be saved in the location of the Cost Calculator. However the user has the discretion of changing the location, by click on the “**Change Folder**” button.

If not otherwise indicated, the results file will be created under the name «**resultsday_month_year_hour_minute**». The user can again make changes as desired.

The user indicates whether, next to the overview sheet, the results for each country should be included. This is done by ticking the “Include Country results” tab.

By clicking “Export results”, a new *Excel*-workbook opens, containing the desired information and charts.



Results File ?

Folder:
C:\Users\awudu\Desktop Change Folder

File Name
results24_07_2015_11_46

Include country results

Export results

Restart ← Previous | Continue →


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Step 5: Reading the results

The created workbook consists of:

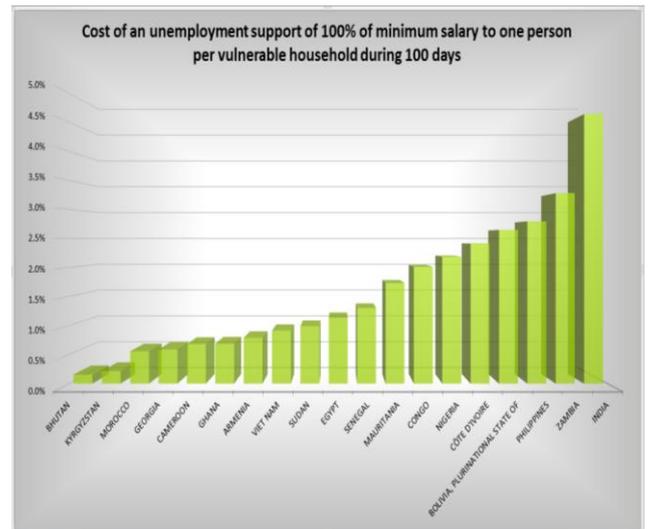
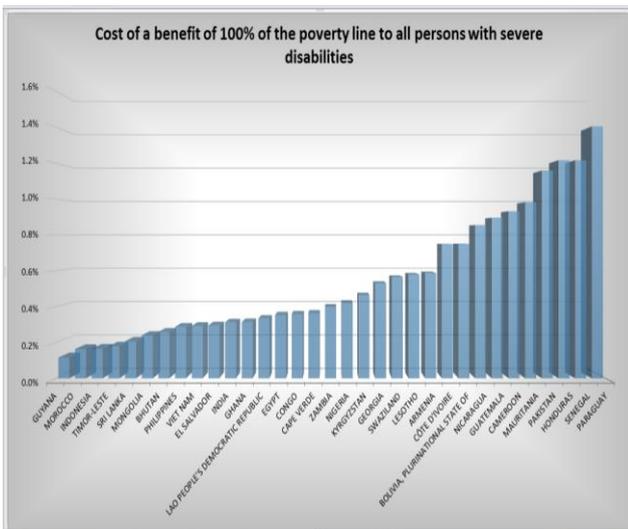
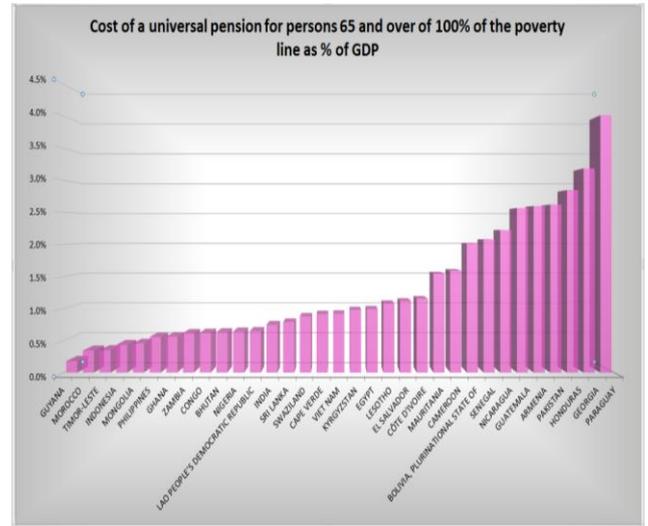
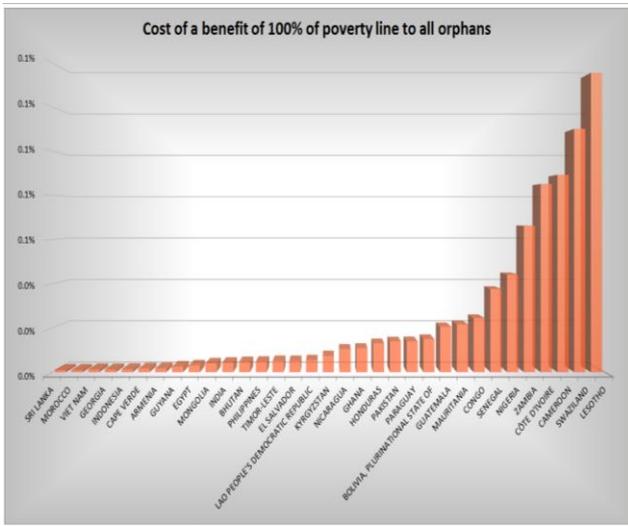
(i) An abstract worksheet indicating the costs for each country, each benefit, in total for the different countries and on average for all countries:

For more than one country, a table comparing all benefits for all countries in your sample is created. Both the countries and the benefits and beneficiaries chosen are indicated. The table shows the cost of the benefits as a percentage of GDP for the given countries. In the bottom row, the weighted average for the countries is indicated, and the last column provides the total cost of all benefits combined for each country.

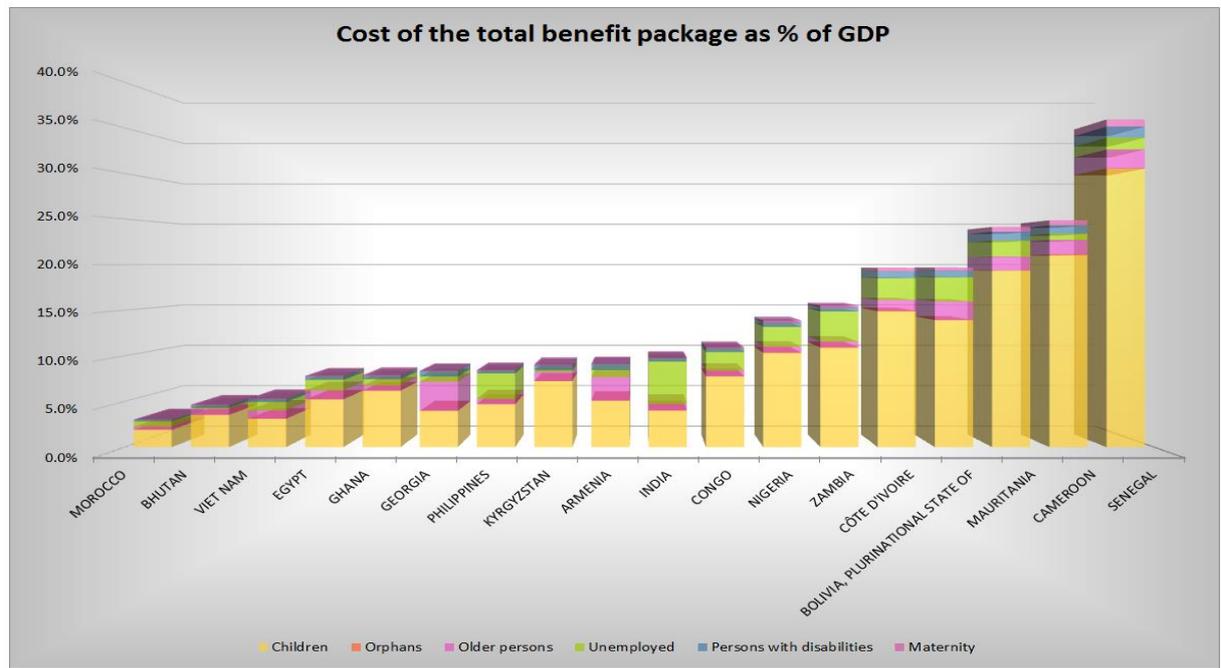
There may be some cells containing “n.a.” values. This means that some data necessary to estimate the cost of that benefit for that country is missing. If one of the benefits could not be estimated, the cost for the complete set cannot be either, and another “n.a.” will appear in the last column. In these cases, the country will be considered for the estimation of the average value in the bottom row only in those benefits where costs are estimated.

	Cost of a universal child (less than 15 years old) benefit of 100% of the poverty line as % of GDP	Cost of a benefit of 100% of poverty line to all orphans	Cost of a universal pension for persons 65 and over of 100% of the poverty line as % of GDP	Cost of an unemployment support of 100% of minimum salary to one person per vulnerable household during 100 days	Cost of a benefit of 100% of the poverty line to all persons with severe disabilities	Cost of a benefit during 4 months of 100% of the poverty line to all mothers with newborns	Total
ARMENIA	5.1%	0.0%	2.6%	0.8%	0.6%	0.1%	9.2%
BHUTAN	3.5%	0.0%	0.6%	0.2%	0.3%	0.1%	4.7%
BOLIVIA, PLURINATIONAL STATE OF	13.9%	0.0%	2.0%	2.6%	0.7%	0.3%	19.7%
CAMEROON	21.0%	0.1%	1.6%	0.7%	0.9%	0.5%	24.9%
CAPE VERDE	5.0%	0.0%	0.9%	n.a.	0.4%	0.1%	n.a.
CONGO	7.7%	0.0%	0.6%	2.0%	0.4%	0.2%	11.0%
CÔTE D'IVOIRE	14.9%	0.1%	1.2%	2.4%	0.7%	0.4%	19.6%
EGYPT	5.2%	0.0%	1.0%	1.1%	0.4%	0.1%	7.8%
EL SALVADOR	4.5%	0.0%	1.1%	n.a.	0.3%	0.1%	n.a.
GEORGIA	4.0%	0.0%	3.2%	0.6%	0.5%	0.1%	8.4%
GHANA	6.2%	0.0%	0.6%	0.7%	0.3%	0.2%	7.9%
GUATEMALA	22.3%	0.0%	2.6%	n.a.	0.9%	0.5%	n.a.
GUYANA	1.8%	0.0%	0.2%	n.a.	0.1%	0.0%	n.a.
HONDURAS	21.9%	0.0%	2.8%	n.a.	1.2%	0.5%	n.a.
INDIA	4.0%	0.0%	0.7%	4.6%	0.3%	0.1%	9.8%
INDONESIA	2.3%	0.0%	0.4%	n.a.	0.2%	0.1%	n.a.
KYRGYZSTAN	7.2%	0.0%	1.0%	0.2%	0.5%	0.2%	9.1%
LAO PEOPLE'S DEMOCRATIC REPUBLIC	5.9%	0.0%	0.6%	n.a.	0.3%	0.1%	n.a.
LESOTHO	9.1%	0.1%	1.1%	n.a.	0.6%	0.2%	n.a.
MAURITANIA	19.3%	0.0%	1.5%	1.7%	1.0%	0.5%	24.1%
MONGOLIA	3.3%	0.0%	0.5%	n.a.	0.2%	0.1%	n.a.
MOROCCO	1.9%	0.0%	0.3%	0.6%	0.2%	0.0%	3.0%
NICARAGUA	15.3%	0.0%	2.2%	n.a.	0.9%	0.3%	n.a.
NIGERIA	10.3%	0.0%	0.6%	2.2%	0.4%	0.3%	13.9%
PAKISTAN	19.8%	0.0%	2.6%	n.a.	1.2%	0.5%	n.a.
PARAGUAY	23.1%	0.0%	4.0%	n.a.	1.4%	0.5%	n.a.
PHILIPPINES	4.7%	0.0%	0.6%	2.8%	0.3%	0.1%	8.5%
SENEGAL	30.5%	0.0%	2.1%	1.3%	1.2%	0.8%	35.9%
SRI LANKA	2.3%	0.0%	0.8%	n.a.	0.2%	0.1%	n.a.
SUDAN	n.a.	n.a.	n.a.	1.0%	n.a.	n.a.	n.a.
SWAZILAND	9.2%	0.1%	0.9%	n.a.	0.6%	0.2%	n.a.
TIMOR-LESTE	4.7%	0.0%	0.3%	n.a.	0.2%	0.1%	n.a.
UZBEKISTAN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
VIET NAM	3.1%	0.0%	0.9%	0.9%	0.3%	0.1%	5.3%
YEMEN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ZAMBIA	10.9%	0.1%	0.6%	3.3%	0.4%	0.3%	15.5%
Average	6.0%	0.0%	0.9%	3.3%	0.4%	0.1%	10.7%

(ii) Individual charts comparing the country results for each benefit:



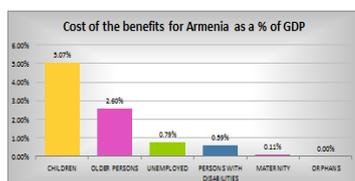
(iii) A chart displaying the cost of the complete benefit package together for all countries with the whole set of information:



(iv) The individual country worksheets indicating the relevant input variables used, as well as the calculated cost of the schemes. All benefits modelled are described and their individual and summed cost as a percentage of GDP. The results appear in a table and are additionally plotted in a graph, which orders the benefits from highest to lowest cost.

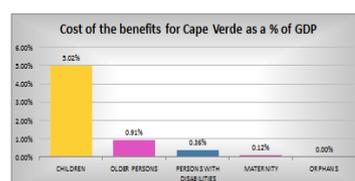
Country	Armenia
Original Data	
Total Population	2,983,990
GDP per Capita in LCU	1,579,610.5
National Poverty Line in LCU	396,337.2
Minimum Wage	540,000.0
% of Children in the Population	20.2%
% of Orphans among children	0.0%
% of older persons in the Population	10.4%
Average household size	3.8
Disability rate	3.37%
Total Fertility Rate	1.7
% of fertile age women	25.6%

Cost of benefit as % of GDP	
15 years old) benefit of 100% of poverty line to all orphans	5.07%
persons 65 and over of 100% of the of 100% of minimum salary to one poverty line to all persons with	0.00%
of 100% of the poverty line to all	0.79%
	0.59%
	0.11%
Total Cost	9.16%



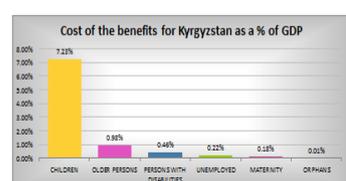
Country	Cape Verde
Original Data	
Total Population	503,637
GDP per Capita in LCU	346,727.9
National Poverty Line in LCU	60,314.5
Minimum Wage	n.a.
% of Children in the Population	28.8%
% of Orphans among children	0.0%
% of older persons in the Population	5.2%
Average household size	4.7
Disability rate	3.16%
Total Fertility Rate	2.6
% of fertile age women	26.1%

Cost of benefit as % of GDP	
15 years old) benefit of 100% of poverty line to all orphans	5.02%
persons 65 and over of 100% of the of 100% of minimum salary to one poverty line to all persons with	0.00%
of 100% of the poverty line to all	0.91%
	n.a.
	0.36%
	0.12%
Total Cost	6.41%



Country	Kyrgyzstan
Original Data	
Total Population	5,625,015
GDP per Capita in LCU	68,491.0
National Poverty Line in LCU	16,205.1
Minimum Wage	7,200.0
% of Children in the Population	30.6%
% of Orphans among children	0.0%
% of older persons in the Population	4.1%
Average household size	5.1
Disability rate	3.00%
Total Fertility Rate	2.8
% of fertile age women	26.8%

Cost of benefit as % of GDP	
15 years old) benefit of 100% of poverty line to all orphans	7.23%
persons 65 and over of 100% of the of 100% of minimum salary to one poverty line to all persons with	0.01%
of 100% of the poverty line to all	0.98%
	0.22%
	0.46%
	0.18%
Total Cost	9.07%



Country	Kyrgyzstan
Original Data	
Total Population	5,625,015
GDP per Capita in LCU	68,491.0
National Poverty Line in LCU	16,205.1
Minimum Wage	7,200.0
% of Children in the Population	30.6%
% of Orphans among children	0.0%
% of older persons in the Population	4.1%
Average household size	5.1
Disability rate	3.00%
Total Fertility Rate	2.8
% of fertile age women	26.8%

Cost of benefit as % of GDP	
15 years old) benefit of 100% of poverty line to all orphans	7.23%
persons 65 and over of 100% of the of 100% of minimum salary to one poverty line to all persons with	0.01%
of 100% of the poverty line to all	0.98%
	0.22%
	0.46%
	0.18%
Total Cost	9.07%

