Workshop Report
2nd Assessment
Based National Dialogue on Social Protection Floors

17-19 February, 2016
Bishkek, Kyrgyz Republic

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Contents

Introduction

Part 1 (17-18 February)
1. Opening remarks and general instructions
2. Methodology for the financial feasibility, costing tool and policy assessment
3. Thematic groups: Health, children, working age and elderly
4. Review of the priorities under four components for final consensus by the Technical Working Group

Part 2 (19 February)
1. Opening remarks
2. Presentation of ABND process
3. Final approval of national priorities for further actions in the field of social protection
Introduction

The Assessment Based National Dialogue (ABND) process was launched in December 2014. A roundtable "Assessment of SPFs of the Kyrgyz Republic based on National Dialogue" was organised by the government and the UN country team to discuss the ABND and its relevance, and to come up with a schedule for the organisation of the ABND in the Kyrgyz Republic.

The ABND is based on a national dialogue composed of representatives from the government, workers’ and employers’ organisations, the civil society and development partners. A technical team supports all the steps of the ABND. The ABND as implementation tool for improving national social protection floors was included in Social Protection Development Programme for 2015-2017, which was adopted by the Resolution of the Government of the Kyrgyz Republic, No.85 (February 27, 2015).

Based on the Action plan of Social Protection Development Programme for 2015-2017, article no.59 a working group on ABND SPF was established on the 10th of March, 2015 by the Ministry of Labour and Social Development of the Kyrgyz Republic (Resolution No.9). The ABND on SPF and ILO Recommendation 202 is reflected in the Social Protection Development Programme for 2015-2017 of the Kyrgyz Republic.

The first ABND in the Kyrgyz Republic was organized to discuss the National Social Protection Floors on 17-19 June, 2015 in Koi-Tash and Bishkek upon an initiative of the Ministry of Labour and Social Development (ex. Ministry of Social Development). At the 1st ABND, the draft ABND legal matrix prepared by the ILO was discussed by the members of Technical Working Group. The main findings based on the assessment matrix with policy gaps, obstacles for implementing social protection schemes and recommendations for SPF in the Kyrgyz Republic were shared at the high level round table organized at the end of the 1st ABND (third day). The matrix covered four SPF guarantees, including access to health care; social protection for children, working-age and elderly persons.

The ABND in the Kyrgyz Republic follows three steps: (1) preparation of an ABND matrix, (2) converting recommendations into optimal policy options and costing exercise, (3) finalisation of the findings and submission to the government.
Part 1 (17-18 February)

1. Opening remarks and general instructions on the 2nd ABND on SPF

Mr. Erik Kuikeev, Deputy Minister of Labour and Social Development of the Kyrgyz Republic and Chairman of Government Interagency Technical Working Group, officially opened the Second ABND on Social Protection Floors and welcomed all the participants.

Mr. Ram Saravanamuttu, UN Resident Coordinator a.i. in the Kyrgyz Republic mentioned that 73% of world population do not have access to comprehensive social protection schemes, where 59% are not covered at all and only 12% of unemployed persons receive unemployment benefits. Taking this into consideration, One UN system has mobilized all forces to extend SPF for all in need.

SPF has aim to prevent poverty and social exclusion of vulnerable groups of population, and helps to stabilize the economy. SPF consists of four minimum guarantees: access to health, minimum guaranteed income for children, working age and elderly persons.

Ms. Mariko Ouchi, ILO Senior social protection specialist, welcomed all the participants and explained work procedures of 2nd ABND for next three days (additionally, the “guiding notes”) were distributed among the participants.

The main purpose of the 2nd ABND was to select national social protection priorities for further actions with a mid/long-term perspective, which goes beyond to Social Protection Development Programme 2015-2017.

Technical Working Group was divided into the following three sub-groups for group discussions: (1) Government ministries, agencies and funds; (2) Civil society and social partners (Trade Unions and Employers organizations); (c) United Nations agencies, international financial institutions and donor community.

Format of the 2nd ABND:

**Wednesday, 17 February and Thursday, 18 February**

| ABND SPF participatory consultations with the members of Technical Working Group |

**Friday, 19 February**

| ABND SPF presentation of agreed priorities at the High level Roundtable |

For each session, each sub-group selected a moderator and a note-taker. Moderator managed the sub-group discussion and eventually presented the results of discussion at the wrap-up of each session. The main purpose of sub-group discussion was selection the priorities (1 or 2) for national action on social protection based on the following background information: the
assessment matrix, presentations on preliminary costing results and policy assessment. New priority not mentioned in the matrix could alternatively been selected upon the consensus of sub-group members. Moderator had explained how and why sub-group had selected the priority; and note-taker recorded of the main points of the discussion on the flip chart and managed the time.

2. Methodology for the financial feasibility, costing tool and policy assessment

Ms. V. Nesterenko presented the methodology of the RAP model financial assessment and costing scenarios. The possible scenarios were presented in each of the thematic groups separately as the tips for discussions. All the shown scenarios, results and projections were preliminary and were used to forward the discussion in the right direction and to show possible examples of the scenarios. Scenarios and costing examples were taken into account by the WG and several new ones were suggested during the sub-groups’ discussions.

(A) Health
Social Protection Floors Recommendation, 2012 (No. 202) – The Government tends, in accordance with national circumstances, to establish as quickly as possible and maintain social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care, i.e. access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality.

Assessment of healthcare system:
- In accordance with law, all citizens have right to basic public health insurance scheme – 100%
- Life expectancy at birth m/f (years, 2013) - 66/73
- Total fertility rate (per woman) - 3.1
- Informal workers are not covered by compulsory health insurance (CHI).
- Maternal mortality ratio (per 100 000 live births) – 76 (59-96). It is highest in the CIS region.

![Expenditure on healthcare, % GDP, 2013](image)

International organizations subgroup's representative is presenting the priorities on healthcare
Tips for subgroup discussion:

a. It is necessary to improve the access to health care services to vulnerable population? How?

b. It is necessary to improve the quality of medical services? How?

c. It is necessary to cover the informal workers by CHI? How?

d. It is necessary to improve the access to healthcare services (including maternity protection) to women and children? How?

Box No.1

As a result of the technical discussions during health session, each subgroup selected the following recommendations as the priorities for national actions:

- The government ministries, agencies and funds
  - Improving quality of healthcare services;
  - Staffing in the regions (in remote areas);

- Civil society and social partners
  - Extending the coverage of informal workers by compulsory health insurance;
  - Improvement the access of vulnerable groups to inexpensive medicines with good quality.

- United Nations agencies, international financial institutions and donor community
  - Defining minimum quality of health services;
  - Ensuring the access of vulnerable groups to health services.

(B) Children

SPF Recommendation No. 202 – The Government tends, in accordance with national circumstances, to establish and maintain social protection floors comprising basic social security guarantees, i.e. basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services.
Assessment of social protection for children

- Amount of Monthly benefit to low income families with children (MBLIF): 705 KGS;
- Max amount of Monthly social benefit: 3,000 KGS (MSB);
- Food subsistence minimum for child: 3,119 KGS (71% of child SM);
- Max amount of cash nutrition standards in social institution: 3,300 KGS;
- Subsistence minimum for child: 4,393 KGS (nat. average/HCK, Jan 2016);
- High literacy rate: 99.5% (HCK, 2014/15);
- Problems related to child labour (ILO, 2016): (a) 27.8% of 5-17 years old engage into child labour activities in 2014; (b) 32.6% studying at 1-11 grades combines schooling and child labour in 2014;
- Insufficiencies of free social service: number & wage level of social/health workers, funding, qualification level and training for the social/health workers, outdated facilities;
- Traditional child caretakers: parents 81.5%, grandparents 10.7%, relatives 2.5%;
- Also, staying home alone 4.0% (Bishkek – 12.3%) (WFP/ILO, 2014)

**Benefits and subsistence minimum levels**

<table>
<thead>
<tr>
<th></th>
<th>Amount of MBLIF</th>
<th>Max amount of MSB</th>
<th>Food subsistence minimum for child</th>
<th>Max amount of cash nutrition standards in social institution</th>
<th>Subsistence minimum for child</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>705 KGS</td>
<td>3000 KGS</td>
<td>3119 KGS</td>
<td>3300 KGS</td>
<td>4393 KGS</td>
</tr>
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</table>

Tips for subgroup discussion:

a. Complication by having multiple poverty indicators: SM, poverty line and extreme poverty line, guaranteed minimum income (GMI);
b. How to secure the minimum nutrition requirement for all children in the Kyrgyz Republic: several policy options;
c. Basic educational opportunity guaranteed;
d. Concern: Child labour;
e. Problems on free social service (not only to children but in entire life cycle);
f. Lack of institutions providing childcare (public/private with a reasonable price).
As a result of the technical discussions during children session, each sub-group selected the following recommendations as the priorities for national actions:

**The government ministries, agencies and funds**
- Increasing the level of Monthly benefit to low income families with children (MBLIF);
- Indexing survivors pension;

**Civil society and social partners**
- Increasing the level of MBLIF up to food subsistence minimum level;
- Extending the access of social services of alternative boarding;

**United Nations agencies, international financial institutions and donor community**
- Increasing the level of MBLIF up to food subsistence minimum level;
- Improving social service system.

(C) Working age

SPF Recommendation No. 202 – The Government tends, in accordance with national circumstances, establish as quickly as possible and maintain social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum, i.e. basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability.

Assessment of social protection for working age
- Sickness benefit (name of benefit: temporary disability benefit) also includes employment injury benefits
- Coverage is limited to formal sector worker (sickness);
- Low unemployment benefit level (250-500-750 KGS);
- Low numbers of beneficiaries in the unemployment benefit scheme;
- Current system (unemployment) is giving very limited impact to the state budget;
- Low maternity benefit level from 11th working day (10 times of basic rate (100KGS));
- Limited budgetary impacts even in case of changes based on the scenarios (less than 0.36% of national GDP);

Tips for subgroup discussion:
- Extension of coverage to informal sector workers: challenges;
- Direct payment by the employers: weaker legal enforcement, lower financial risk pooling;
- Sickness benefit and employment injury benefit: different principles apply according to the ILO conventions that employment injury benefit is, in principle, applicable to informal sector workers regardless of the contribution status by the employers. Difficulties of handling two schemes having different principles in one;
d. Limited impact to the state budget – due to low benefit level and low number of beneficiaries;

e. The current amount of unemployment benefit does not serve for the purpose of providing minimum income guarantee in case of job losses;

f. Budgetary constraints of covering the unemployment benefit from national budget in order to meet C102 requirements: introduction of social insurance-based unemployment benefit scheme to be considered in mid/long-term perspective;

g. Basic rate is serving as another administrative indicator to fix benefit level (not in compliance with C183);

h. Policy options: Scenario 2c calculation is the closest to C183 requirement (but it is based on average national wage) but Scenario 2a is good for the extension of coverage. Scenario 2b can be another realistic scenario (but it excludes informal paid employed workers/employees);

i. Challenge: extension of coverage to informal paid employed workers/employees (it does not include self-employed);

j. Funding: employers’ direct payment + state budget;
   - First 10 days: direct payment by the employers – weaker legal enforcement, lower financial risk pooling.
   - Possibility of considering the introduction of social insurance-based scheme in mid/long-term perspective.

Box No.3

As a result of the technical discussions during working age session, each sub-group mentioned above selected the following recommendations as the priorities for national actions:

**The government ministries, agencies and funds**
- Developing the mechanism of formalising labour relations;
- Increasing the maternity protection benefit;

**Civil society and social partners**
- Increasing the maternity protection benefit level not less than 2/3 of income;
- Extending the maternity benefit to informal workers;

**United Nations agencies, international financial institutions and donor community**
- Increasing the unemployment benefit level;
- Extending the maternity protection to informal sector.

(D) Elderly

SPF Recommendation No. 202 – The Government tends, in accordance with national circumstances, establish as quickly as possible and maintain social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum, i.e. basic income security, at least at a nationally defined minimum level, for older persons.

Facts on social protection for working age in the Kyrgyz Republic:
• State social pension insurance (SSPI) and monthly social old-age benefit for those not qualified for SSPI
• Basic component of pension (1,500 KGS) < Food SM for retirees

Tips for subgroup discussion:
• Pension reform in the Kyrgyz Republic – it requires detailed actuarial valuations and thorough analysis which goes beyond of SPF discussion;
• Concern regarding inclusion error of Monthly social old-age benefit (MSOB): limited budgetary impact due to small size of beneficiaries;
• Limited availability and quality of social service (in entire life cycle).

Box No.4
As a result of the technical discussions during elderly session, each subgroup mentioned above selected the following recommendations as the priorities for national actions:

4. Review of the priorities under four components for final consensus by the Technical Working Group
In the end 8 priorities were identified by each working group for each guarantee/thematic group (in total 24 priorities), from which 2 main and 2 additional priorities “2+2” were selected and agreed by all working group members.
Final voting results on selection the 2+2 priorities were distributed as follows (only the priorities with the highest number of votes are shown, other 20 priorities received less than 10 votes):
 Increasing the pension level (28 votes);
 Increasing the monthly benefit to low income families with children (MBLIF) (16 votes);
 Improving social service system (15 votes);
Increasing the maternity benefit (13 votes);

NB! Also one of priority is improvement the Maternity protection as whole system (including covering the informal workers, increasing the benefit level) (plus 9 votes). If we merged increasing the benefit and improving the system, then we have 22 votes for maternity protection. WG members did not support this particular merging.

Most of government organizations representatives, social partners and civil society preferred to vote for increasing the pension level, when international organizations preferred to vote for increasing the MBLIF level (for details see the graphs below).

Discussing and voting the 2+2 priories.

The graphics reflects preferences of the WG members (top votes).
As some of priorities proposed were repeated by the subgroups, they were merged in one and presented for the participants’ consideration. The following priorities were proposed two times or more:
- Increasing the level of monthly benefit for low income families with children;
- Improving social service system;
- Increasing the maternity benefit level;
- Improving maternity protection;
- Increasing the pension level.

Based on the results of each session discussion, the Technical Working Group members had discussed and agreed the draft resolution, including national priorities (4 priorities) for action in mid/long-term, which will go beyond the acting Social Protection Development Programme for 2015-2017. The final selection of national priorities and draft resolution were presented, discussed and adopted by policy makers on February 19th.
Part 2 (19 February)

1. Opening remarks

The Social Protection Development Programme for 2015-2017 reflects a common policy on social protection system of the Kyrgyz Republic, including further actions on aligning the national social protection norms with international standards. Therefore, the Social Protection Floors Recommendations, 2012 (No.202) is used as a guidance on assessing the social protection system, implementing minimum guarantees and extending the social protection coverage in the country. The assessment platform is a very important platform for further development actions (mentioned Ms. Kudairbedieva Gulmira, Vice Prime-Minister of the Kyrgyz Republic).

Maternity protection should be broad enough to cover all women, including those who work in informal sector, and to increase the maternity benefit level, taking into account the standards stipulated in the Maternity Protection Convention, 2000 (No. 183). It is very important to ratify the ILO Convention for national development of the country (mentioned Ms. Babaeva Rysgul, Deputy Chairman of Federation of Trade Union).

Ms. Dungaeva Elmira, General Secretary of the National Confederation of Employers highlighted the importance of increasing the productivity of labour force and decreasing of turnover's qualified workers.

2. Presentation of ABND process for policy makers

As a result of intensive discussions during three sessions of the International Labour Conference confirming the necessity of building social protection floors and comprehensive social security systems, which was also endorsed by G20 and the United Nations, the Governments, workers’ and employers’. The Social Protection Floors Recommendation, 2012 (No. 202) provides guidance to member States in building comprehensive social security systems and extending social security coverage by prioritizing the establishment of
national social protection floors accessible to all in need. The Recommendation aims at ensuring that all members of society enjoy at least a basic level of social security throughout their lives.

The dialogue is based on participatory involvement of WG members (Government, social partners, UN, NGOs and civil society) (mentioned Ms. Mariko Ouchi, ILO Senior social protection officer).

3. Final approval of national priorities for further actions in the field of social protection and presentation of final version of the Resolution

Ms. Alybaeva Janyl, Head of Department of the Ministry Labour and Social Development presented 24 priorities identified by subgroups and two main and two additional priorities selected and agreed by all the members of the Technical Working Group (2+2).

The main priorities:
- Increasing the pension level
- Increasing the monthly benefit to low income families with children

Additional priorities:
- Improving social service system
- Increasing the maternity benefit level

The 2+2 priorities presented were agreed by all high-level Working Group members.