MODULE 2

ADMINISTRATION OF NON-CONTRIBUTORY SOCIAL PROTECTION: DELIVERY SYSTEMS

BUILDING SOCIAL PROTECTION FLOORS IN AFRICA

TRANSFORM

SUMMARY DOCUMENT

LIST OF ABBREVIATIONS

AGSA	Auditor General of South Africa
APP	Annual Performance Plan
BRICS	Brazil, Russia, India, China, South Africa
CT-OVC	Cash Transfer for Orphans and Vulnerable Children (Kenya)
DSD	Department of Social Development (South Africa)
DSW	Department of Social Welfare (South Africa)
GFD	General Food Distribution (Kenya)
HANIS	Home Affairs National Identification System
HRD	Human Resource Development
HRM	Human Resource Management
ICROP	Integrated Community Registration Outreach Program
ICT	Information and Communication Technology
IGAP	Improved Grant Application Process
ILO	International Labor Organization
INAS	National Social Security Association (Mozambique)
M&E	Monitoring and Evaluation
MIS	Management Information System
MOARD	Ministry of Agriculture and Rural development (Ethiopia)
MoSD	Ministry of Social Development (South Africa)
MoU	Memorandum of Understanding
NGO	Non-Governmental Organization
NT	National Treasury (South Africa)
PFMA	Public Financial Management Act
PSNP	Productive Safety Network Programs (Ethiopia)
SASSA	South African Social Security Agency
SIIS	Integrated Social Information System (Chile)

CONTENTS

MODULE 2

1

INTRODUCTION & SETTING THE SCENE

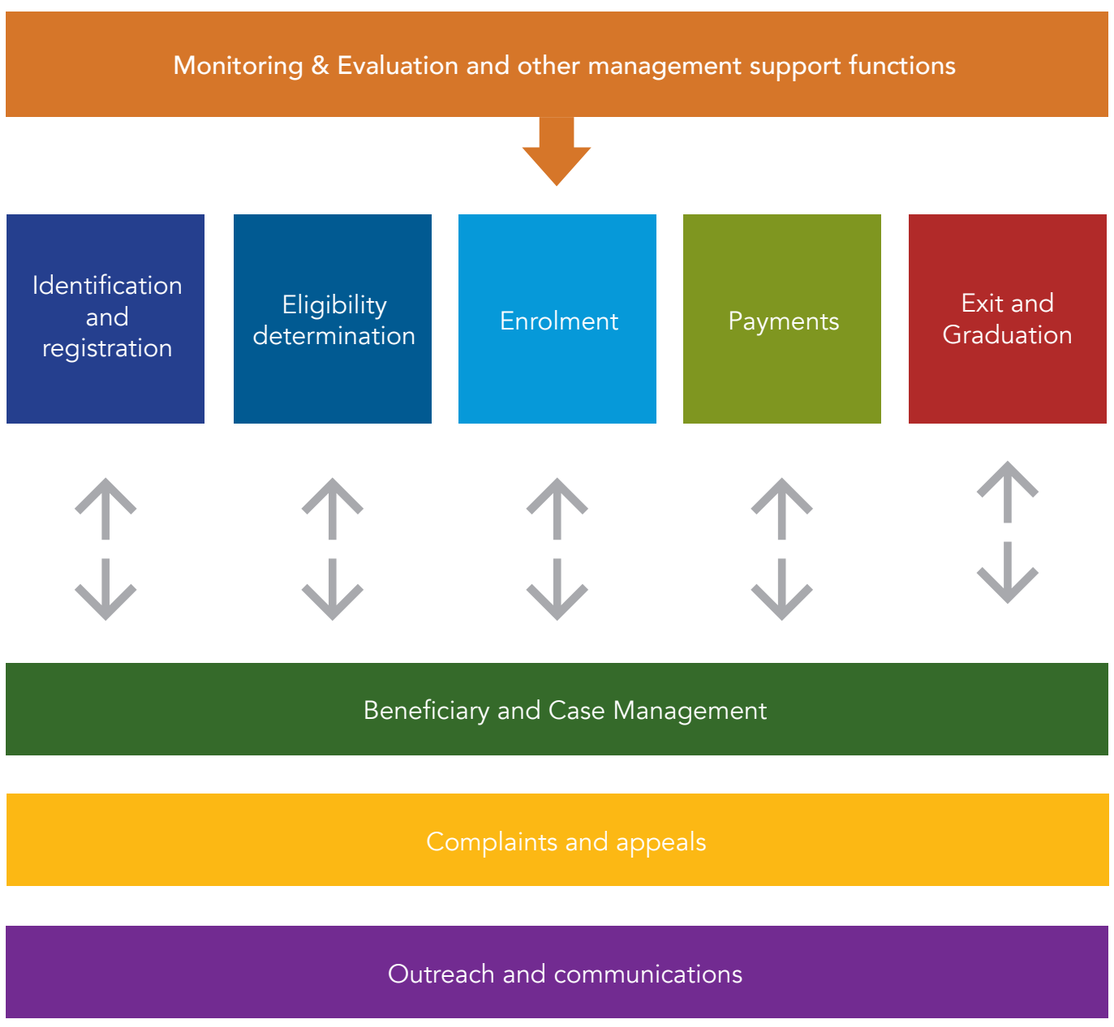
Irrespective of the type of programme, administration is the backbone of a comprehensive social protection system. It ensures the provision of social protection services in a way that is timely, efficient and effective – ultimately serving the needs of beneficiaries ad ensuring schemes are institutionally and politically sustainable.

1.1. THE BUILDING BLOCKS OF SOCIAL PROTECTION ADMINISTRATION

The core function of administration institutions is to deliver social assistance benefits to eligible beneficiaries. This process entails identifying and registering potential beneficiaries, assessing their needs and conditions (assessing eligibility) and making an enrollment decision which determines the benefits or service strategy to be adopted. Once this decision is made, payments, goods or services can be disbursed to beneficiaries. Further administrative systems are also required for collecting and addressing complaints and appeals, managing necessary outreach activities (e.g. communication campaigns) and case management of beneficiaries. In some cases, this may include the management of programme exit/graduation and enforcement of conditionalities. It should be noted that these systems are not less important than the core ones listed above – they simply require higher capacity to administer and are often rolled out at a subsequent stage, once core systems are working smoothly (see Section 1.2).

In the background, solid administration requires a series of management support functions, which are discussed in depth within Module xxx on Governance and Accountability.

Figure 1. Administrative processes and underlying support systems

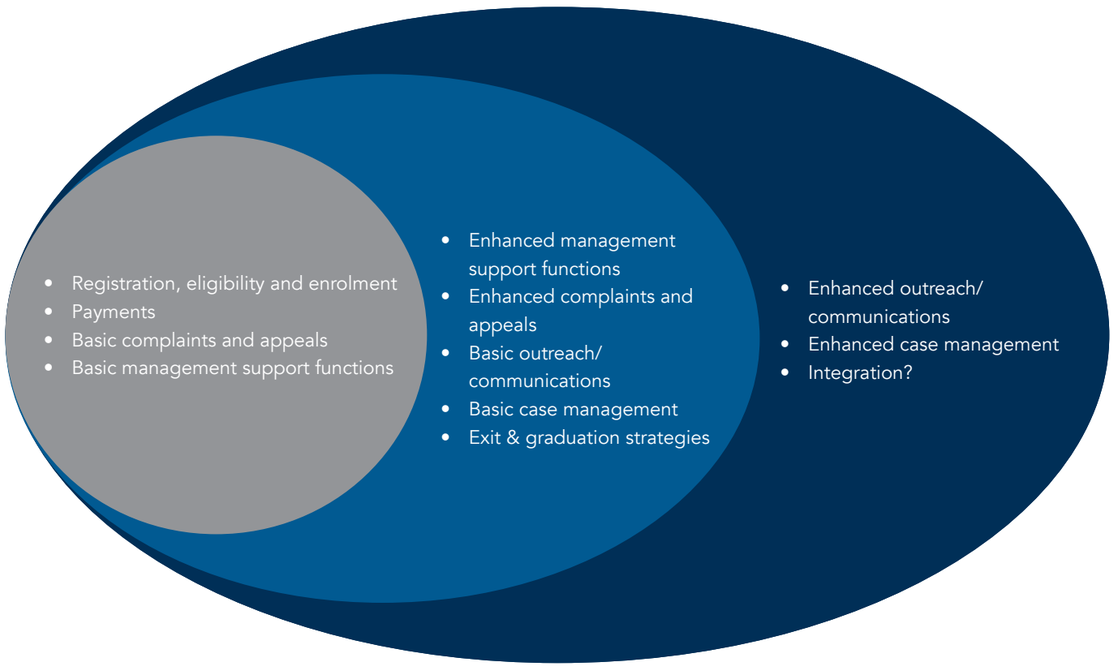


Source: Adapted from Lindert et al (2016) and Barrett and Kidd (2015)

1.2. THE EVOLVING NATURE OF SOCIAL PROTECTION ADMINISTRATIVE SYSTEMS

One further way to understand and interpret the framework presented in Figure xx above is to think of a Social Protection programme as an evolving system which can slowly increase its scale and functionalities over time.
As capacity builds up, pressure for accountability increases, and as funding is secured more sustainably, investments can be made to further increase capacity and focus on a wider range of performance-enhancing systems. This requires a shift from a silo-based conception of social protection administration, to appreciating interlinkages across functions and departments, adopting overall programme performance as a joint obligation/responsibility. It also requires the acknowledgement that social protection systems require long-term planning and vision, as well as continuous adaptation. Ultimately, mature programmes often invest in systems that can help them integrate further with other initiatives in the social protection and social policy sectors, while also expanding their focus to ensure a life-cycle approach to Social Protection (see also Section 2.3 within Module 6). The typical administrative scale-up 'wave' roughly often follows the order visualised in Figure xxx below (partly reflecting an evolution from 'core' to additional functions).

Figure 2 Administrative scale-up



Source: adapted from Lindert (2016)

1.3. KEY STEPS FOR THE DESIGN OF A NEW SOCIAL PROTECTION ADMINISTRATIVE SYSTEM

The steps involved in designing and implementing new administrative systems and functions vary, but typically follow the flow visualised in Figure xxx below, in three key stages:

1. PREPARATION:
Assessment of existing capacity and practice to define key gaps/needs and understand the feasibility of different implementation options.

This could be done through a:

- 'Capacity Assessment': assessing gaps and opportunities of three core aspects of capacity to deliver - at the institutional, organisational and individual level. The assessment should cover human resources, administrative systems (e.g. MIS), technological capability and fiscal space (see also Section xxx in Module xxxx)
- 'Needs Assessment': systematically determining, prioritising and addressing needs, grounded in local analysis (e.g. data analysis, interviews/questionnaires, etc)
- 'Feasibility Study': assessing practical feasibility of suggested implementation options (in terms of financing, capacity, resources needed, etc)

2 DESIGN:
Setting up of a task force (e.g. Project Management Unit) that drives the effort and is responsible for:

- Defining the overall strategy/plan. Setting the vision and how it supports the national development plan or poverty reduction strategy, ideally receiving legal approval and backing (see also Section xxx in Module xxx)
- Developing a costed and timetabled implementation plan, to be held accountable against
- Ensuring standard practices and Service Standards are defined (see also Section xx in Module xx)
- Ensuring roles and responsibilities are formalised (e.g. in job descriptions)
- Ensuring support materials are developed – most importantly operational manuals (see Box xxx) outlining standard and recommended procedure
- Ensuring staff are sufficiently trained and aware of forthcoming changes (see also Section xx in Module xx)

3 IMPLEMENTATION:
Testing, revising and implementing the new system, ensuring ongoing monitoring feeds into continuous improvement (see also Section xxx n Module xxx) and wider accountability systems are in place (see also Section xxx in Module xxx)

MODULE 2

2

REGISTRATION, ELIGIBILITY DETERMINATION & ENROLLMENT

2.1. REGISTRATION AND ELIGIBILITY DETERMINATION

See Module 6.

2.2. ENROLMENT AND DETERMINATION OF BENEFITS/SERVICE STRATEGY

From an administrative point of view, it is important at this stage that:

a) Non-beneficiaries are informed of the decision (including reasons to the extent possible) and their rights to appeal. This can be done by letter, by SMS/phone or in person, ideally guaranteeing written proof of the process outcome.
b) Beneficiaries are informed of their entitlement, rights and responsibilities in relation to the programme. This can be done as above, and would ideally be linked to a Charter of Rights and Responsibilities (see also Section 3.3.6).

At a second stage, eligible recipients may be required to a) nominate an alternate recipient; b) provide further documentation or information (e.g. choose a PIN or record biometrics, etc). In some cases, this will require a further data collection exercise. Following this process, recipients will need to receive a document for the purpose of identifying themselves and receiving payments. Depending on the extent of computerization needed, this can be a programme identification card with a beneficiary's name and photo or an electronic smartcard with biometric data, including fingerprints, voice recordings and a digital photo.

2.3. UPDATING INFORMATION FOR ONGOING REGISTRATION

For a Registration system to be fully effective it should aim to offer:

- Dynamic inclusion of new-comers (e.g. migrants, new-borns, newly eligible beneficiaries)
- Dynamic inclusion of individuals/households facing transitory shocks – both co-variant (e.g. natural disaster) and idiosyncratic (e.g. crop failure, unemployment, sickness) – and conditions (e.g. pregnancy)
- Dynamic exclusion/exit of those that passed away, no longer qualify or graduate out of the programme

Given the nature of poverty and vulnerability, any system that bases identification and selection of beneficiaries on a static snapshot will likely face serious challenges in providing support to those most in need and in line with a life-cycle approach to addressing poverty and vulnerability. However, ongoing registration and re-assessment of household conditions is a labour intensive process, requiring notable investment in administration – including staffing. Best practice internationally in maintaining up-to-date and quality registration data includes:

- Where feasible, running a Case Management system that supports ongoing registration – based on an up to date assessment of household conditions (see further details in Section 6).
- Maintaining a focus on reaching households facing the greatest barriers to access through explicit and ongoing outreach campaigns (see also Section 8);
- Checking and updating key data every time a beneficiary makes contact with local offices for any reason (by phone or in person) – for example, this is done by SASSA in South Africa;
- Where feasible (e.g. network of local staff) adopting an on-demand data collection approach to continuously update information on existing beneficiaries and enter information on potential beneficiaries (see Module xxx for further details and pros/cons versus other approaches)
- Where feasible, integrating programme MIS – and integrated Registries – with other government databases (e.g. Civil Registry) to ensure continuous updating of key information (e.g. instant update when someone dies or is born) – see Module xxx for more details;
- Applying the same quality standards to re-registration as registration

For example, it is less likely that households will report a positive change to their living conditions, leading to a potential increase in inclusion errors over time.

MODULE 2

3

PAYMENTS

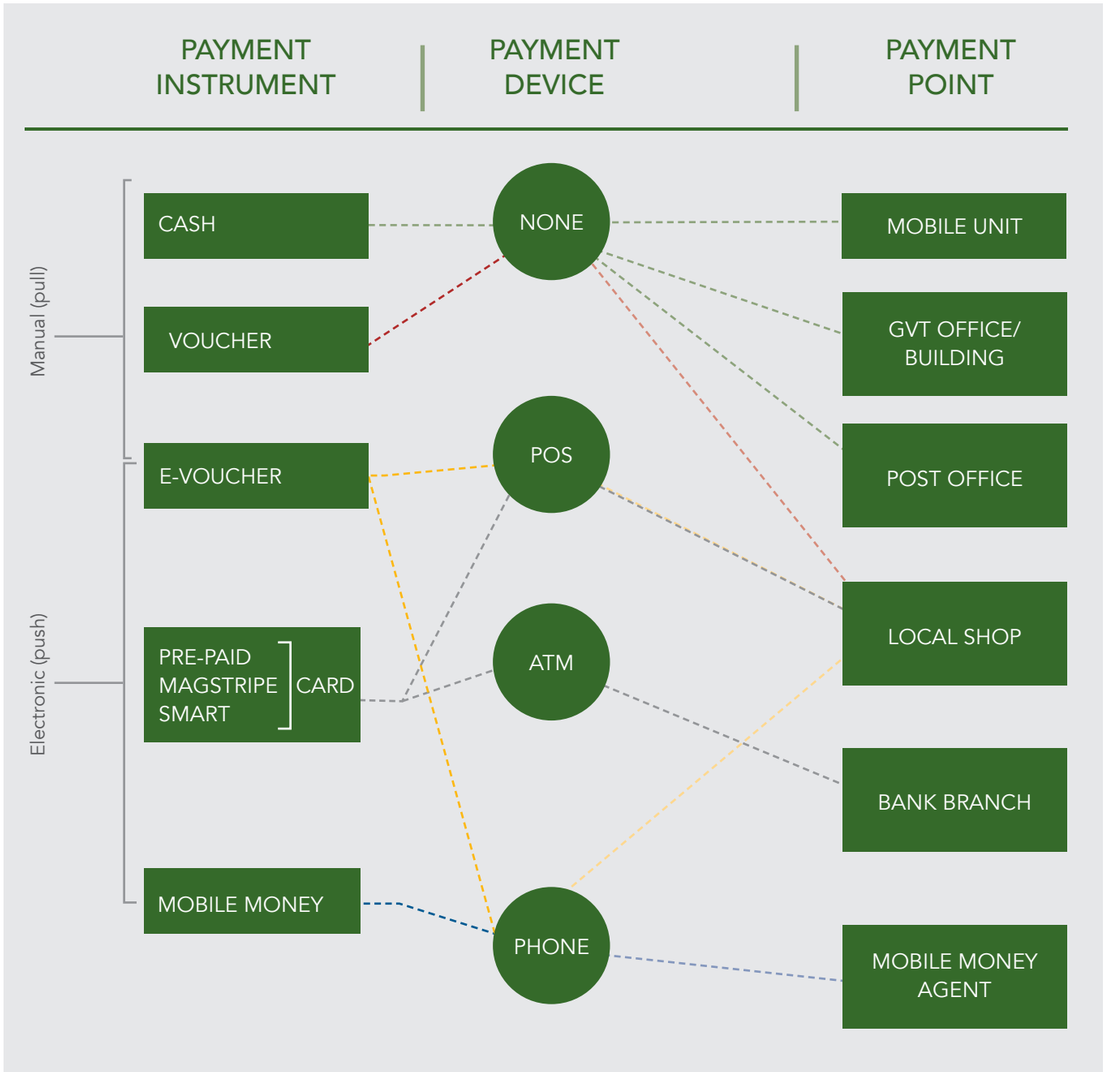
In this Section we focus on non-contributory cash transfers, for which the social assistance payment system regulates the process of receiving funds and allocating them to beneficiaries. "The goal of a payment system is to successfully distribute the correct amount of benefits to the right people at the right time and with the right frequency, while minimizing costs to both the program and the beneficiaries" . The way benefits are paid is important as this can: a) mediate the impact of a program (e.g. spending patterns, financial inclusion); b) affect the cost and risks faced by a program; c) affect burden on recipients.

For the most up to date and systematic overview of evidence on this topic see the What Matters in Social Protection Payments ISPA tool.
Grosh et al (2008), p. 156

3.1. OPTIONS FOR PAYMENT MODALITY

Payments can be offered through various payment instruments, using different payment 'devices' and distributed at a variety of payment points – each of which have their pros and cons. We describe these below (see ISPA Payments Tool for further details), visualizing how they combine to define a given payment 'modality' or 'system' in Figure xxx.

Figure 4 Options for payment modality



Source: authors, based on ISPA 2016

3.1.1 Payment instruments and associated payment device

Non electronic (manual) systems

- **Cash** – physical money in the form of notes and coins distributed at a particular pay point (e.g. ad-hoc mobile unit or within an existing network such as a Post Office.
- **Voucher** – A paper based voucher that can be redeemed at a participating merchant in exchange for specific value of cash or goods.

Electronic Systems ('e-transfers')

- **e-voucher** – A unique serialized voucher, recorded in a database, which can be redeemed electronically in exchange for cash or goods within a network of participating merchants (who either use mobile phone or Point Of Service (POS) devices as payment device).

- **Payment Cards** - various categories with differing functionalities (all using POS or ATM as payment device)

    - **Pre-paid cards** are either charged with a fixed amount at purchase and disposable or may be reloadable, the stored amount is reduced by each purchase or transaction.
    - **Magstripe debit cards** are linked to a bank account, meaning the transaction requires a PIN.
    - **Smart cards** have either a microprocessor or memory embedded in them. They have greater functionality than magstripe only cards but are also more expensive (up to five times more than magstripe cards). These cards can be personalized with the holder's biometric information such as a fingerprint or photo and can be used to carry out offline transactions.

- **Mobile money** - A mobile wallet/virtual account /full bank account is linked to the mobile number which would act as the primary means of access to funds stored in the account. Typical banking type transactions are provided for via various mobile phone interfaces including SMS/Text and Smart Phone applications (payment device).

- **No physical payment instrument** – e.g. using fingerprint at an electronic payment transaction device such as a POS or a one off code at an ATM in a card-less transaction.

3.1.2 Payment point or 'channel'

These main instruments adopted internationally can be grouped depending on their respective payment point or 'channel' (which ultimately corresponds to the Payment Service Provider), each of which has relative advantages and set-backs, as summarized in Table xx on the next page.

Table xx Different 'payment channels', strengths and weaknesses

OPTION	POTENTIAL STRENGTHS	POTENTIAL WEAKNESSES
Direct distribution of cash through Mobile Unit	• Easy and fast to set-up (in-house) • Low cost to set-up • Low technology • Offers opportunities for program engagement	• Staff intensive and higher cost to run • Security concerns/costs, fiduciary risks, leakage • Physical security risk • Needs strong systems to verify identity • Potentially higher burdens on beneficiaries (distance, queueing, inflexibility, etc) • Cumbersome reconciliation process
Post Offices or other state corporations/ offices	• Piggybacks on existing country-wide network • Capacity and experience in dealing with cash collection and payments • Improved solvency as receives government support • Allows more flexibility for collecting the benefit	• Programme registry/MIS is a prerequisite • Coordination and capacity problems • Security concerns/costs, fiduciary risks, leakage • Needs strong systems to verify identity • Potentially higher burdens on beneficiaries (distance, queueing, etc)
Local merchants (using pre-paid, debit or smartcards, or e-voucher)	• More flexible (cash collected where and when needed) • Wide reach across the country (in every community) • Potentially lower burden on beneficiaries (queues, etc) • More secure • Efficient and effective: reduces intermediaries, delays, discretion • Cards could impact financial inclusion and savings	• Programme registry/MIS is a prerequisite • High start-up costs (and longer time) • Requires training and setting up of network of merchants with POS devices • Could require ownership of national ID and may have stringent registration process • Less easy to access for illiterate beneficiaries • Fraud through stealing of card/pins Requires mobile network coverage • Could include fees incurred by beneficiaries • Formal rules need to allow e-money issuance by banks and non-banks

Chip-reading POS terminals are also twice as expensive as terminals for magstripe cards.

The use of one or the other further affects strengths and weaknesses as some offer different services compared to others (e.g. smartcards can be used offline, magstripe debit cards can be linked to individual bank accounts, etc)

OPTION	POTENTIAL STRENGTHS	POTENTIAL WEAKNESSES
Banks (and ATMs)	• Extensive financial experience and competence, plus regulatory control by Central Banks • Reliable availability of funds • More flexible (cash collected where and when needed) • Potentially lower burden on beneficiaries (queues, etc) • More secure • Efficient and effective: reduces intermediaries, delays, discretion • Cards could impact financial inclusion and savings	• Programme registry/MIS is a prerequisite • High start-up costs (and longer time) • Requires ownership of national ID and may have stringent registration process • Less easy to access for illiterate beneficiaries • Fraud through stealing of card/pin • Requires mobile network coverage • Could include fees incurred by beneficiaries • Formal rules need to allow e-money issuance by banks and non-banks • Requires sufficient ATMs and banking infrastructure • Lower interest in serving low income costumers if private Bank
Cell-phone banking through Mobile Money Agents	• Potentially lower burden on beneficiaries (queues, etc) • Efficient and effective: reduces intermediaries, delays, discretion • More secure • More flexible (cash collected where and when needed) • Piggybacks on existing network of Agents	• Programme registry/MIS is a prerequisite • High start-up costs (and longer time) • Less easy to access for illiterate beneficiaries • Requires ownership of national ID and may have stringent registration process • Only works where cell-phone penetration and coverage is high and cell-phone banking popular • Formal rules need to allow e-money issuance by banks and non-banks

Sources: adapted by authors based on Grosh et al (2008); Barca et al (2010); Government of Kenya (2012); O'Brien et al (2013); ISPA Payment Tool (2016)

3.1.3. Evaluating the choice of payment modality

While each payment modality used for distribution has some advantages, not all of them can perform adequately in every circumstance. Therefore the choice must take into account each modality's cost effectiveness given country-specific constraints (physical, financial and technological infrastructure necessary to support it). For example, while there has been a lot of hype around the use of new technologies and e-transfers (e.g. using e-vouchers, cards and mobile money), these may not always be the best placed to deliver desired results (see key quality criteria in Section 3.2 also below). Table xx summarises the main advantages and challenges of e-transfers. Overarching best practice to be kept in mind when selecting a payment modality includes the following (O'Brien et al, 2013; ISPA Payment Tool, 2016):

- Remaining 'technology agnostic' when assessing pros and cons of different payment modalities
- Choosing based on careful assessment of cost and quality (not just cost) – see Section 3.2
- Making good use of any pre-existing delivery systems: e.g. choice is based on an assessment of a country's financial infrastructure to verify the geographical coverage and efficiency of existing systems
- Basing choice on a thorough understanding of local infrastructure (e.g. availability of electricity, frequency of power failures, availability and reliability of telephone lines and cell phones as well as the costs of using them), and legal framework
- Considering expected size, timing, duration and objective of programme (e.g. high start-up costs worth it for larger/longer term or recurrent programmes; higher negotiating power if large/long term; if objectives include financial inclusion, need for 'mainstream accounts')
- Selecting a modality that is flexible enough to respond to changing needs
- Careful contracting and negotiating (what's in it for the payment provider: lowers costs)
- Up-front risk assessment and contingency planning
- Institutionalizing monitoring and preparing to adjust
- Offering a choice of different payment modalities to beneficiaries as no single mechanism is able to serve all areas or respond to all needs

Table xxx Advantages and challenges of e-transfers

ADVANTAGES OF E-TRANSFERS	CHALLENGES OF E-TRANSFERS
• Reduced fraud, increased security • Reduced costs to government in medium-long term and at scale • Faster, more convenient and more flexible payments, and increased control and privacy to recipients • Potential delivery of financial services (if linked to bank accounts or mobile wallets)	• E-transfers require external provider: risk of monopoly pricing or misuse of data • Require MIS, compliance with KYK standards and adequate infrastructure (high set-up costs) • Subject to network downtime and service unreliability • Subject to agent/ATM liquidity • Perceived as 'complex' by beneficiaries (e.g. use of PINs, saving) • Potential exclusion (ID, fingertips, etc) • Less chances for face-to-face programme interactions (e.g. addressing grievances, queries, etc)

Source: adapted by authors based on O'Brien et al (2013); ISPA Payment Tool (2016)

3.2. KEY PRINCIPLES FOR DESIGN AND IMPLEMENTATION

Whether managed in-house or through an external provider, and whether distributed cash-in-hand or adopting e-transfer technologies, a few basic principles need to be ensured when designing and implementing the selected payment system (see also ISPA Payments tool). These are summarized in Table xxx below.

Table XXX Payments: basic quality principles to be ensured

ACCESSIBILITY	• **Cost of access** (direct, indirect and opportunity cost)
	  • Acceptable distance to the paypoint
	  • Reducing congestion (queues) at the paypoint
	  • Ensuring no additional financial costs for beneficiaries
	• **Appropriateness**
	  • Possibly ensuring some flexibility as to when and how transfers are collected and how much is collected
	  • Sufficient training and communications on how to access payments
	  • Accessible technology (including for illiterate, etc)
	  • Sufficient staff support
	• **Rights and dignity**
	  • Non-stigmatising
	  • Non-excluding (e.g. illiteracy, disability, worn fingertips for biometrics, etc)
	  • Suitable Complaint and Appeal Mechanism and M&E system

ROBUSTNESS	• **Reliability**
	  • Priority given to ensuring predictability and regularity of payment: calendar of payment dates that is defined, communicated and adhered to
	  • adequate liquidity and cash management, as well as contingency planning for delays
	  • electronic support mechanisms where possible
	  • Governance
	  • Clear procedures, processes, roles and responsibilities must be defined and recorded in an (recorded in manuals, contracts, etc)
	  • Oversight of the payment service provider, if external
	• **Security**
	  • Ensuring full amount reaches recipients (management of fiduciary risk and reconciliation of payments)
	  • Protecting recipients from fraud and theft at the point of payment
	  • Protection of personal data
	  • Two-factor authentication as minimum standard for payments

INTEGRATION	• **Financial inclusion**
	  • Ensuring access to financial services where possible (can enhance the developmental impact of the transfers)
	• **Coordination**
	  • Coordinating payments across programmes where possible (improves efficiency)

Source: developed and integrated by authors based on ISPA Payments tool

3.3. IN-HOUSE VS. OUTSOURCED PAYMENT SYSTEMS

Beyond the specific payment modality selected, the effectiveness of a payment system is also determined by its overarching management arrangements. The management of payments can either be:

- Performed in-house: needs sufficient level of capacity and decentralized presence across a country. Most often ran manually through Mobile Units and may include the electronic transfer of funds from the implementing agency's programme account to a series of district level accounts (or other local areas implementing area).
- Outsourced : allows programs to take advantage of external providers' expertise (e.g. e-payments) but may contribute to the price of delivery of the benefit and could increase possibilities for fraud, misuse of data and monopoly pricing in the medium term (more actors involved). For these reasons, TORs and contractual relationships need to be carefully developed. Moreover, the programme should bare the ultimate responsibility to oversee the contractor and to ensure reliable payments.

3.4. ENSURING PREDICTABILITY OF PAYMENTS

Delays in the disbursement of upstream funding can cause knock on delays to the ultimate beneficiaries receiving transfers.

So how to ensure this does not happen? Best practice includes the following (see also Module xxx, Section 5.5):

- Minimising the number of accounts through which resources need to be moved
- Automating transfer procedures where possible (e.g. reconciliation and approval processes)
- Ensuring timely approval of budgets and monitoring availability of funds
- Defining a strategy for liquidity and cash management, as well as contingency planning for delays
- Enhancing budget coordination and awareness among the relevant government departments and development partners
- (Where feasible) utilizing the country's single treasury account system
- Exploring the feasibility of classifying social protection expenditures as personnel emoluments rather than general expenses in the national budget(these are prioritized government expenses that are honoured and predictable)

CSIR, 2014, p. 35

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4

EXIT (OR GRADUATION?)

We start by defining the key terms, which are controversial. Programme Exit refers to the exclusion from the programme of those that either passed away or no longer qualify (based on pre-determined programme criteria). Importantly, programme exit does not depend on a participant's behaviour or economic status, as is the case for graduation. Built-in exit strategies include the following:

- Age limits - e.g. child grants covering specific age groups (such as South Africa's Child Support Grant)
- Time limits - e.g. many public works programs limit participation to a specified number of days and certain programs only run for a limited time-period
- Benefits for temporary conditions - e.g. pregnant women or temporarily disabled individuals
- Declining benefit levels – e.g. these often accompany time limits and can help families prepare to become self-sufficient upon their exit from the program.
- Managing Programme Exit requires systems that can help to smoothly manage the process: on one hand a data management system (e.g. MIS – see Module xxx) that can track and flag individuals and households that are no longer eligible (e.g. have exceeded age limit) and on the other staffing at local level that can provide guidance and support for those who are no longer assisted by the programme (Beneficiary Management, see section xxx).

Graduation refers to the ability of individuals or households to exit a social protection programme by passing an eligibility 'threshold' (e.g. asset-based). This is often intended as 'graduating out of poverty', or no longer needing external assistance. Graduation is "more adapted to the specific vulnerabilities of participants (compared to programme exit), since participants who are unable to lift themselves out of poverty continue with social protection support. However, this sensitivity can create perverse incentives to remain below the 'graduation threshold', particularly if the programme has no provision for re-entry in the face of subsequent shocks" (Samson, 2015) .

Importantly, graduation can be pro-actively pursued through complementary activities aimed to increase households' income, skills, and human capital to promote better long-term welfare and self-reliance. The most frequently referenced examples of such 'developmental graduation' – which does not necessarily entail exit from the programme – are BRAC's Challenging the Frontiers of Poverty Reduction (CFPR) programme, Rwanda's VUP and Ethiopia's Productive Safety Net Programme (PSNP, see Box xxx).

- Managing programme graduation – and to a higher extent 'developmental graduation programmes' – requires very high levels of resources, capacity and capillary presence at local level, conditions that are not often satisfied in a Sub-Saharan African context.

Whether conceptualized as programme exit or graduation, several notions should be kept in mind when designing a Social Protection programme which aims to terminate the delivery of its benefits at some point in time (see also Devereux blog):

- Strategies for Programme Exit or graduation should not be driven by budget considerations (taking some people off the programme to get other people on) or fear of creating dependency. The goal of an exit strategy (if any is required) should be to ensure sustainability of program impacts – ideally in an inter-generational perspective.
- Setting up systems to enable a 'revolving door' (rather than a 'one-way door') into the programme, making Social Protection social protection available to whoever needs it, whenever they need it.
- Setting up systems to facilitate movement into other support, as needed, including social insurance and social services.
- Ensuring protection (and continuous receipt of support) for those categories of beneficiaries and households for which 'graduation' or programme exit is not an option (e.g. those who do not have the capabilities for generating self-reliant livelihoods, e.g. the disabled, chronically sick, etc). This is particularly relevant to many programmes in Sub Saharan Africa targeted at labour-incapacitated households or skip-generation households (e.g. OVCs).
- Defining clear and consistent eligibility/exit/graduation criteria and measurable benchmarks of progress in meeting the criteria. Eg. strong systems for collecting and managing data to monitor achievements against these; defining a timeline for the exit process, action steps and responsible parties; widely communicating the criteria.
- Even when programmes do not have explicit graduation objectives, ensuring they facilitate progress towards graduation outcomes - for example by explicitly focusing on improving livelihood choices and productive income-generating investments.

For this reason, programme exit has been classified as 'exogenous', while graduation can be classified as an 'endogenous' approach to programme exit (Samson, 2015).
See above.
Of course these do not apply to households where the main beneficiary has passed away. For more thoughts on the topic see this blogpost by Devereux on 'responsible graduation' here.

MODULE 2

5

COMPLAINT & APPEAL MECHANISMS

Recommendation 202 (R. 202) on National Social Protection Floors (2012) calls for adequate systems for complaint and appeal (sometimes referred to as 'Grievance Mechanisms') and further systems for accountability enhancement (see also Box xx below). Setting up such systems is primarily a challenge of governance: overcoming governments' resistance to receiving negative feedback and incorporating beneficiary perspectives into ongoing programme re-design.

5.1. WHAT IS A COMPLAINT AND APPEAL MECHANISM?

A Complaint and appeal Mechanism is a system that allows citizens to complain or provide feedback to the implementers of a given service, and allows implementers to respond to those complaints or feedback. By doing this, well-functioning Complaint and Appeal Mechanisms provide a predictable, transparent, and credible process to all parties, resulting in outcomes that are fair, effective, and lasting and can contribute to: increase overall programme accountability; increase citizen trust and involvement; solve operational issues on an on-going basis (at low cost); curb corruption, and; standardise programme implementation and performance.

There are three main types of grievances communicated through a functioning Complaint and Appeal Mechanism:

- **Complaints:** expression of dissatisfaction where the claimant is unhappy with the service rendered and potentially requests a changed outcome or action. These could in turn be:
  - 'Informal' complaints that are easily solvable at point of contact, for example by providing additional information
  - 'Formal' complaints that require action at higher level

- **Appeals:** expression of dissatisfaction with a decision to provide or not provide a service/benefit. This is a quasi-legal procedure, involving a decision about the applicant's statutory rights under legislation. By definition, these need solving at higher level.
- **Feedback:** any comment, positive or negative, that any interested party wants to share to improve services. These need to be systematically collected, analysed and addressed.

Also, the management of complaints, appeals and feedback can be implemented at three different levels (Barrett and Kidd, 2015):

- First tier: operated by the payment service provider and focused on issues with payments
- Second tier: operated either by the cash transfer programme administrators (often working in collaboration with local government) or an independent agency (e.g. and NGO, as in Kenya's HSNP) and focusing on the overall cash transfer operations. This may coincide with the first tier if payments are conducted in-house.
- Third tier: operated through an independent authority acting as a destination of last resort, such as a Human Rights Commission, an Ombudsman or the justice system. This is discussed in Module xxx, Section xxx.

Box xxx Key principles governing Complaint and Appeal Mechanisms

For complaint and appeal mechanisms to be effective, Recommendation 202 specifies that they should be 'impartial, transparent, effective, simple, rapid, accessible', and 'free of charge for applicants'. These principles are discussed in more detail below, together with a few others from international best practice:

Impartiality and consistency: Each case has to be considered on its own merits and all evidence should be clearly documented and analysed. Decisions should be consistent.

Transparency, clarity: Complainants/appellants should be given a clear explanation of the criteria for accepting complaints/appeals and a guide to the way they will be addressed including speed of response and staff behaviour. Outcomes should be transparent.

Effectiveness and rapidity: Complaints should be resolved as quickly as possible. Local level points of contact should deal with simple complaints, while a system for regular internal reporting should facilitate escalation of unresolved complaints. To facilitate easy use, complaints and appeal mechanisms should be simple and rapid.

Accessibility and simplicity: The service should be known, free to use, open, simple and available to all who need it. Awareness material should be available, personnel should be contactable by letter, e-mail and telephone, literacy and language barriers should not exist.

Responsiveness: The mechanism should respond to the needs of all complainants. Special measures may be needed for managing contacts with appellants who have particular needs and for responding to unreasonable demands or behaviour of complainants and appellants. This requires proper training of staff and adequate resources.

Proportionality: This implies an assessment of the complaint and a response to it that takes into account the nature of the issue and the effect it has had on the complainant/appellant. The depth of the investigation and the time taken may be proportional to the seriousness of the issue, however quality of evidence and investigation should remain.

Confidentiality: Complainants have a right to expect that their privacy will be respected and their complaint will be investigated in privacy.

This section draws on work performed in Indonesia, Moldova and Zambia by Oxford Policy Management. See also Grievance mechanisms for social protection programmes: stumbling blocks and best practice (UNDP-IPC one-pager, Oxford Policy Management

Complaint and Appeal Mechanisms worldwide are often under-used and/or under-performing. In the field of Social Protection and Cash Transfers this is particularly the case.

There are demand (not feeling entitled, lack of information, embarrassment, etc) and supply-side problems (government resistance to criticism, lack of a standardised process, lack of communication and training, etc) underpinning this, which need to be adequately addressed when designing a Complaint and Appeal Mechanism.These concerns are likely to apply more forcefully to vulnerable groups and those who are politically, socially or geographically marginalised.

5.2. BEST PRACTICE SETTING UP A FUNCTIONAL AD-HOC COMPLAINT AND APPEAL MECHANISM

The main barrier to overcome when aiming to implement a functional Complaint and Appeal Mechanism can be Government resistance to 'criticism'. This requires a cultural shift, stressing the strong advantages of a system that ensures accountability while also contributing to ongoing programme improvement. International best practice implementing such a programme-specific system stresses the importance of the following:

- There are various options for receiving/collecting complaints and appeals exist, each with pros and cons, listed below.

Table xx Main types of programme complaints and appeals channels: pros and cons

TYPE OF CHANNEL	PROS	CONS
Social Assistant / Social Worker	• Strong understanding of SP programmes • Very accessible locally • Regular contact with SP programme management • Can be easily trained	• Potential conflict of interest (cannot complain to them about their conduct) • Not always capable of solutions (e.g. targeting) • Not anonymous or confidential • Could be biased against certain community members
Complaints Box	• Easy to set up • Can be anonymous (if form clearly states name and address not needed)	• Not adequate for those who are illiterate • Conviction on behalf of complainants that it would not be acted upon
Call centre	• Direct • Simple • No problems linked to illiteracy • Theoretically can be anonymous/ confidential • Useful in decentralised contexts	• The poor are less likely to have access to a phone or to be willing to pay for the call • Less trust in revealing their identity and problems to someone who is not known • More difficult for the household to follow up on how the complaint is being managed • Needs to operate very well, or can backfire

Table xx Main types of programme complaints and appeals channels: pros and cons continued

TYPE OF CHANNEL	PROS	CONS
Community Grievance Committees	• Members are from the community; widely known and trusted • Easy to access (direct and simple) • No problems linked to illiteracy	• Not anonymous or confidential • More costly to set-up (identify actors) and train • Cannot make-up for general programme weaknesses
Mobile unit	• Direct • Simple to access • No problems linked to illiteracy • Theoretically can be anonymous/ confidential • Unbiased/external	• Reluctance to involve external actors (no trust in revealing their identity/problems to someone who is not known) • Not easily organised throughout the country • Costly to set up • People can only complain periodically

Source: Barca (2015), with some reference to Bassett and Blanco (2011)

- **It is most effective to resolve complaints and appeals at the point of service delivery where information and transaction costs are lowest.** This can easily be achieved if standard responses and actions are developed for the most common complaints and appeals received – and if staff are trained on these responses and apply them consistently.

- **Accessibility and effectiveness** of programme complaint and appeal mechanisms can be improved by: ensuring multiple channels for receiving complaints and appeals to guarantee complainants' convenience, cultural preference, and ease of use; ensuring channels respond to supply and demand-side barriers faced by complainants and appellants; ensuring that the system is widely publicised through communication strategies specifically targeted to the poorest and most marginalized households, and; enabling independent channels for redress and strengthening other systems for accountability – as discussed extensively in Section xx xin Governance Module.

- **Transparency and the ultimate impact** of a complaint and appeal mechanism can be enhanced by aggregating data into a national report that can be used for learning and improving systems. Creating a grievance 'module' within programme or national MISs can make this process almost automated (see Module xxxx).

MODULE 2

6

CASE MANAGEMENT & LINKAGES

Each beneficiary accessing a Social Protection programme comes with a particular history and set of needs, which are not necessarily all addressed through standard programme operations – or cash transfers alone. In fact, non-contributory Social Protection is only one component of a holistic response to social welfare needs. Moreover, a common problem with existing programmes is the disconnect that beneficiaries can feel following initial registration and enrolment and the lack of ongoing programme engagement and support – which can ultimately negatively affect its impacts.

A program-level Case Management System would follow each individual 'case', ensuring that beneficiaries' needs (children, disabled people, the elderly, vulnerable households, etc) and situation are assessed on a continuous basis and addressed:

- within the programme ('Beneficiary Case Management'): providing tailored guidance/ information/support while addressing case-specific issues (e.g. monitoring conditionality, ensuring information update, re-registration, etc)
- outside the programme, identifying needs and linking beneficiaries to a wider set of complementary services available within the country (through some form of a 'Linkage and Referral System', which could be extended to the wider community – not only beneficiaries)

The main challenge to setting up such systems is lack of budget and qualified staff at community level, a prerequisite for adequate functioning. For this reason, the set-up of Case Management Systems is often tackled only after other core processes have been designed and implemented (see also Figure xxx). Importantly, programme MIS can support these systems, especially when integrated with other social sector MISs.

6.1. BENEFICIARY (CASE) MANAGEMENT

Implementing Beneficiary (Case) Management using existing programme structures can include the following:

- Using automated functions within a programme MIS to signal cases in need of further action and support
- Using the social welfare workers/extension workers who enrol and interact with cash transfer beneficiaries at local level (or other existing community-based structures – sometimes voluntary) to engage in broader dialogue with beneficiary families and their communities:
    - solving case-specific issues and monitoring 'progress' (including use of the transfer and adherence to conditionalities) – see also Section 7
    - supporting the process of data update/recertification/de-registration (see also Section 2.3) and 'graduation' (see also Section 4)
    - supporting the collection and channelling of programme-specific complaints, appeals and questions (see also Section 5)
    - discussing the importance of certain health, nutrition and child-protection related behaviours (see also Box xxx for example)
    - providing information about the availability of other services and how to access these (see also Section 6.2 below);

6.2. LINKAGES AND REFERRAL SYSTEMS

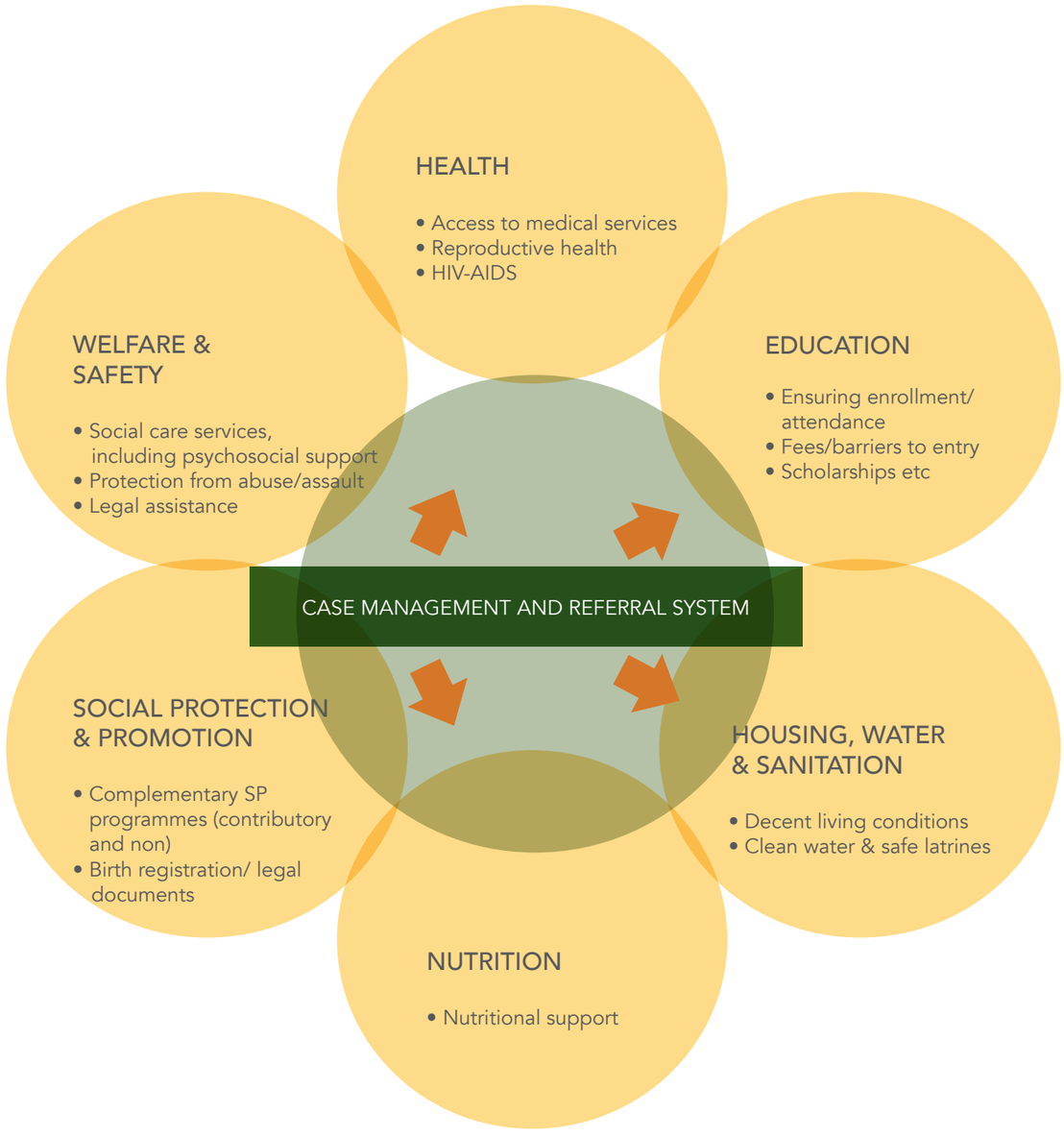
There is a strong case for setting up an effective and comprehensive Linkage and Referral system not only at the program-level, but also at the wider community level to "ensure that all vulnerable (individuals) are identified, their needs correctly assessed and that they receive cross-sectoral support, until there has been a positive outcome for that child and/or family" (IDS, 2012). Such a system would offer a framework within which all sectors playing a role in meeting the needs of vulnerable people are required to communicate and act together, so that the dynamic, multidimensional and complex nature of their vulnerabilities are met (IDS, 2012). This could be comprised of two main pillars:

- Universal access to essential and affordable social services in the areas of health, water and sanitation, education, food security, housing, protection and others defined according to national priorities;
- Social transfers in cash or in kind, to ensure income security, food security, adequate nutrition, and access to essential services.

Of course, such a system can usefully be offered at programme level too – as mentioned in Section 6.1 above. Some social protection programmes automatically link programme beneficiaries to other supportive programmes, including preventative and responsive social welfare services. In many countries, this has meant guaranteeing free Health Insurance to recipients of Cash Transfer programmes (Indonesia, Ghana, Mongolia and Colombia). In others, a personalised system of support is offered to beneficiary households so as to link them to a tailored set of services depending on their situation (e.g. Chile, and pilots in Malawi and Zimbabwe).

The exact mix of services linked through such a comprehensive Case Management and Referral System will depend on what services are actually available in country – and which services are prioritised by governments. Figure xxx below provides an example of the range of services that could be linked. More information on such coordination is also provided within Module xxx of this Training Pack.

Figure xxx Linking services, an overview



Source: Oxford Policy Management (unpublished work in Zambia)

MODULE 2

7

CONDITIONALITY SETTING, MONITORING & ENFORCEMENT

Whether or not conditions should be imposed on cash transfer programmes is an open debate. CCTs are designed so as to incentivise 'desirable' behaviour through a set of 'spelt-out' conditions. If these conditions are not met, the transfers are not given. On one side, CCTs tackle the manifestations of poverty in the short run via the cash 'injection' into the household. On the other, they also influence the more enduring aspects of intergenerational poverty transmission by conditioning the transfer on behaviours that improve human capital accumulation in the long run (such as health and education), hence tackling the root causes of poverty.

However, the argument in favour of CCTs presumes that desirable behaviour can be obtained only by 'explicitly' conditioning the transfer. To the contrary, steering the use of social transfers towards 'socially relevant' outcomes can be achieved, and has often been achieved, through three other mechanisms of less explicit behavioural conditioning (often referred to as 'soft conditionalities').

1. Conditioning on access: beneficiaries of cash transfer programmes are explicitly targeted based on a defined set of socioeconomic characteristics aimed at filtering out non-poor households. These explicit eligibility criteria tend to target a set of beneficiaries who have particular needs and therefore display similar patterns in the use of their transfers.
2. Implicit conditioning: intrinsic characteristics of the programme design (e.g. the nature of the transfer, its delivery mechanisms, etc.) may also act as a conditioning mechanism. For example, the name of the transfer scheme itself (e.g. 'Child Grant Programme' in Lesotho) signals the existence of an implicit contract between provider and recipient as to how the resources are expected to be used.
3. Indirect conditioning: the use of cash transfers can be further conditioned by complementary policy actions that are implemented in conjunction with the transfer (e.g. training/education sessions).

The novelty of CCTs in comparison to previous social transfer programmes is that they are based on an additional 'explicit conditionality' (i.e. the payment is contingent upon the adoption of certain 'desirable' behaviours and these behaviours are explicitly monitored). For policy-makers, the main implication is that there is more than one way to condition behaviour towards desirable outcomes. Different approaches can be used in combination, and the cost-effectiveness of each needs to be carefully evaluated in light of country context and objectives.

7.1. MONITORING AND ENFORCING EXPLICIT CONDITIONALITY, IN PRACTICE

The differences between soft and hard conditionalities are also sometimes blurred in practice. For example, in many CCTs penalties are de facto not strictly monitored and enforced because of budget and capacity constraints – nullifying their potential impacts. Best practice in this regard includes:

- Creating institutional agreements (MoUs, etc) and maintaining ongoing coordination with key stakeholders involved in the monitoring process – most often schools and health centres/hospitals/etc, through their respective line Ministries.
- ensuring conditionality goes hand in hand with adequate and quality provision of services (e.g. strengthening the supply side)
- Training a cadre of staff at local level to proactively monitor the enforcement of conditionalities (see also Section 6 on Case Management), provide warning and offer intermediation services and support to non-compliant beneficiaries. Rigidly imposed conditionalities are more likely to exclude the poorest and most vulnerable and may create adverse incentives.
- Ensuring cost-effective mechanisms for compliance verification. The simplest conditionalities to monitor involve discrete choices, such as school enrolment. However, more effective conditionalities from a policy perspective require monitoring of continuous decisions over time, such as school attendance, which requires considerable capacity.
- Developing a clear strategy for enforcing penalties which is widely communicated and understood.

7.2. CONSIDERATIONS FOR SUB-SAHARAN AFRICA

In light of the considerations above it is clear that adequately monitoring and enforcing explicit conditionalities can come at a considerable cost. Countries wishing to adopt CCTs should carefully consider their feasibility based on overall priorities for policy design and institutional context. The success of CCTs in Latin America was precisely linked to an assessment of this type. If countries in Sub-Saharan Africa and elsewhere want to reap the benefits of CCTs they should first understand whether similar conditions apply to them (see Table xxxx).

Table xxxx

	RELEVANT CONTEXTUAL ASPECTS OF SSA	DESIGN & IMPLENTATION IMPLICATIONS FOR CONDITIONALITY SETTING
Poverty profile	• Widespread poverty levels, high poverty rates and density • Small differences between the lowest income/consumption deciles • Rural poverty (extreme poverty disproportionately concentrated in rural areas)	• Households live below a subsistence level and are not capable of satisfying their basic needs. Spending money on desirable behaviors is therefore an additional burden that detracts from the value of the benefit (effective exclusion of most vulnerable households) • Compliance burden tends to be higher in rural areas (distances, lack of services, etc)
Vulnerability profile	• High vulnerability of households to disease (especially in the context of diffused HIV), seasonal variations and emergencies – including conflict • Skip-generation households • Policy focus on labour constrained household: disabled, elderly, chronically ill, etc. • Centrality of agricultural livelihoods	• Labour constrained and skip generation households – as well as households who have undergone a shock – will find it more difficult to adhere to conditionality constraints • Need for a system (e.g. cadre of local staff) that is capable of providing warning and offering intermediation services and support to non-compliant beneficiaries (flexibility in enforcement)
Services	• Undeveloped supply of services • Inequitable distribution of services • Low quality and effectiveness of services • No capacity for scaling up of public services provision • School/health systems not capable to verify compliance • Lack of analysis or thorough understanding of country-level demand and supply of public services	• Conditioning a programme on non-existent or low-quality services can be extremely counterproductive • Important to ensure social protection administration does not over-burden existing services • High burden on beneficiaries in regard to monitoring their compliance (e.g. families having to provide certificates and incur travel costs to prove compliance) • Insufficient capacity to successfully monitr compliance
Policy	• Policy objectives of social protection programmes often not focused on human capital accumulation (as in Latin America), but on broader objectives (e.g. poverty reduction)	• Easier to condition a transfer on observable and measureable behaviors (e.g. enrolment) than less-observable aspects of behavioral change

Source: Adapted from Pellerano and Barca (2014)

Rural people in most developing countries, but especially in sub-Saharan Africa, rely on agriculture for an important share of their incomes (FAO, 2015).

MODULE 2

8

PROGRAMME OUTREACH & COMMUNICATIONS

ILO Recommendation 202 states that: "when formulating and implementing national social security extension strategies, Members should (…) raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue". This principle is also enshrined in the 'Standards of Accessibility, Adaptability and Acceptability' of the Committee on Economic, Social and Cultural Rights (CESCR) under the United Nations Economic and Social Council (ECOSOC), stating that: "beneficiaries of social protection programmes must be able to participate in the administration of the programme, as well as have the right to seek, receive and impart information on entitlements in a clear and transparent manner".

More than merely providing information, communications facilitates public dialogue, participation and social awareness, and provides a mechanism to enhance program implementation and performance (e.g. increasing take-up). Overarching principles to be applied in this communications effort include:

- Developing a targeted communications strategy by audience, with focus on inclusion of illiterate, marginalised, etc.
- Providing all materials in an understandable format and language, while avoiding stigmatising imagery and words.
- Adopting a range of approaches to spreading information
- Ensuring all communicating are an on-going and iterative effort

This section draws on the World Bank How to Notes on 'Outreach' and 'Communications' and on Oxford Policy Management work carried out in Moldova (not published).

8.1. EXTERNAL AUDIENCES

External audiences cover a diverse spectrum, but typically include program beneficiaries (actual and potential), decision makers at all political levels, academia, the media, and civil society. Public communication should be a programme priority and aimed at regularly informing citizens as to:

- their rights to social protection (and related responsibilities): including information on the range of services available, relevant Service Standards (i.e. what to expect from each programme and from the implementing agency) and range of channels to submit complaints and appeals (see also Section 3.3.6)
- the practicalities of receiving social protection: this includes in-depth and practical information on: eligibility criteria for all social grants; where/how to apply for transfers (e.g. what documentation needed, who to contact, etc); what the application/registration process consists of (timing, etc); where/how beneficiaries can receive their payments and details of payment amounts/frequency;where/how to submit complaints and appeals, appeals and feedback; circumstances in which benefits may be suspended, restored or lapsed; where/how to obtain further information
- The reach and impacts of social protection programmes: documenting and sharing programme progress (number of recipients, areas covered, etc) and impacts – informing public opinion. Kenya's Single Registry website is a great example of such an effort.

To the extent that financial resources allow, the administrative organization should make use of all appropriate mass and tailored communication strategies and all relevant languages. This would include use of: television, radio, a tailored website, toll-free call centers, posters and leaflets, social media, ad-hoc communication events within programme locations, letters to households, information on payslips or utility bills, relevant manuals, etc. Regular updates to the public on the functioning and activities of the organization should also be considered, if feasible. This is essential in the case of legislative and regulatory changes and any delays to the payment. Messages should also be updated to react to misinformation or misinterpretations. In many countries, information is spread mouth-to-mouth and information that trickles down gets misrepresented over time.

8.2. INTERNAL AUDIENCES

Especially in countries with a large cadre of programme staff working at local level, it is essential to focus communication efforts on ensuring staff are motivated, well informed and giving accurate information to citizens. Specialized strategies to ensure this include: regular internal newsletters, ongoing training, seminars, conferences and selective dissemination of meeting notes.

MODULE 2

9

CONCLUDING REMARKS

Administration is the backbone of a comprehensive social protection system. It ensures the provision of social protection services in a way that is timely, efficient and effective. The ultimate measure to judge the adequacy and quality of administrative systems should be whether they respond to the needs of citizens and beneficiaries, ensuring that poor, vulnerable, illiterate and marginalised households are effectively included and catered for.

A further set of important lessons were discussed within this module:

- The design of administration systems should be context specific. Technical design of each of the administrative system 'building blocks' is only one part of administrative reform processes: what really matters is ongoing tailoring to the country's evolving context (institutional, organizational, incentives, capacity, resources, etc) and needs. Countries have achieved this successfully by involving all levels of administration in the assessment of gaps/needs and in the design process, including a focus on how different parts contribute to the overarching mission.
- Capacity and lack of resources can be important barriers to designing and implementing high-quality administrative systems for social protection. Countries striving in this direction need to ensure the feasibility of each system encompasses a focus on the capacity to implement (e.g. human resources) and to deliver (e.g. costing and financial sustainability).
- Ultimately, best practice is not always to develop complex 'state-of-the-art' systems (e.g. copying best practice from elsewhere), but to ensure simplicity and reliability in the context of limited capacity and resources.
- The administration of Social Protection programmes should be viewed with a long-term perspective, acknowledging that adopting a 'big bang' approach could strain capacity and lead to sub-optimal design choices. It is therefore important to ensure that systems are flexible to scale-up and developed in a modular fashion – increasing scope and functionalities over time and slowly learning from and building on existing practice. For example, it is rare for countries to develop a social protection programme that encompasses a strong focus on Case Management and communications from the outset, as these are functions that require high capacity and additional funding. Similarly, integration across the Social Protection sector and beyond is a policy priority within mature systems.
- While there is much hype around the efficiency-gains of technology intensive administrative solutions (e.g. e-payments, use of MISs, etc), these need careful consideration in terms of their cost-effectiveness, and feasibility. This Module discusses a wide variety of considerations that need assessing for each sub-component, including quality criteria and principles to measure different options against.
- Certain processes ad innovations may be easier to deliver via partnership with non-state stakeholders (e.g. external payment service providers) or using volunteer community structures (e.g. committees for channelling grievances), but both these options come with risks, which need mitigation and explicit addressing from the design stage. For example, community participation is essential to ensure sustainability and success in administration, but too much reliance on traditional and voluntary structures could result in political bias and sub-quality delivery. Ultimately, the long term vision should be to provide statutory services embedded in public administration, so to ensure rights-based access to social protection and full accountability.

This is a draft paper for the preparation of a training package. It has not yet been subject to peer review by the ILO, as it is still work in progress. It is not for circulation beyond