

# **The Social Protection Floor framework and Assessment in Lao PDR**

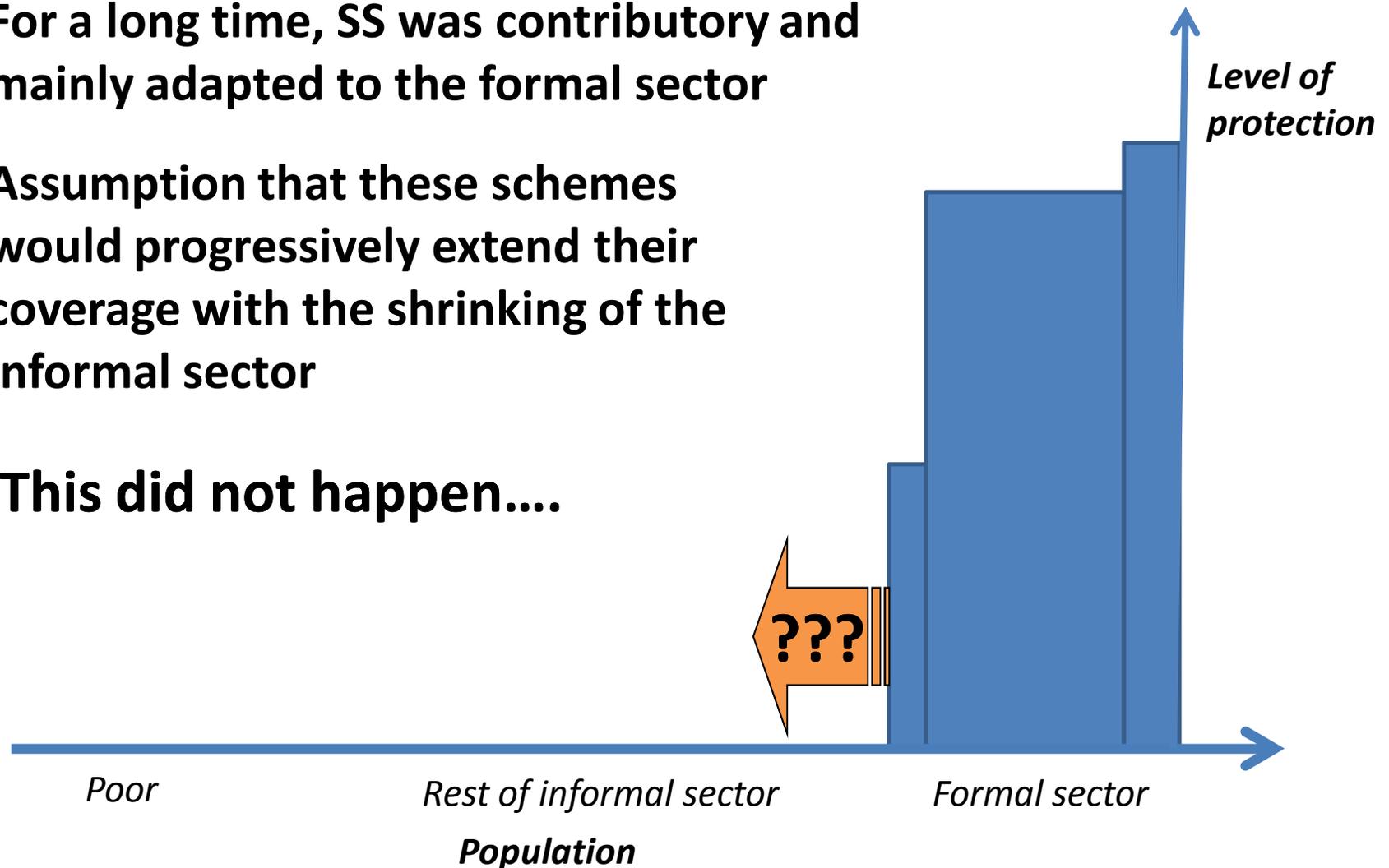
-Recap-

**International Labour Organisation**

Vientiane, 20 May 2013

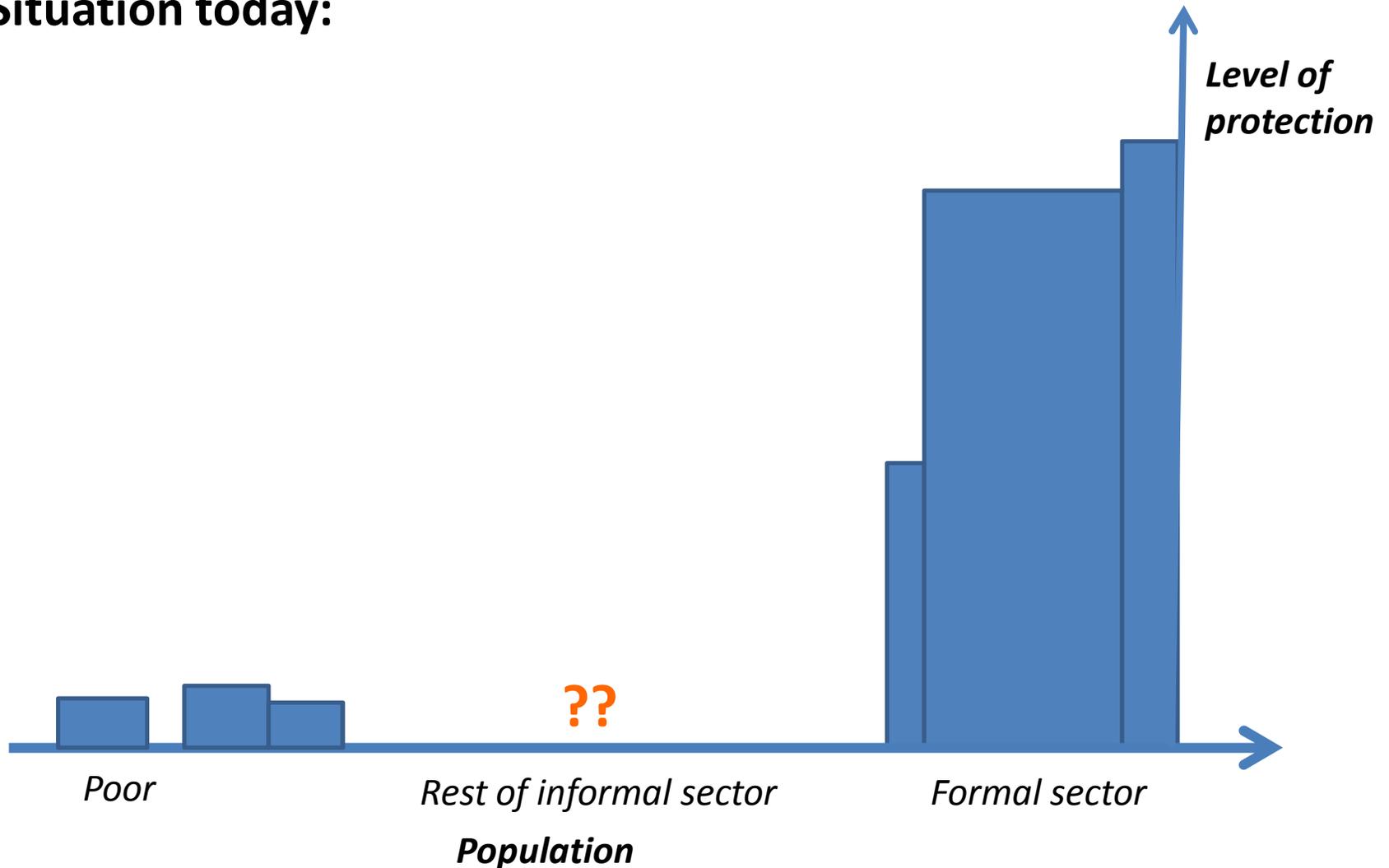
# Social security extension

- For a long time, SS was contributory and mainly adapted to the formal sector
- Assumption that these schemes would progressively extend their coverage with the shrinking of the informal sector
- **This did not happen....**



# Social security extension

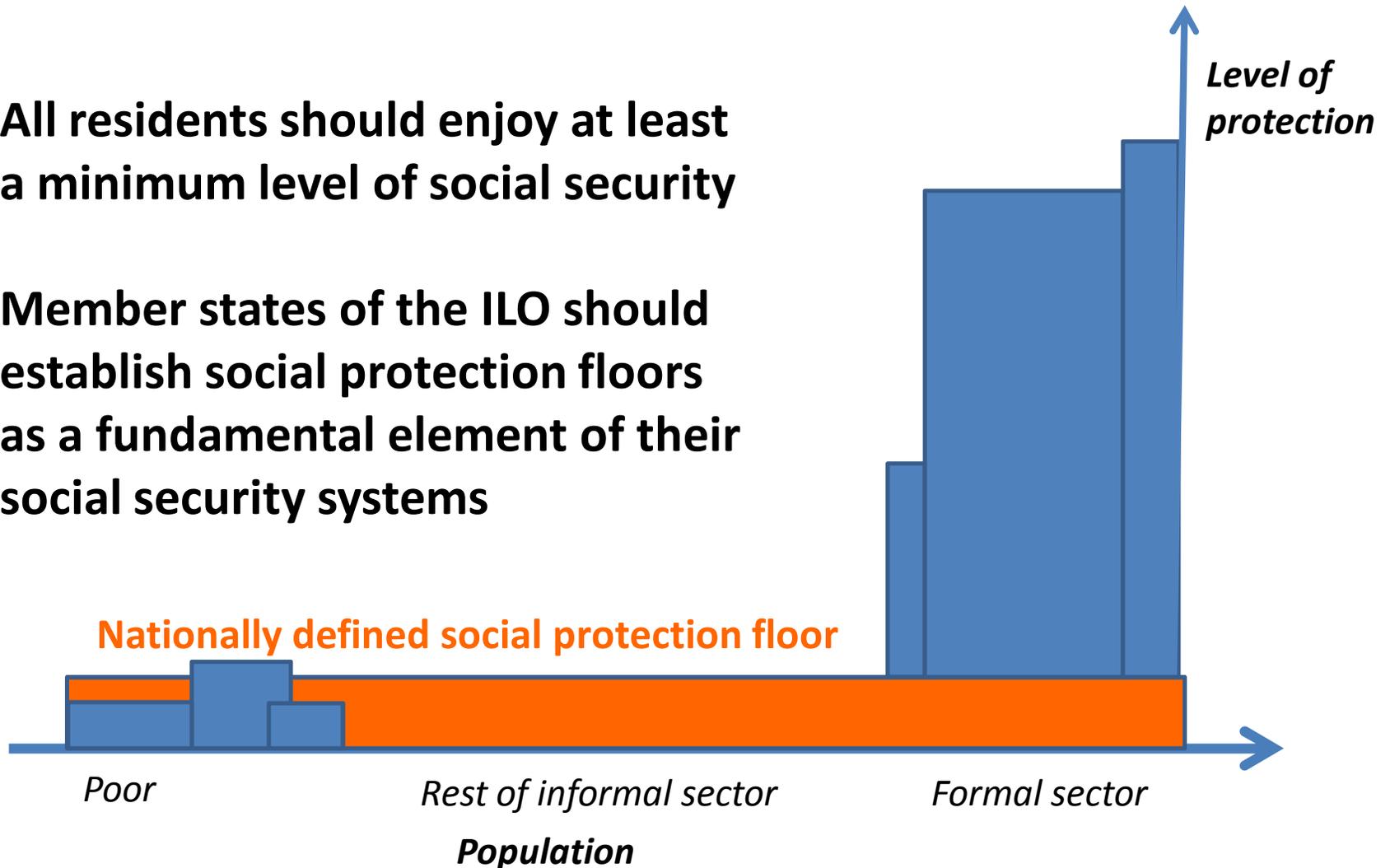
Situation today:



# Social security extension: the social protection floor

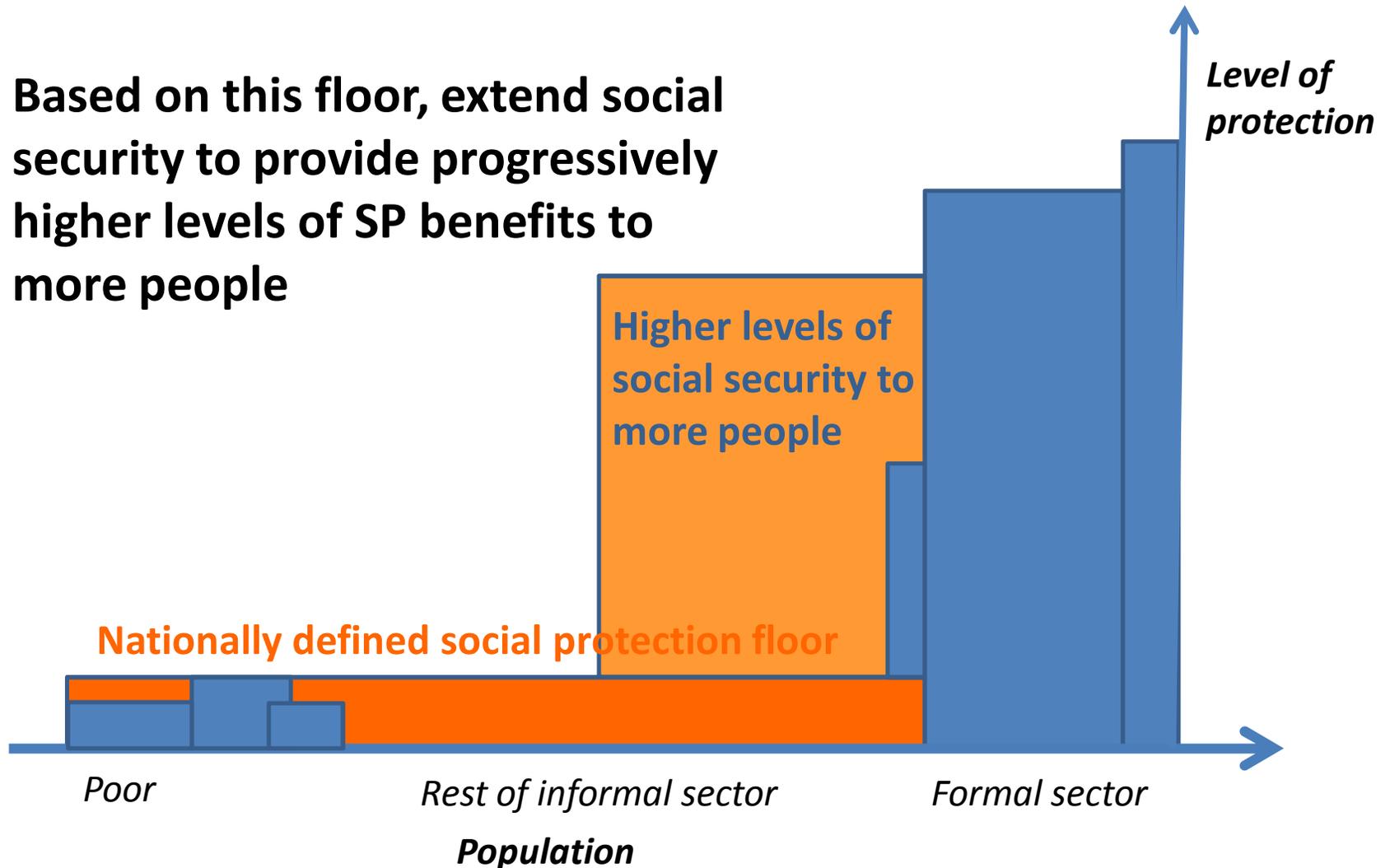
All residents should enjoy at least a minimum level of social security

Member states of the ILO should establish social protection floors as a fundamental element of their social security systems



# Social security extension: the social protection floor

Based on this floor, extend social security to provide progressively higher levels of SP benefits to more people



# In a country with a Social protection floor, four guarantees:



All residents have access to **essential health care**



All **children** enjoy **income security** through transfers in cash or kind → access to nutrition, education and care



All those in **active age groups** who cannot earn sufficient income enjoy a **basic income security** (particularly in case of sickness, unemployment, maternity, disability)



All **residents in old age** and with disabilities have **income security** through pensions or transfers in kind

# And endorsed by the 185 member states of the ILO in June 2012 with the adoption of the SPF Recommendation (No 202)



**101<sup>st</sup> ILC**

**14 June 2012**

**456 yes votes**

**1 absence**

The recommendation 202 is a useful guidance for member states who wish to establish/maintain SPFs as part of their national social security systems

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_183326.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_183326.pdf)

# Nationally defined Social Protection Floors

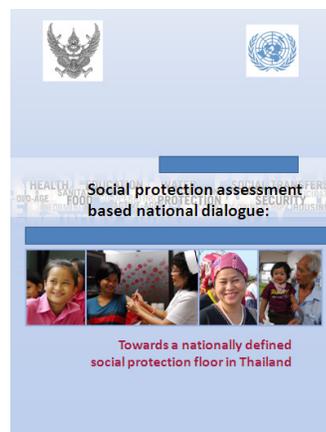
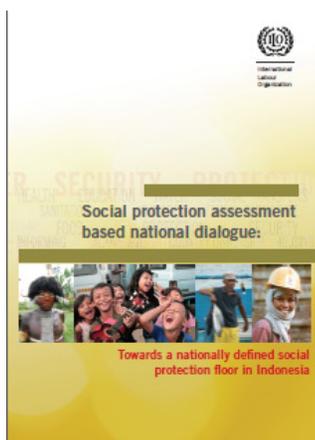
- **Not a one size fits all approach** : each country defines the levels of benefits that it can/is willing to provide



- Each country also decides **how to do it** – through universal schemes, targeted social assistance, social insurance, a combination...

# Give effect to Recommendation 202

According to ILO's Constitution ILO member states have to submit the Social Protection Floors Recommendation before the national authorities to enact legislation or **take action** to give effect to the Recommendation.



The Assessment Based National Dialogue Exercise will be a useful tool since it will propose **concrete routes for the further development of the SPF in Lao PDR.**

# The Assessment Based National Dialogue (ABND) uses the SPF framework to facilitate:



- Comprehensive assessment of the existing social protection provisions



- Identifying the gaps in the current system and providing recommendations



- Identification of policy options to reach SPF & calculate the cost, financing options

With the contribution  
of all stakeholders

# What do we want to know?

## “Is the social protection floor a reality?”



😊 Full achievement of the SPF !!

☹ Still some gaps → recommendations to the government to reach the full accomplishment of the SPF

# “Is the social protection floor a reality?”



DO all residents have access to **essential health care**?



DO all **children** enjoy **income security** through transfers in cash or kind → access to nutrition, education and care?



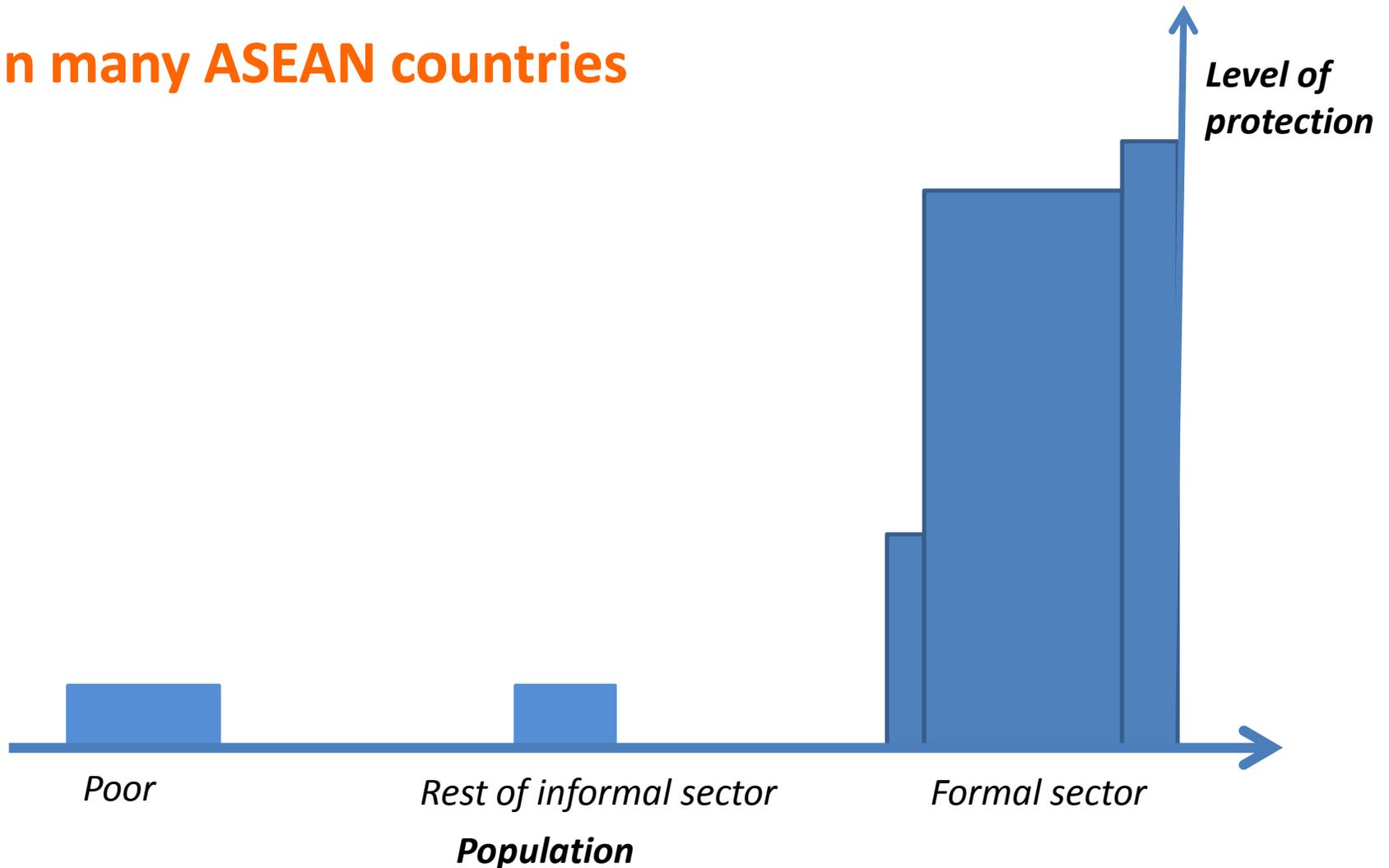
DO all those in **active age groups** who cannot earn sufficient income enjoy a **basic income security**? (particularly in case of sickness, unemployment, maternity, disability)



DO all **residents in old age** have **income security** through pensions or transfers in kind?

# “Is the social protection floor a reality?”

In many ASEAN countries



# “Is the social protection floor a reality?”

1. What is the Social Security Situation?

2. How far are we from the achievement of the SPF? -> gaps, issues

3. What should be done to complete the floor?

4. How much would it cost today and in the future?

5. Can the Government afford it?  
Do we need to increase the fiscal space?

6. How to ensure that the recommendations are endorsed and listen to?

7. How to advocate for the SPF as a whole or specific recommendations?

# “Is the social protection floor a reality?”

Step 1 – Building the assessment matrix including the identification of priority recommendations



Step 2 – Costing Exercise

Using the Rapid Assessment Protocol to estimate the cost of implementing certain social protection provisions



Step 3 – Assessment report and endorsement, for further action by the higher levels of government

## ASSESSMENT FACTSHEET:

**DECENT WORK**  
Better work. Better lives.

**ASSESSMENT BASED NATIONAL DIALOGUE ON SOCIAL PROTECTION IN ASIA AND THE PACIFIC**  
A participatory approach

**The ABND three step approach**

**STEP 1 – Development of the assessment matrix**

The four guarantees of the Social Protection Floor (SPF) are used as benchmarks to describe existing social security, social protection and poverty alleviation programmes, identify policy gaps and implementation issues, and produce recommendations for the design and implementation of further social protection provisions with the aim of guaranteeing at a minimum the SPF to all the population.

**Figure 1: Assessment Matrix**

|               | UN objective  | Existing or proposed policies | Assessed or proposed policies | Design gaps   | Implementation barriers | Recommendations   |
|---------------|---|-------------------------------|-------------------------------|---|-------------------------|---|
| Health        | The Social Protection Situation                               |                               |                               | Design gaps and implementation issues to complete the SPF |                         |   |
| Older persons |   |                               |                               |   |                         |   |
| Working poor  | Social Protection Floor benchmarks, guarantees and objectives |                               |                               |   |                         | Priority policy options to be decided through national dialogue |
| Disability    |   |                               |                               |   |                         |   |

The assessment matrix is compiled in close collaboration with all relevant stakeholders, using face-to-face consultations and workshops at both national and provincial levels.

Participatory workshops in Bangkok and Jakarta

**An unique opportunity for national dialogue**

Many stakeholders work in isolation and only deal with a part of the social protection agenda. The ABND provides a unique opportunity to gather all stakeholders together and come up with a common diagnosis of the social security situation, formulate shared priority policy options, and progressively define a vision for the development of social protection. This consensus is achieved progressively, through consultations, workshops, and technical sessions where the proposed policy options are revised to take budgets and costs into account.

**An opportunity for UN collaboration**

In Thailand and Indonesia the assessments were conducted by the UN SPF team/working group under the ILO's leadership. In Viet Nam the ILO led the assessment in close collaboration with other UN agencies.

# STEP 1: Building assessment matrix

|             | SPF objectives      | Existing SP provisions                        | Planned SP provisions (strategy) | Policy gaps  | Implementation issues | Recommendations  |
|-------------|---------------------|---|----------------------------------|--|-----------------------|--|
| Health      | Four SPF guarantees | Identifying existing situation in the country |                                  | Identifying policy gaps and implementation issues, addressing which would complete the SPF |                       | Priority policy options, to be decided through national dialogue |
| Children    |                     |   |                                  |  |                       |  |
| Working age |                     |   |                                  |  |                       |  |
| Elderly     |                     |   |                                  |  |                       |  |

# From Step 1 to Step 2

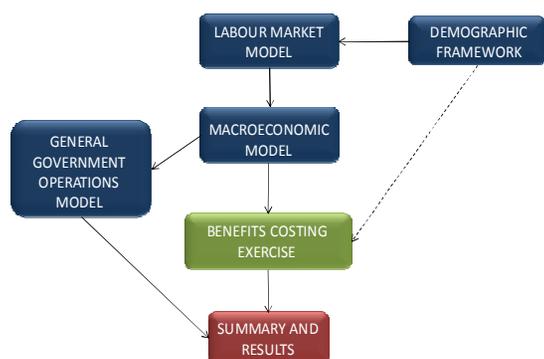
|             | SPF objectives | Existing SP provisions | Planned SP provisions (strategy) | Policy gaps | Implementation issues | Recommendations |
|-------------|----------------|------------------------|----------------------------------|-------------|-----------------------|-----------------|
| Health      |                |                        |                                  |             |                       |                 |
| Children    |                |                        |                                  |             |                       |                 |
| Working age |                |                        |                                  |             |                       |                 |
| Elderly     |                |                        |                                  |             |                       |                 |

## 2 Types of recommendations!

**Recommendations = Increase benefits or population covered, introduce new SPF benefits**

**Qualitative recommendations** on the management of existing schemes, review targeting & registration mechanisms, introduce a social insurance scheme (unemployment insurance, pension system), conduct a tax reform, improve the quality of health or education ...

**We can use the RAP Protocol**



**We need to conduct complementary studies**



# STEP 2: Rapid Assessment Protocol

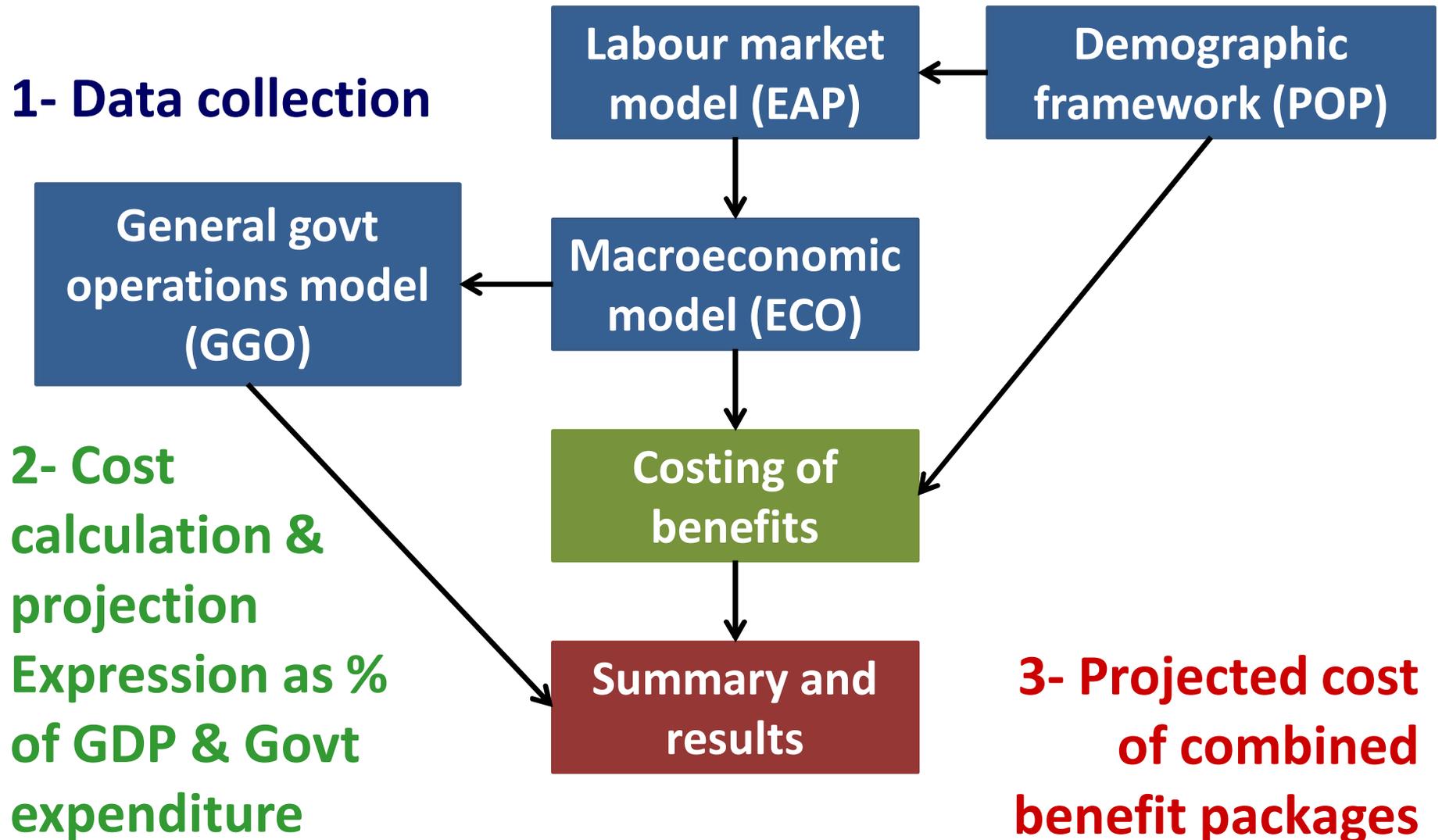
## What is it? What is it for?

|    | A   | B      | C                                | D   | E   | F        | G   | H       | I     | J   | K        | L           | M    |     |        |
|----|---|--------|----------------------------------|-----|-----|----------|-----|---------|-------|-----|----------|-------------|------|-----|--------|
| 1  |  |        | <b>RAPID ASSESSMENT PROTOCOL</b> |     |     |          |     |         |       |     |          |             |      |     |        |
| 2  |   |        | INTERNATIONAL LABOUR OFFICE      |     |     |          |     |         |       |     |          |             |      |     |        |
| 3  |   |        | Social Security Department       |     |     |          |     |         |       |     |          |             |      |     |        |
| 4  |   |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 5  |   |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 6  | Model version:  |        | 1.0                              |     |     |          |     |         |       |     |          |             |      |     |        |
| 7  | Country:  |        | Thailand                         |     |     |          |     |         |       |     |          |             |      |     |        |
| 8  | Created:  |        | 5/1/11 10:00 AM                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 9  | Modified:   |        | 9/13/12 12:00 AM                 |     |     |          |     |         |       |     |          |             |      |     |        |
| 10 | User Name:  |        | ILO/HISRO                        |     |     |          |     |         |       |     |          |             |      |     |        |
| 11 |   |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 12 | <b>TECHNICAL GUIDE</b>  |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 13 |   |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 14 | A. SCOPE  |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 15 | B. DISCLAIMER   |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 16 | C. METHODOLOGY  |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 17 | D. MAIN FEATURES  |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 18 | E. MODEL STRUCTURE  |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 19 | F. DATA REQUIREMENTS AND SOURCES  |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
| 20 | G. INSTRUCTIONS   |        |                                  |     |     |          |     |         |       |     |          |             |      |     |        |
|    | ◀ ▶   | README | Summary                          | POP | EAP | LPR (AR) | ECO | GGO(SO) | CHILD | MAT | SICKNESS | WORKING AGE | PENS | DIS | HEALTH |

RAP is a simplified Excel tool developed by ILO to estimate the cost of providing SPF benefits (for health, children, working age and the elderly)

# STEP 2: Rapid Assessment Protocol

A set of excel sheets



# STEP 2: Rapid Assessment Protocol

## How to use the RAP?

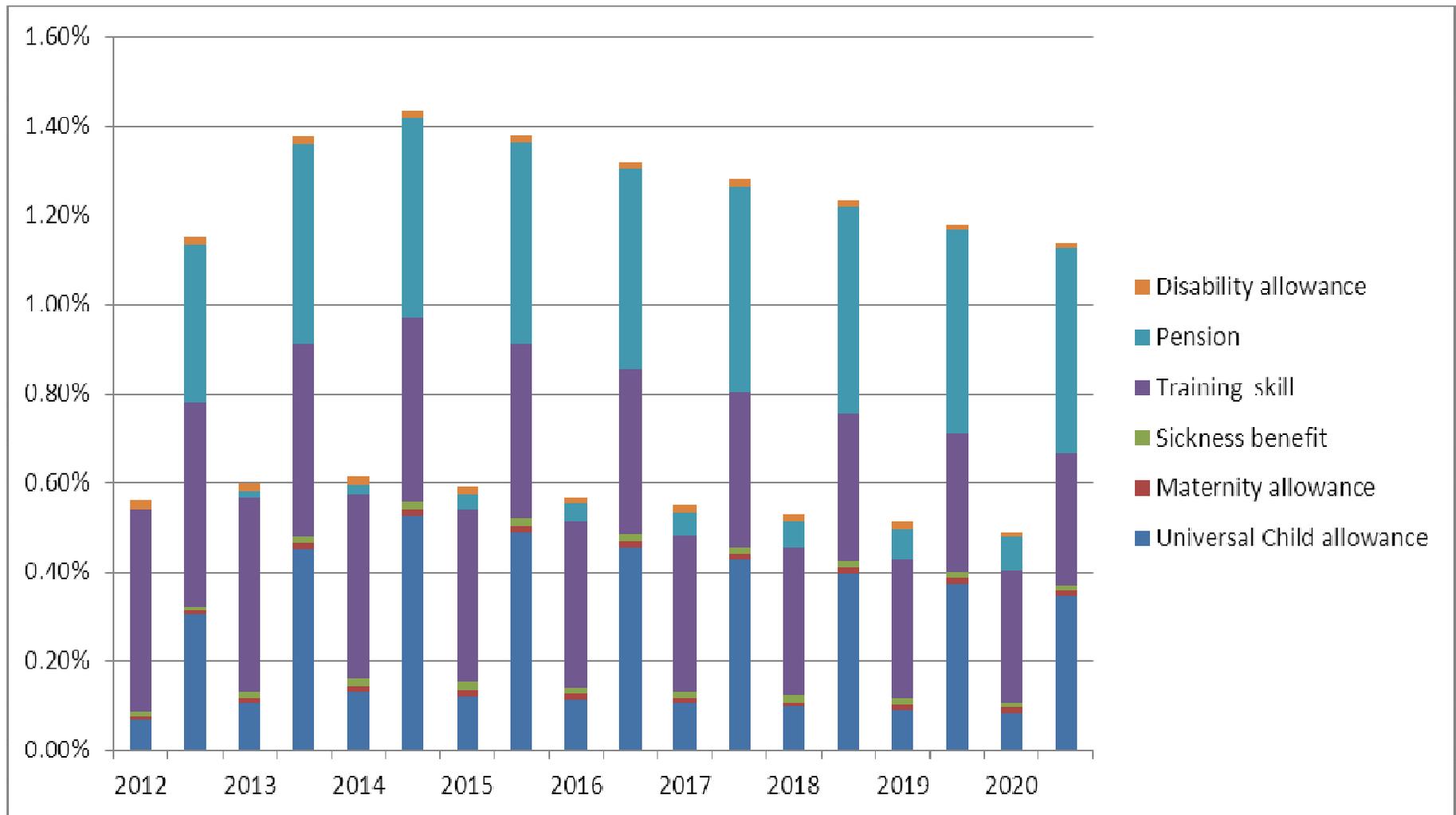
|    | A  |        |        |        |        |        | J      |
|----|--|--------|--------|--------|--------|--------|--------|
| 1  | <b>CHILD BENEFITS</b>  |        |        |        |        |        |        |
| 7  | Child Benefits   |        |        |        |        |        |        |
| 10 |  |        |        |        |        |        | 2018   |
| 11 | <b>STATUS QUO</b>  |        |        |        |        |        |        |
| 12 | Civil Servants, scholarship  |        |        |        |        |        | 4,45   |
| 13 | Child allowance for civil servants (50 or 100 BHT per month - not sure)              |        |        |        |        |        | 9,37   |
| 14 | Formal Sector: Child allowance (art 33+39)   |        |        |        |        |        | 13,83  |
| 15 | <b>Total Status Quo</b>  |        |        |        |        |        | 0,08%  |
| 16 | <b>In % of GDP</b>   |        |        |        |        |        | 0,36%  |
| 17 | <b>In % of revenue and grants</b>  |        |        |        |        |        |        |
| 18 |  |        |        |        |        |        |        |
| 19 | Scenario 1: Universal Child Allowance for all children aged 0-3 (TBH 400)            |        |        |        |        |        |        |
| 20 | <b>POPULATION (in thousands)</b>   |        |        |        |        |        |        |
| 21 | Reference population   |        |        |        |        |        | 8,14   |
| 22 | Target/eligible population   |        |        |        |        |        | 8,14   |
| 23 | <b>COVERAGE</b>  |        |        |        |        |        |        |
| 24 | Take-up rate (%)   |        |        |        |        |        |        |
| 25 | Number of beneficiaries (in thousands)   |        |        |        |        |        | 8,14   |
| 26 | <b>BENEFITS</b>  |        |        |        |        |        |        |
| 27 | Flat-rate benefit paid to the caregiver who is responsible for the care of the child |        |        |        |        |        |        |
| 28 | Benefit/Child/Month (inflated)   | 400    | 408    | 416    | 424    | 433    | 442    |
| 29 | Benefit/child/ year  | 4,800  | 4,896  | 4,994  | 5,094  | 5,196  | 5,300  |
| 30 | Aggregate benefits (in million THB)  | 7,331  | 12,278 | 16,322 | 16,458 | 16,616 | 16,791 |
| 31 | <b>COSTS</b>   |        |        |        |        |        |        |
| 32 | Administrative costs (%)   | 5.00%  | 5.00%  | 5.00%  | 5.00%  | 5.00%  | 5.00%  |
| 33 | Administrative costs (in million THB)  | 366.55 | 613.88 | 816.08 | 822.92 | 830.79 | 839.57 |
| 34 | <b>TOTAL Scenario 1 (in million THB)</b>   | 7,698  | 12,891 | 17,138 | 17,281 | 17,447 | 17,631 |
| 35 | <b>In % of GDP</b>   | 0.07%  | 0.11%  | 0.13%  | 0.12%  | 0.11%  | 0.10%  |
| 36 | <b>In % of revenue and grants</b>  | 0.35%  | 0.52%  | 0.62%  | 0.57%  | 0.53%  | 0.46%  |

Recommendations are translated into scenarios (specific social protection provisions) that need to be introduced or further expanded

Cost of implementing the scenarios is calculated using RAP work sheets

# STEP 2: Rapid Assessment Protocol

The additional cost of SPF packages expressed in % GDP and Government expenditure



# **STEP 2: Rapid Assessment Protocol**

## **Fiscal space analysis**

We add the cost projections of the proposed scenarios to the budget projections of the government in the GGO sheet :

Case 1: The new projected budget is balanced: There is fiscal space

Case 2: The new projected budget is in deficit: The fiscal space needs to be increased through (i) changes in budget allocations, (ii) an increase in Government revenues, e.g. through additional taxes (iii) alternative financing sources?

**In all cases the Government needs to be convinced that investing in the SPF is good for the country, growth, and other parameters**

# STEP 3: Finalization for endorsement



Finalising the assessment report with stakeholders

Presenting the report,  
Government endorsement  
and further action



+ Advocacy, Evidence



Or Government may conduct further feasibility studies:

- financial or actuarial studies
- legal framework review & revision
- personnel and capacity review

Government may conduct a pilot for testing the recommendations



### Step 3

9. Finalization of report, Endorsement, launching



8. Finalization of Costing, Fiscal space



7. Validation of costing results



6. Data collection for the RAP protocol and costing of the



### Step 1

1. Inventory of schemes



2. Draft Assessment Matrix



3. Validation of assessment matrix (incl. scenarios)

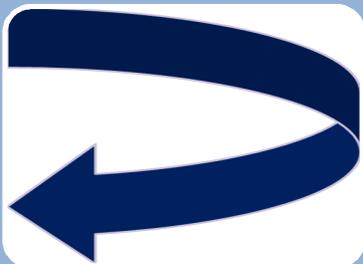


4. Translation of recommendations into "costable" scenarios



### Step 2

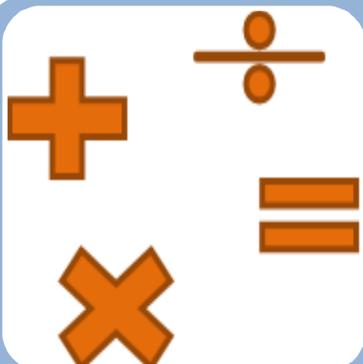
# Strengths of the ABND



It provides a **coordinated, holistic and coherent approach** to the development of social protection in a country



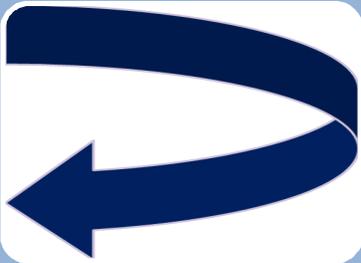
It initiates a **national dialogue** on social security strategy, completion of the SPF, priority policy options, problems in providing social protection to all and ways to address the issues



It provides **evidence** on the feasibility of different policy options

It can serve as a **baseline for monitoring** of SPF implementation (in the framework of national plans)

# Limitations of the ABND



The analysis conducted under STEP 1 is **simplistic** and does not go into the details of operations and institutional capacities



The social dialogue happens usually at the technical level and higher level policy makers or “**champions**” may need to be involved during STEP 3



The RAP is based on a number of assumptions (as any model) leading to **rough estimates** of future costs; additional actuarial studies are needed for the finalization of the design of the proposed schemes

# What's next?

## Establishment of the ABND Joint Team



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A National Advisory Committee composed of:  
relevant line ministries, government agencies,  
social partners, development partners and civil  
society, and other relevant actors  
(as proposed in the ABND workshop)

# Establishment of the ABND Joint Team

## GoL:

MOLSW, MoF, MoH, MoE,  
MPI, Min. of Public security,  
MoHA, Min. of information  
and culture,  
Committee for Rural  
Development and Poverty  
Eradication, Commission  
for malnutrition, ...

Lead agency to be decided

## Dev't Partners:

UN Agencies,  
International NGOs,  
Bilateral Agencies, ...

ILO as the lead agency

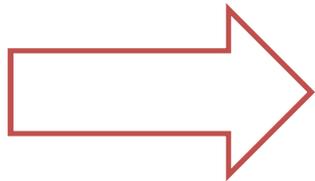
Workers and employers  
(LNCCI, Lao Trade Union)

Statistics Office, Academia, CSOs

# The ABND Joint Team

## Activities:

- Producing, sharing, and archiving information
- Capacity development (incl. today's workshop)
- Conduct of the assessment exercise
- Other SPF activities



## Objective:

**Coherence and collaboration in social protection activities, during and beyond the Assessment Exercise**

# GESS Platform [www.social-protection.org](http://www.social-protection.org)

GESS | Global Extension of Social Security - Mozilla Firefox

File Edit View History Bookmarks Tools Help

GESS | Global Extension of Social Security

www.social-protection.org/gimi/gess/ShowMainPage.do

FRANÇAIS | ENGLISH | ESPAÑOL

# GESS

## GLOBAL EXTENSION OF SOCIAL SECURITY

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### Social protection assessment based national dialogue:

Towards a nationally defined social protection floor in Indonesia

On December 6th the ILO-Jakarta and the Indonesian Ministry of Planning, Bappenas, jointly launched the report "Social Protection Assessment Based National Dialogue: Towards a Nationally Defined Social Protection Floor in Indonesia"

#### KEY READINGS

- Social security coordination for non-EU countries in South and Eastern Europe
- Indonesia: Social protection assessment based national dialogue
- Monetary transfers for children and adolescents in Argentina.

#### ONGOING PROJECTS AND INITIATIVES

- Statement of Intent between Brazil and the ILO on Socially Responsible Investment
- Workshop on Single Window approach

#### COUNTRIES

- Indonesia
- Jordan
- Poland

#### SOCIAL PROTECTION FLOOR

EDUCATION WATER PROTECTION SOCIAL TRANSFERS SECURITY HOUSING

#### DATA & INDICATORS

#### SPECIAL FOCUS

Improving Social Protection and Promoting Employment

#### VIDEO

Progressive adoption of statutory provision for social security

Events Training

South-South exchange Sub-regional Workshop on strategies for universal health coverage, 20th-22nd February 2013, Ouagadougou, Burkina Faso

08.02.2013

Master of Science in Health Security

# GESS Workspace on ABND in Lao PDR

<http://www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=2058>



The screenshot displays a web browser window with the URL [www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=2058](http://www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=2058). The page header features the GESS logo and the text "GLOBAL EXTENSION OF SOCIAL SECURITY" in white on a blue background. A navigation menu includes links for "ABOUT US", "RESOURCES", "NEWS", "WORKSPACES", "TOPICS", "REGIONS & COUNTRIES", and "BLOG". A "Login" button and a search field are also present.

## Social Protection Floor Assessment in Lao PDR

| Workshop on SPF & ABND | SPF Joint team in Lao PDR |

### The Social Protection Floor

The social protection floor is a basic set of rights and transfers that enables and empowers all members of a society to access a minimum of goods and services at all times. The social protection floor aims at a situation where: 1) all residents have access to affordable essential health care, including maternity care; 2) all children receive basic income security providing access to nutrition, education, care, and any other necessary goods and services; 3) all persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability, receive basic income security; and 4) all residents in old age receive basic income security either through pensions or transfers in kind.

The Social Protection Floor initiative has been translated into Recommendation No. 202, concerning National Floors of Social Protection, adopted by the International Labour Conference at its 101st session (2012). Recommendation No. 202 reaffirms the role of social security as a human right and a social and economic necessity, and provides guidance to Members in building social protection floors within progressively comprehensive social security systems.

Building the National Social Protection Floors is of particular necessity in Lao PDR in order to develop better human capital and achieve sustainable economic growth. As the country liberalizes its economy and strives towards graduation from the Least Developed Country

On the right side of the page, there is a sidebar with a "SOCIAL PROTECTION FLOOR ASSESSMENT" menu containing links for "Main page", "Resource", "News & Events", "Forum", "Blog", and "Wiki - Home". Below this is a "WIKI" section with links for "SPF Joint team in Lao PDR" and "home". A map of Lao PDR is also visible in the sidebar area.

# Other Resources on GESS



The screenshot shows the GESS website header with the logo and navigation menu. The main content area features a blue banner for the 'Online Training Manual - Social Protection: Assessment, Costing and Beyond'. Below this is a red heading for the 'ILO - CHULALONGKORN UNIVERSITY WORKSHOP ON ASSESSMENT BASED NATIONAL DIALOGUE'. The text describes a training course organized by ILO DWT Bangkok in collaboration with Chulalongkorn University in October 2012. A list of five objectives for the workshop is provided, followed by a concluding paragraph about the value of the training course.

**GESS** GLOBAL EXTENSION OF SOCIAL SECURITY

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WORKSPACES » WORKSPACES »

**Online Training Manual - Social Protection: Assessment, Costing and Beyond**

**ILO - CHULALONGKORN UNIVERSITY WORKSHOP ON ASSESSMENT BASED NATIONAL DIALOGUE**

**Training course on “Social Protection: Assessment, Costing and Beyond” organised by ILO DWT Bangkok, in close collaboration with the Faculty of Economics, Chulalongkorn University, from 15 - 19 Oct, 2012**

The workshop serves as a platform for technical staff from government and non-government institutions, worker and employer organizations, academia, UN agencies and other development partners involved in the design, costing and implementation of social protection and social security programmes to come together. Through the workshop, it is intended for participants to:

1. Better understand the concepts of social security and the Social Protection Floor,
2. Share experiences and ideas on country roadmaps, national Social Protection Floor strategies and initiatives to extend social protection to all,
3. Learn the main steps involved in conducting the Assessment Based National Dialogue exercise,
4. Gain technical expertise in designing and costing of social protection schemes,
5. Enhance their understanding of how collaboration with the ILO and other UN agencies can be carried out to conduct an assessment of social protection and implement recommendations.

The training course is a valuable opportunity to share methodologies and experiences between countries that have already conducted the assessment exercise and those that have not performed the assessment process. In preparation for the course, a training manual on the