WORKING
PAPER

To strengthen the governance dimension of social safety net programs in the ASEAN region

CHRISTIAN VAN STOLK

WR-753-WB

April 2010

Prepared for the World Bank

This product is part of the RAND Europe working paper series. RAND working papers are intended to share researchers' latest findings and to solicit informal peer review. They have been approved for circulation by RAND Europe but have not been formally edited or peer reviewed. Unless otherwise indicated, working papers can be quoted and cited without permission of the author, provided the source is clearly referred to as a working paper. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors.
RAND® is a registered trademark.

EUROPE

Preface

The World Bank commissioned RAND Europe to write a report on strengthening of the governance dimension of social safety net (SSN) programs in the Association of Southeast Nations (ASEAN) region. The World Bank, AUSAID and the ASEAN Secretariat embarked on an eighteen-month programme of research, analysis and knowledge management in the Summer of 2009 which aims to contribute to the development of more effective social safety net programmes in the region. The aim is ultimately to contribute to improvements in the social protection and labour market outcomes of the poor and vulnerable in ASEAN countries.

Improving governance is an integral part of the research program. This report aims to assist the ASEAN countries to strengthen the governance dimensions of SSN programmes.

This report is aimed at ASEAN Policy makers and program administrators, World Bank teams designing and implementing SSN programs in the East Asia and Pacific (EAP) and region and donor partners (Ausaid, Department for international Development [DfiD], European Union [EU], United Nation [UN], Asian Development Bank [ADB] etc) involved in financing SSN programs. It is a discussion piece that informs the wider debate on ensuring the effectiveness of SSN programs. It accompanies a World Bank publication on the same topic.

This report benefited greatly from the close collaboration with Asmeen Khan, Sara Gianozzi and Dena Ringold at the World Bank. We would like to thank Tom Ling at RAND Europe for his comments and Ariel Fiszbein at the World Bank for his input, which have improved this document greatly. We also thank the peer reviewers for this report. Stephanie Diepeveen at RAND Europe provided invaluable research support.

For more information about RAND Europe or this document, please contact,

Dr Christian van Stolk
RAND Europe
Westbrook Centre
Milton road
Cambridge, CB4 1YG
United Kingdom
+44 1233 353 329
stolk@rand.org

Contents

Preface iii
Table of Figures and Tables vii

CHAPTER 1 **Introduction 1**
1.1 What is the structure of this report? 1
1.2 What are the objectives of this report? 1
1.3 What is the scope of this report? 1
1.4 Why focus on governance in ASEAN SSN programs? 2
1.5 What is meant by governance? 3
1.6 What are the different levels of governance? 4
1.7 How does this report approach governance analysis of SSN programs? 6
1.8 How does this approach sit within other World Bank initiatives on program management? 7

CHAPTER 2 **Towards a diagnostic resource 9**
2.1 What could a diagnostic framework look like? 9
2.2 What are the key stages in the administration of a SSN program? 10
2.3 What are the key supply-side governance challenges to effective SSN program delivery? 12
2.4 What are the key demand side governance challenges to effective SSN program delivery? 17
2.5 What are key administrative challenges to effective SSN program delivery? 19
2.6 What are the diagnostic questions per main stage of a SSN? 21

CHAPTER 3 **Arriving at feasible, acceptable, and suitable recommendations 27**
3.1 What are feasible, acceptable, and suitable recommendations? 27
3.2 What are realistic timeframes for recommendations? 30

References 31

APPENDICES 37
Appendix A: Control and accountability mechanisms in LAC 39
Appendix B: MIS per stage of SSN program 41

Appendix C: Program design and management with EFC lenses 43
Appendix D: Job descriptions in the UK 45
Appendix E: Typical quantitative data collected for monitoring and evaluation in a public works program 47
Appendix F: Social protection in use in ASEAN members pre-crisis and as a response to the crisis 49
Appendix G: Overview of governance and administrative challenges 51

Table of Figures and Tables

Figure 1: Accountability triangle 5
Figure 2: Aspects of demand for good governance (DFGG) 6
Figure 3: Summary diagnostic approach 10
Figure 4: Processes and stakeholders involved in a safety net 11
Figure 5: Example of GAC technical assistance program 23
Figure 6: TIPS framework 28
Figure 7: Overview of quantitative collected for M&E in a public works program 47

Table 1: Basic supply-side questions per main theme 16
Table 2: Demand driven questions per main theme 19
Table 3: Administrative questions per main theme 21
Table 4: Overview of diagnostic questions per stage of a SSN program 24
Table 9: Control and accountability mechanism in use in the Latin American and Carribean region 39
Table 10: MIS risk mitigation strategies per stage of SSN program 41
Table 11: EFC lenses on critical phases of the program 43
Table 12: Cash transfers in use pre-crisis (existing) or as a response to 2008 crisis in ASEAN members 49
Table 13: Social protection programs and policiesin use pre-crisis (existing) or as a response to 2008 crisis in ASEAN members 50
Table 14: Supply-side governance challenges in a SSN program 52
Table 15: Demand driven governance challenges in SSN programs 58
Table 16: Administrative challenges in SSN programs 60

CHAPTER 1 Introduction

1.1 What is the structure of this report?

This report has four main substantive sections. An introduction offers an overview of the objectives and scope of the research as well as how the report conceptualises governance and the approach to governance analysis taken. A second chapter introduces the diagnostic resource itself. In the third chapter the report offers some thoughts on how to arrive at feasible, acceptable, and suitable recommendations.

1.2 What are the objectives of this report?

The World Bank, AUSAID and the ASEAN Secretariat embarked on an eighteen-month programme of research in the Summer of 2009. The objective of this project is to improve the ability of ASEAN countries as a group to make informed social protection and labour market policy decisions in response to the recent financial and economic crisis, decisions that act as building blocks for medium term policies and systems.

Strengthening the governance of SSN programs is a part of the overall research programme. The objectives of this report are twofold:

- To design an overall diagnostic resource on the basis of evidence on how governance challenges have been overcome or are managed in other SSN programs in mostly OECD and Latin American countries.
- To help operational staff in the ASEAN region to consider the governance aspects of a SSN and to assist in improving the design of SSN programs.

1.3 What is the scope of this report?

The unit of analysis of the diagnostic resource is a SSN program. SSN programs are mostly defined as non-contributory transfer programs targeted to the poor. They typically include measures that help beneficiaries to alleviate extreme poverty or help them make decisions to increase human capital. These are programs such as (taken from Grosh et al 2008):

- unconditional or conditional cash transfers;

- in-kind transfers such as school feeding programs;
- price subsidies for households such as for energy or food;
- jobs on labour-intensive public work schemes (workfare); and
- fee waivers for essential services, healthcare, schooling etc.

The initial aim of the framework is to use information on specific SSN programs as an input into the design of the diagnostic resource. In this sense, the diagnostic resource is based on what we know about good practice elsewhere. The report uses information available from other regions in the world, for instance the Latin American Caribbean (LAC) region, as well as experiences of OECD countries to highlight governance challenges and ways to overcome those. Where possible the report also includes examples from the East Asia and Pacific (EAP) region.

In terms of exploring the governance dimensions of EAP programs, the report captures some information from a selection of social safety net programs in Indonesia, the Philippines, Vietnam, and Cambodia. This narrowing of focus is important given the large number and variability of social safety net programs in operation across ASEAN member states. The selection of programs plays into some developing trends in the choice of social safety nets by ASEAN member states of different levels of income, geographical size, population and administrative capacity (e.g. Indonesia, Philippines, Vietnam, and Cambodia):

- The use of area-based social safety nets in Indonesia (e.g. the use of community and village-based grants under PNPM Generasi for health and education outcomes);
- The move towards Conditional Cash Transfer (CCT) programs in the Philippines (e.g. Pantawid Pamilyang Pilipino Program and the Economic Resiliency plan in response to the economic crisis); and
- The use of transfer programs in Vietnam (e.g. poverty-targeted cash transfers for social assistance; these include targeted household transfers).

The report does not explicitly include contributory social assistance schemes nor government programs aimed at poverty reduction but not classified as SSN programs (e.g. schooling and education programmes).

1.4 Why focus on governance in ASEAN SSN programs?

Prior to 1997, other than directly providing employment to a large fraction of their populations, ASEAN governments generally played the role of regulator rather than provider of social safety nets. Programs were typically limited to public insurance schemes in the form of retirement and health benefits and provided only to a limited segment of the population (usually the civil service and armed forces). The 1997 East Asian financial crisis was a catalyst for change in social safety net provisions; it gave new urgency to the development of safety nets, and a number of wide-reaching programs with broader social mandates were implemented under post-crisis interventions.

The recent food, and fuel and financial crises have resulted in increased pressures on social safety net structures and expenditures in a number of ASEAN countries. The current economic downturn increases the likelihood of greater numbers living in extreme poverty and increases the financial pressures on developing country governments (Fiszbein, Schady et al. 2009). Though the crisis is likely to affect all income groups, migrants and low-skill labourers – those often beyond the reach of public programming – are likely to be affected the most. Economic stress has exacerbated demand for these programs as well as the need to exploit scarce public resources to the fullest. Looking at the latter, SSN programs in the region have particular problems in service delivery. In terms of outcomes, evidence shows coverage is limited, targeting can be improved, and many suffer from significant leakages. From a governance perspective problems include:

- coordination issues in the overall social protection system;
- unclear institutional responsibilities, lack of implementation capacity;
- conflicting systems of accountability; and
- inadequate monitoring and evaluation among others.

It seems logical to assume that addressing these governance challenges would also lead to more effective use of scarce resources and reducing unwanted outcomes such as poor targeting, limited coverage, and prevalence of error fraud and corruption (EFC). This is corroborated by evidence from elsewhere, Borrowing from a report on reducing EFC, programs channel a large amount of public resources to targeted beneficiaries (van Stolk and Tesliuc 2010). Even a small fraction of misappropriated benefits may add up to large sums of money with high opportunity costs. On average, social protection spending represents 15.7% of GDP in developed countries, 7.4% in middle-income countries (MICs) and 3.8% in low-income countries (LICs).[1] A 2006 international benchmark study on fraud and error in social security systems written by RAND Europe for the UK National Audit Office (NAO) puts the range of fraud and error in social protection systems where data was available between two to five percent of overall government expenditure on social security.[2] EFC is likely to be more prevalent in social protection programmes of less developed countries as a proportion of overall spending compared to OECD countries due in part to the limited administrative capacity, absence of adequate monitoring of the overall problem and clear evidence-based strategies to combat EFC.

1.5 What is meant by governance?

Governance in this report refers to the rules that govern the interactions in the public sector, the relationships more widely between the public and private sectors and the interactions between citizens, communities and state.[3] These are institutions, laws, and the

[1] World Bank 2007 FEC SSN Primer note.

[2] NAO (2006), *International benchmark of fraud and error in social security administrations*, (HC 1387, Session 2005-2006)

[3] There are number of competing definitions on governance, but most share this aspect in their conceptualisations (see Hyden and Olowu 2000; ODI 2006).

standard operating procedures used programs. These rules define the accountability relationships as outlined in the World Development Report triangle (2004) and incentives service providers and individuals have in a program (see also Figure 1).

This approach is in line with the general World Bank definition, which defines governance the traditions and institutions by which authority in a country is exercised for the common good (Kaufman et al 2003 and 2008).[4] This approach focuses on the management of the development process involving both the public and private sectors.

For human development programs governance analysis reflects mostly on the relationship between the nature of governance and service delivery in health, education, and increasingly social protection (see e.g. Fiszbein, Ringold, and Rogers 2009 or Lewis and Petterson 2009). It seems obvious to suggest that strengthening and improving governance in programs would lead to better development outcomes. The last point is important. The development community knows that more money, programs and institutions are not enough. Good governance is a critical ingredient that drives implementation and affects outcomes through improving coordination of programs, shaping accountability and incentives for providers and promoting transparency and participation among others (see World Development Report 2003).

Recent evidence underlines the importance of good governance. Hyden et al (2004) report that the evidence from a cross-country analysis involving 12 countries is convincing. Governance seems to matter greatly for a variety of development outcomes ranging from increased investment, better health outcomes and growth rates. Government effectiveness and an efficient bureaucracy are associated with better economic performance and adult literacy. Corruption hinders development (see also Campos and Pradhan [eds] 2007). Moreover, good governance can be positively associated with less tangible or measurable outcomes, such as for instance improved human capabilities (ODI 2006), trust between the state and the citizen, or indeed social capital.

1.6 What are the different levels of governance?

This report follows several World Bank report by distinguishing between two main forms of governance: demand-driven governance and supply side governance, which are also linked to actors on the demand and supply-side. This distinction arises from the accountability triangle depicted in Figure 1. The accountability relationships tell us about the incentives of providers to improve performance and information available to clients to affect the program or sector.

[4] See also http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXTWBIGOVANTCOR/0,,contentMDK:20678937~pagePK:64168445~piPK:64168309~theSitePK:1740530,00.html (accessed April 2010).

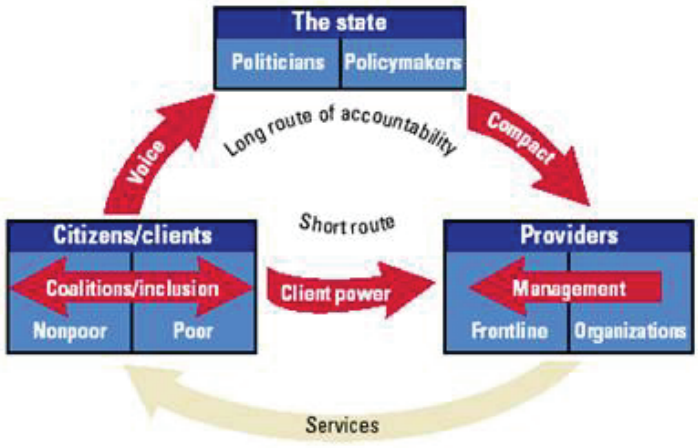

Figure 1: Accountability triangle

Source: WDR 2004

Supply side governance refers to the compact between suppliers of services and the government to deliver services. Supply side interventions mostly consist of public sector reform. These reforms can relate to: civil service reform (introducing meritocratic systems), performance management in government; certification of functions; administrative and fiscal decentralization; budgetary management; and public-private cooperation in service delivery among others. A typical example is the introduction of service level agreements in service delivery to adjust the incentives of providers.

Demand driven governance, an increasingly important aspect of the governance and anti corruption strategy of the World Bank refers to voice of citizens to influence government and providers. This includes support for transparency, civic engagement and social accountability in programs. As seen in **Error! Reference source not found.**, these refer to activities around giving citizens information (e.g. management information systems); having citizens monitor programs and budgets (e.g. third party monitoring); create incentives for citizens (e.g. CCTs); and providing avenues for feedback (complaint handling systems).

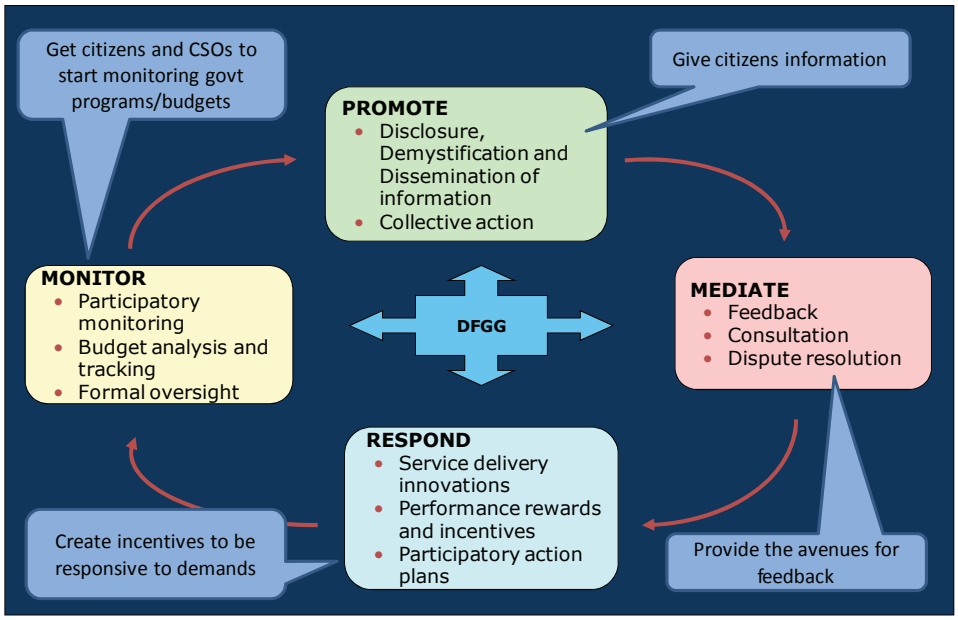

Figure 2: Aspects of demand for good governance (DFGG)

Source: World Bank 2010

1.7 How does this report approach governance analysis of SSN programs?

The approach the report takes is problem-driven and evidence-based (see Fritz et al 2009; Caton 2009). The report focuses on the governance challenges that SSN in the ASEAN region may face. These challenges are identified on the basis of evidence available in the region, evidence from other regions, and evidence collected in OECD countries. The report then also gives evidence on how these challenges have been addressed in other contexts, showing how governance improvements have had impacts on effective service delivery, for instance through better targeting in programmes (reaching the poor), moving beneficiaries towards self-sufficiency, and reduced corruption. Good examples exist on how programs have been strengthened from a governance perspective (see e.g. the review of SSN in the Latin American and Caribbean (LAC) region, World Bank [2007]) and more importantly on what works in terms of particular outcomes (see e.g. the example of error, fraud and corruption in van Stolk and Tesliuc 2010 or Attanasio et al (2005) on CCTs).

The approach categorises governance challenges in terms of supply-side and demand driven governance. This distinction is useful to ensure that we capture a full range of governance challenges and also consider all actors involved in a SSN programs. From the evidence, the report derives a range of questions that policy-makers can consider. We group these questions per main stage of a SSN program. This speaks to a value chain approach where the approach looks at full process from the entry of the beneficiary in a SSN program to the exit (see Campos and Pradhan [eds] 2007). Section 2.2 sets this out in more detail.

The approach also distinguishes between administrative capacity and governance. Administrative capacity refers to whether the program has the right level funding, staffing and resources. Given the importance of the issue of administrative capacity in the

development context, the report sees reviewing administrative capacity as a distinct element of a diagnostic resource looking at governance.

The report does not explicitly put forth a prescriptive or normative framework. Getting a sense of available evidence allows policy-makers to learn from other experiences and better understand the governance risks to their programs. It also does not discuss transferability of practice from one policy environment to the next. Rather, it puts across a number of viewpoints for operational staff to consider. The issue of transferability is hotly debated in international benchmarking literature. From a historical perspective what people want and expect from government, what trade-offs they are willing to make when some public goods conflict with other public and private goods, what institutional arrangements they prefer have proven variable. Some studies focus particularly on context, while other focus strongly on how lessons are shared between countries and common solutions are achieved (see for instance UK NAO 2006).

1.8 How does this approach sit within other World Bank initiatives on program management?

It is important to note that the approach taken in this report should be broadly compatible or complementary with other diagnostic initiatives undertaken by the World Bank or in countries (for an overview of monitoring and evaluation activities in social protection see e.g. Grosh et al 2008, Ch. 6). A value added of this approach is that it provides a structured way of thinking in terms of governance aspects of social protection programs on the basis of the experience of other regions in the world and OECD countries, which can inform other, perhaps more targeted, diagnostic initiatives in the World Bank and contribute to what the World Bank emphasises in overall program design. It is important to note that this report is not a comprehensive guide on the principles of program design.[5]

[5] This approach focuses in particularly on institutional arrangements and less on particular aspects of program design. The EFC toolkit (van Stolk 2010) is a good example of a cross-cutting approach as exemplified by Appendix C.

CHAPTER 2 Towards a diagnostic resource

2.1 What could a diagnostic framework look like?

This resource is aimed at operational staff. As such, it is based on what has worked or has been used to overcome governance challenges in a number of contexts, ranging from the OECD to several regions of the world including for instance Latin America. Programs in Latin America seem to be particularly well-documented.

The conceptual model is simple. The underlying intervention logic is that improvements in governance would contribute to the reduction of unwanted outcomes such as poor targeting and EFC and improve coverage. This in turn would contribute to the improvement of the quality of service delivery and contribute to the improvement of human development outcomes (see also Fiszbein, Ringold and Rogers 2009).[6]

To get improvements in governance, the design of SSN has to address a number of governance challenges. A number of challenges can exist related to supply-side governance, demand driven governance and administrative capacity. These inform aspects that operational staff might consider along each stage of a SSN program (for a simple graphical depiction see Figure 3). Some questions are likely to be cross-cutting. The resource is not mean to be prescriptive but rather assist staff in making some considerations on improving governance in SSN programs.

First, the resource will look at the different stages of a SSN program. The resource will then look at different governance challenges and responses from a number of countries before reflecting on administrative capacity. Finally, it will look at these questions per stage of a SSN program.

[6] It is important to note that this resource takes the view that improvements in governance contribute to better human development outcomes. This is based on emerging evidence (see Hyden et al 2006). The report acknowledges as pointed out in a number of papers that isolating the impact of governance on human development outcomes is particularly challenging (see ODI 2006 and more recently Fiszbein, Ringold and Rogers 2009).

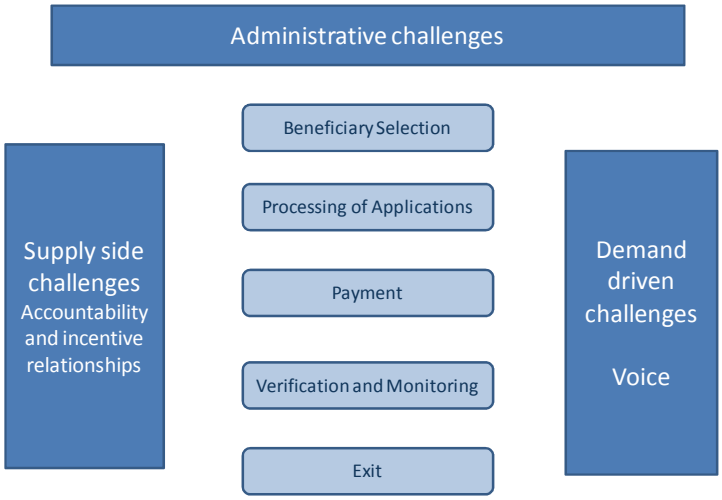

Figure 3: Summary diagnostic approach

2.2 What are the key stages in the administration of a SSN program?

It is important to reflect on the different stages of a SSN program. There are a number of ways in which the key stages of a SSN programme can be represented. Grosh et al (2008) usefully introduce an overview of processes and stakeholders involved in a safety net.[7] Figure 4 gives this overview of processes but also highlights the involvement of stakeholders in the various different processes. The latter is important in identifying not just the challenges that exist in each stage of a process but also whom they might affect or who can exercise control over them. This speaks to a value chain approach and agency theory.

[7] This framework was adapted from Baldeon and Arribas-Banos 2008.

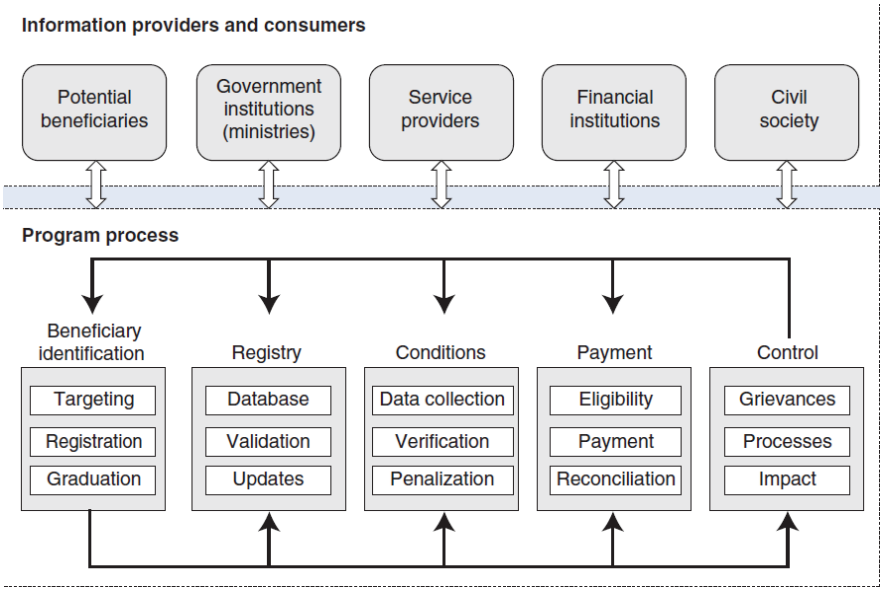

Figure 4: Processes and stakeholders involved in a safety net

Source: Grosh et al (2008) adapted from Baldeon and Arribas-Banos (2008)

In this report, this framework has been slightly adapted to the following stages[8]:

- **Beneficiary selection (entry):** This stage refers to the entry of the beneficiary in the system and reflects not only on the targeting of the SSN program but also on the procedures in place on the ground for selecting beneficiaries. This stage also reflects on communication strategies in place to tell potential beneficiaries about the program and eligibility requirements and training that beneficiaries may receive on their rights and responsibilities under the program. This stage also reflects on the role of the community in terms of 'social auditing'.
- **Processing of applications** (registration and eligibility verification): This stage refers to the actual process of registration of benefits, how files are processed at different levels of the administration and what verification takes place on the eligibility of the application at the outset of the claim.
- **Payment of benefits**: This stage represents not only the delivery of payments but also the process of determining the amount, frequency, and mechanisms for transfer of funds.
- **Verification and monitoring**: This refers to what monitoring and verification takes place during the period of the claim and at what level. This includes management information systems, audits, quality control mechanisms, complaint management, social controls, and evaluation of impact assessment. It also reflects on policies with regards to consequences of non-compliance.
- **Exit of beneficiary**: This stage refers to how beneficiaries graduate from the program. Most CCT programs establish co-responsibilities, so exits depends on

[8] The description of stages was in places adapted from World Bank 2007.

whether these co-responsibilities have been fulfilled and whether beneficiaries have graduated to self-sufficiency.

2.3 What are the key supply-side governance challenges to effective SSN program delivery?

In terms of governance challenges, there is good evidence emerging. A recent review on CCTs in Latin America deals with a number of these areas and particularly focuses in on the pros and cons of control and accountability measures (World Bank 2007) (see Appendix A). A recent paper on management information systems looks at the type of information that can be collected by each stage of a SSN program and more widely at governance aspects of a MIS system (Baldeon and Arribas-Banos 2008) (see also Appendix B). The experiences of the OECD in EFC control were recently captured in a World Bank working paper (van Stolk and Tesliuc 2010).

This section sets out what some reviews see as supply-side governance challenges in SSN programs. Supply side governance refers to the compact between suppliers of services and the government to deliver services. Supply side interventions mostly consist of public sector reforms. The report uses some recent reviews to collect common governance challenges for SSN programs based on evidence observed elsewhere.[9] Responses to these supply-side challenges are primarily top-down and involve mostly government, service providers and financial institutions (see Figure 4). However, this does not necessarily mean that civil society cannot be part of supply-side responses.

Most supply-side governance interventions cut across the different stages of a SSN program, with the exception of financial management and cash management which mostly reflect on the payment stage. As such addressing them is likely to affect several stages of a SSN program.

Improving supply-side governance typically also looks at different levels of government, with different agents at each level of government. Distinguishing between them is useful. Operational staff are most likely to be able to affect the meso- and micro-levels with less opportunity to affect macro-level. However, awareness of challenges on the macro-level are important to understand given the limitations they may place on effectiveness of a SSN program.

The levels of government are broadly:

Macro-level: This level reflects on how the sectoral level is embedded in the wider institutional configuration. For instance, it would consider the independence of the supreme audit institution (SAI), the civil service code or framework, the rule of law, and coordination in the core executive.

[9] Evidence on OECD was taken from UK NAO 2006 and UK NAO 2008; evidence on LAC was taken from World Bank 2007; evidence on CCTs taken from Fiszbein and Shady 2009; evidence from ASEAN countries taken from background reports and Blomquist et al (2001); other evidence was taken from van Stolk and Tesliuc 2010.

Meso-level: This level looks at sectoral arrangements, for instance the institutional arrangements between ministries involved in weaving and governing the social safety net.

Micro-level: This level looks at the responsibilities of different actors and accountability relationships under the program rules to administer and implement.

Table 10 in Appendix G gives an overview of some of the main cross-cutting challenges, which are identified in the reviews considered for this resource. Five main themes follow from the information in Table 10 (examples of good practice are given in italics):

- to be clear about institutional responsibilities and accountability, in documenting responsibilities, creating a shared understanding between those involved in a SSN program, and enforcing program rules;

  A risk to effective SSN program design is lack of clarity around responsibility and accountability. The evidence shows that effective social surety administrations use very clear job description, standard operating procedures, and functional separation. The latter ensures for instance that staff who process an application are not the same as those paying the beneficiary. Clarity around institutional responsibilities avoids duplication of tasks and ensures that tasks are carried out. Having well-documented job descriptions and standard operating procedures (including process maps) are basic elements of any effective social security administration (for an example of job descriptions in the UK see Appendix D).Often clear delineation between jobs also leads to professional certification and targeted training. Following, most social security administrations in OECD countries (for example Australia and the UK) have taken steps to reduce the complexity of administration by eliminating unnecessary process steps that contribute to programme risk. Complexity contributes to processing errors. Again, eliminating stages requires a clear understanding and documentation of functions and processes. The CCT used in the Philippines also used a process risk mapping approach to identify those processes with high discretion at risk of EFC.

- to align incentives (performance-related) clearly to these responsibilities;

  A risk to effective SSN program design is that program staff has no incentive to administer the program. Aligning incentives to responsibilities is difficult. In Brazil's Bolsa Familia program, determination of eligibility is managed at a centralized level based on a means test. However, many aspects of Bolsa's operations are managed by municipalities. The Ministry of Social Development provides a performance-based financial incentive to municipalities to promote good implementation. Specifically, the Ministry monitors municipal implementation quality using a four point scale, which covers key indicators of registration quality and verification of compliance with conditionalities. Based on the scores, the Ministry pays a pro-rated administrative cost subsidy. Poor performers do not qualify for this subsidy, but are offered technical assistance to improve performance. In Indonesia's PNPM Generasi Project used an experimental design where some of the communities involved in implementation were incentivized and others not. The incentivization consisted of bonus payments in subsequent programming years linked to performance. The preliminary impact evaluation results showed that the communities incentivized had better health outcome (Olken et al. 2010). It is also an interesting example on how to use an impact evaluation.

- to collect information throughout the program to provide intelligence on how the program is performing;

  Good program information allows for more effective external and internal accountability as well as lessons being learnt. There are two purposes to this: capturing information on the program to allow it to function and monitoring and evaluation to provide information for accountability and lessons learning. Appendix B based on Baldeon and Arribas-Banos (2008) sets out a checklist of how a management and information system can operate per stage of a SSN program with main risks and actions. An interesting example of monitoring exists with the CCT used in the Philippines which used an Integrity Development Review, which assesses the corruption vulnerability and resistance mechanisms of the implementation agency and consists of: a integrity Development Assessment (IDA) – criteria-based rating against key institutional functions: HR Management, Financial Management, Internal Audit, Risk Management, Code of Conduct, etc; a survey of employees – test awareness and attitudes towards corruption resistance mechanisms; Corruption Vulnerability Assessment – more in-depth assessment of key functions. Appendix E taken from Del Ninno et al (2009) provides some information on what data to collect for M&E in public works programs. An example of the latter comes from Ethiopia underlining that monitoring and evaluation can work in low capacity environments. The Ethiopia example shows that importance of clearly linking program objectives to measurable outcomes. For instance the outcome indicators to measure whether community assets were used productively were:

  - *Percentage of households reporting satisfaction or direct benefits from the community assets developed;*
  - *Percentage of households regularly using three or more community assets developed by the program; and*
  - *Percentage of public works for which an ongoing management mechanism has been established.*

  The main lessons from Ethiopia have been to use administrative capacity where it exists (access to IT at district and federal level) and to create monitoring data commensurate with administrative capacity (to take into account the poor capacity at the frontline). The examples speak to having an integrated and adequate MIS as well as putting proper impact evaluation in place.

- to ensure sanctions and corrective actions can be applied when responsibilities are not carried out; and

  Sanctions are an underused instrument in SSN programs of many MICs and LICs. They are a number of reasons for this. Often irregularities are not well-defined; sanctions are not legislated for; enforcement can also be difficult. The OECD experience shows that sanctions are an effective deterrent and that most systems have increased the use of sanctions (against staff and beneficiaries). In the UK, the sanctions policy is based on administrative penalties, cautions, recovery of payments, and

prosecutions. There are clear guidelines on what irregularities are, when a sanction is applied, as well as which organizational resources are responsible for enforcement.[10]

- To conduct appropriate financial management to account properly for the flow of funds.

  The review on CCTs in the LAC region (World Bank 2007) reflects on financial management. It calls for continuous monitoring of financial flows but also for program managers to resist over-auditing (use more risk-based approaches). Several ways to improve and secure processes are offered:

  - *Ensure systematic, secure systems for monitoring distribution, collection, and processing;*
  - *Check that beneficiaries receive payment and verify compliance with co-responsibilities;*
  - *Take regional differences into account when designing a payment system – rural access to payments can be problematic;*
  - *Make sure programs have rigorous documentation of cash flow and rigorous procedures for dealing with non-collection and non-receipt of benefits; and*
  - *Monitor program carefully for any systemic fraud and error related to payment.*

The main themes raise a number of important questions as shown in Table 1. The questions in italics indicate areas that are likely to be beyond the control of operational staff but could be considered in wider public sector reform. Table 10 in Appendix G provides more context for the questions, including why they are important and possible aspects to include in a strategy for improving the governance of a SSN.

[10] A full description of the UK sanctions policy is given at http://www.dwp.gov.uk/docs/sanction-policy.pdf (accessed July 2010).

Table 1: Basic supply-side questions per main theme

Governance challenge	Diagnostic questions
Clarity of institutional responsibilities and accountability	*Is inter-institutional coordination effective in the core executive?*
	Does the core executive take ownership of the overall social safety net?
	Does strategic planning on SSN provision take place in the core executive?
	Does oversight independent of government and political influence exist?
	Is inter-institutional coordination effective at sectoral level?
	Does a sectoral champion exist for SSN programs?
	Are different service providers coordinated at sectoral level?
	To what extent are decisions taken on SSN programs subject to political interference?
	Does strategic planning on SSN provision take place at sectoral level?
	How consistent and sustainable is the SSN system?
	How consistent and sustainable is the funding of the program and administration of the program?
	Does sectoral audit capacity exist?
	Is this audit capacity integrated or fragmented across the administration of the program?
	How independent is sectoral audit? Is it subject to political influence?
	Have responsibilities and lines of accountability been properly mapped out?
	Are these responsibilities and lines of accountability well-documented (e.g. job descriptions and standard operating procedures)?
	Are these responsibilities and lines of accountability widely known by all in the program?
	Are these responsibilities and lines of accountability enforced?
	Are there mechanisms to support accountability arrangements (e.g. complaints mechanisms and mutual accountability mechanisms)? Are accountability systems conflicting?
	How complex is the administration of the program? Are there ways to eliminate stages or agency without compromising administrative capacity?
	Is there a separation of function or checks and balance between processing, payment and monitoring?
	Are eligibility criteria and program rules clear and understood by program staff and beneficiaries?
	How easy are eligibility criteria to verify (for program staff) and comply with (for beneficiaries)?
	Are thorough eligibility checks carried out at the outset of the claim?
Lack of alignment of incentives to program implementation	*Does a civil service code or law exist?*
	Does the civil service award pay for performance and evaluate performance of civil servants?
	Does the civil service incorporate clear guidance on malfeasance and how to address irregularities?
	Does specific professional certification exist in the delivery of SSN programs?
	Are incentives aligned with institutional responsibilities?
	Are incentives aligned with performance outcomes of the provision of services?
	Are there formal agreements for those involved in implementation (multi-tier government or service level agreements)
	Do these agreements specify performance levels and ways of recording performance?
	Can these agreements be enforced and are appeals possible?

Lack of information to adjust program	Is an adequate (capturing key program information that informs staff at each stage of the program) MIS system in use? Are MIS systems integrated? Are corrective actions taken on the basis of feedback and accountability systems? Do monitoring and verification systems allow for checks and control throughout processing of claim? Do monitoring and verification allow the program to identify the moment of exit of beneficiary?
Ensuring the rule of law	Do adequate laws exist that deal with program irregularities? Do adequate laws exist that apply to procurement in a SSN program? Are these laws visibly applied in the SSN context? Are sanctions embedded in program rules? Are sanctions applied in cases of malfeasance? Is the sanctions regime subject to political interference?
Ensuring proper financial management and accounting	Can payments be made directly to beneficiaries? Can the administration of financial flows be simplified? Does proper monitoring and accounting of cashflows take place? Are internal quality control processes in place including evaluation, feedback loops and correction mechanisms? Are controls in place to verify registered beneficiaries have received regular payment? Are payment providers properly supervised by responsible ministry? Are there independent feedback options for staff and beneficiaries? Is there involvement of third parties in providing oversight in financial management?

2.4 What are the key demand side governance challenges to effective SSN program delivery?

This section highlights some governance demand driven governance challenges. Demand driven governance refers to the voice of citizens to influence government and providers. This includes support for transparency, civic engagement and social accountability in programs. As such demand driven governance involves mostly beneficiaries and civil society looking at actors in Figure 4.

Demand driven governance is often intertwined with supply-side governance. In some instances, the distinction between supply-side and demand driven governance can be somewhat artificial. For instance, if a supply-side governance intervention would seek to have good management information in the sector or program, a demand-driven approach would seek to make that information available to all stakeholders in order to promote transparency and give those stakeholders a voice. In essence, there are two main demand driven governance challenges (examples on good practice are given in italics):

- Making information available to stakeholders: the underlying mechanism is that more transparency and better information to all stakeholders leads to better program outcomes.

  The view here is that transparency among stakeholders leads to better program outcomes or that privileged access to information leads to unwanted outcome. The

World Bank supported a field experiment of citizens monitoring primary health care provision (see Chase and Anjum 2008) . In random communities the World Bank put up posters about how indicators for their health post compared to district and national averages. The World Bank then organized community discussions about what those posters said and what should be done about them. The World Bank found that clear information, matched to standards, and community engagement about that information, made a difference in health outcomes.

- Promoting bottom-up social accountability: this implies beneficiaries, civil society become involved in key stages of a SSN to hold service providers to account and complement existing accountability mechanisms

  The assumption here is that participation of stakeholders in SSN program implementation improves programme outcomes. This involvement can range from beneficiary selection to verification and monitoring. However, such involvement should also reflect on who should be involved and when. There is huge variance between SSN programs here (see for instance review on CCTs in the LAC region; World Bank 2007 and novel approaches. For instance, Indonesia PNPM Generasi provides block grant to communities who under program rules distribute the funding to households themselves. However, there are some commonalities between programs. Most programs allow beneficiaries to hold program staff to account. For instance, the Heads of Household Program in Argentina is a large-scale emergency workfare program set up quickly during the 2001-2 economic crisis. The Ministry of Labor is the responsible national agency and registration is decentralized through municipalities and civil society/political organizations. A set of complaint resolution tools has been established, including: (a) toll free hotlines manned by call centres addressing questions on payment dates, eligibility and for reporting ineligible beneficiaries; (b) a Commission in the Ministry of Labor to handle allegations of program abuse or complaints; (c) criminal offenses referred to Federal Prosecutor of the Social Security System; (d) monthly cross-checking of databases. This approach combines complaint lines with clear sanctions that can be enforced.

The response to these challenges implies a decentralisation of authority from central administration to the community, which in turn would imply that the administration of the program would have to be significantly decentralized. However, the picture remains mixed. Though some ASEAN countries have explicitly undertaken a decentralization program, many programs elsewhere in the OECD countries (e.g. UK) remain quite highly centralized. So, decentralization of administration is not a necessary precondition for better voice and accountability of beneficiaries.

It is important to note that social accountability mechanisms are mostly implicitly used in OECD countries. Most OECD countries would have a service charter, rights and responsibilities charters, and service standards. Some would use user groups, mostly in the design phase of a program. So, many bottom-up initiatives are specific to the MIC and LIC contexts. In fact, OECD countries are interested in these responses and are monitoring them with a view of replicating them in some of their programs. CCTs are a case in point.

Table 2 gives an overview of diagnostic questions per main theme. This is by no means a comprehensive list. Table 11 in Appendix G gives a further overview. For each challenge, it discusses potential actions that can be taken, identifies the stakeholder group affected, and lists some of the evidence cited for justifying the action.

Table 2: Demand driven questions per main theme

Governance challenge	Diagnostic question
Making information available to stakeholders	What is the awareness among beneficiaries and communities of program rules, eligibility criteria, and beneficiary lists? To what extent are program outcomes communicated to beneficiaries and program staff? To what extent is outcome data benchmarked and communicated to beneficiaries and program staff?
Promoting social accountability	To what extent are beneficiaries or civil society involved in drawing up and verifying beneficiary lists, payments and overall monitoring and verification? Is their involvement free from interference from program staff or community leaders? Can beneficiaries and civil society hold service providers to account on beneficiary selection and payments?

2.5 What are key administrative challenges to effective SSN program delivery?

It seems clear that adequate administrative capacity is an important element of delivering effective SSN programs. Administrative capacity is also linked to governance. Administrative capacity does not reflect on whether the rules are fit for purpose, rather it reflects on whether enough capacity exists to implement the program. So, a program can be designed in an optimal way, but without adequate administrative capacity it would struggle to deliver adequate outcomes. Lack of administrative capacity can put limits on the way that the rules of the game can be implemented. This in turn could lead to the institutions or program rules becoming weaker, which could impact the SSN program and its effectiveness. In terms of organising this resource, administrative capacity could have been considered in drawing up recommendations. However, because of its perceived importance as driving factor, here it is considered as part of the diagnosis.

Administrative capacity in this paper refers to the following categories:

- **Number of staff**: This category refers to the number of staff available to administer the program.
- **Quality of staff**: This category refers to the skills of the staff (education levels and training).
- **Material support**: This category refers to some of physical infrastructure such as buildings, desks, paper and pencils, (mobile) phones and transportation.
- **IT support**: This category refers to the availability of computers and IT connectivity.

- **Overall resources**: This category refers to the overall resources available (not just general program resources but also the proportion of overall resources available for administration).

Some recent reviews suggest some particular challenges for SSN programs based on evidence observed elsewhere.[11] Table 12 gives an overview of some administrative challenges per specific stage of a SSN program. For each challenge it discusses potential actions that can be taken, identifies the stakeholder group affected, and lists some of the evidence cited for justifying the action. Finally, it proposes a number of questions that can be considered to improve the program. It is important to note that many administrative challenges are cross-cutting and are likely to impact several stages of the SSN program. Lack of staff is a good example. The list presented in Table 12 is by no means a comprehensive list.

Four main themes follow from the actions used elsewhere in Table 12. They reflect on how basic, observed, administrative constraints can be overcome (examples are given in italics):

- Good administration requires resources. Can administrative resources be ring-fenced in the SSN program?

  Different from many OECD systems, LICs and MICs often do not have dedicated staff to administer SSN programs. Rather, they rely on staff at district and municipal levels. The open question remains to what extent such staff is incentivised to administer the program effectively. OECD systems are obviously larger in terms of expenditure as a proportion of GDP and can afford dedicated staff. This has consequences for control and accountability mechanisms, training, etc. The question for operational staff remains how adequate administrative capacity can be ring-fenced and how staff can be incentivised to administer the program.

- Staff require basic material support to perform their function. What is the basic and optimal level of material support? Can it be provided?

  A World Bank mission to the Ukraine to look at EFC control revealed that social inspectors did not get travel expenses reimbursed when performing home visits (see van Stolk and Tesliuc 2010). This in effect meant that homes further from the office would not be checked. This was a case where simple material support could have a substantial impact on how claims were verified.

- Investments in administrative capacity can be cost-effective (e.g. training and risk-based investigations)? Can a case be made for investment in administrative capacity?

  An example from Canada shows that increased staff training in Service Canada on how to reduce processing errors coupled to holding managers to account for errors in a results-based framework proved effective in reducing processing errors in the means-

[11] Evidence on OECD was taken from UK NAO 2006 and UK NAO 2008; evidence on LAC was taken from World Bank 2007; evidence on CCTs taken from Fiszbein and Shady 2009; evidence from ASEAN countries taken from background reports; other evidence was taken from van Stolk and Tesliuc 2010.

tested income program (NAO 2006). The latter also reflects on aligning incentives with responsibilities.

- Better use can be made from existing resources (e.g. through the increased use of IT or rationalisation of administration). What is the scope for efficiency gains in a program?

  The evidence from the OECD (Australia, US and UK) shows that increased use of data-matching on files allows social security administrators to target scarce detection resources (such as fraud investigators) on those cases with the highest probability of fraud. This highlights that sometimes investment in IT can be very cost-effective in the longer-run (NAO 2006). Electronic systems used for processing also tend to cut down the number of errors in processing and payment systems (see examples of Sweden and New Zealand in NAO 2006). They also allow for more systematic and integrated MIS.

Table 3: Administrative questions per main theme

Administrative challenge	Diagnostic question
Resources	Is capacity sufficient given the number of processes staff control?
	Is that capacity commensurate with caseload?
	Does administrative capacity exist elsewhere that is currently not used in program?
	Does dedicated capacity exist for monitoring and verification?
	Do communities and civil society have the knowledge and resources to support beneficiary selection and monitoring and verification?
	Does the involvement of particular actors in monitoring and verification compromise the participation or capacity-building of others?
Material support	Do staff have adequate basic material support to perform their function?
Training and incentivization	Do program staff, communities, and individuals receive training to understand program rules?
	To what extent is administration of program budgeted for?
	What type of training do staff receive to eliminate errors in processing?
	Are program staff remunerated to administer the program?
	To what extent are staff incentivised to reduce errors entering program?
	Are program staff remunerated to provide verification and monitoring in the program?
	Do communities and civil society receive financial and training support to implement program?
IT and rationalisation of administration	Can processing of claims be automated?
	Could payment be made directly to the beneficiary?
	Can more capacity be allocated to data-matching processes?

2.6 What are the diagnostic questions per main stage of a SSN?

In this section, the report presents the questions that we derived earlier per stage of a SSN program (see Table 4). The text in italics denotes questions that are likely beyond the control of operational program staff but can be considered in wider public sector reform or

indeed should be considered as potential limiting factors in designing effective SSN programs from a governance perspective. The relationship between administrative capacity and governance is interesting. Of course, any action taken to address governance challenges has to address the limits of administrative capacity. However, administrative constraints can be overcome. So, capacity is not static and can be targeted as part of a program to improve governance.

The diagnostic questions are indicative and not necessarily comprehensive. They are derived from the evidence considered for this report. Their importance is that they encourage staff to learn from what is in operation elsewhere and also to engage with some the references used in this report that offer more detail. In some cases, this evidence is anecdotal. They imply certain actions. However, it is important to consider that several actions may be possible. The CCT review in Latin America (World Bank 2007) considers in detail a number of governance challenges but also highlight that a number of good responses are possible for each challenge. For instance in the area of quality control, one could consider spot checks, operational audits, field visits and monitoring. The decision on response is likely to be based on what you are trying to achieve and contextual factors. Chapter 3 provides some information on how to arrive at the right actions for a given context. Table 10-Table 12 provide more information on what lies behind the questions and some of the actions that can be considered.

In a sense, designing a portfolio of actions may seem daunting. However, a good regional example is offered by the GAC program used in the Philippine CCT, which directly links technical capacity assistance to desired supply-side and demand-driven governance responses (see Figure 5). This program put in place an ex ante control and accountability mechanism considering demand side and supply side actions.

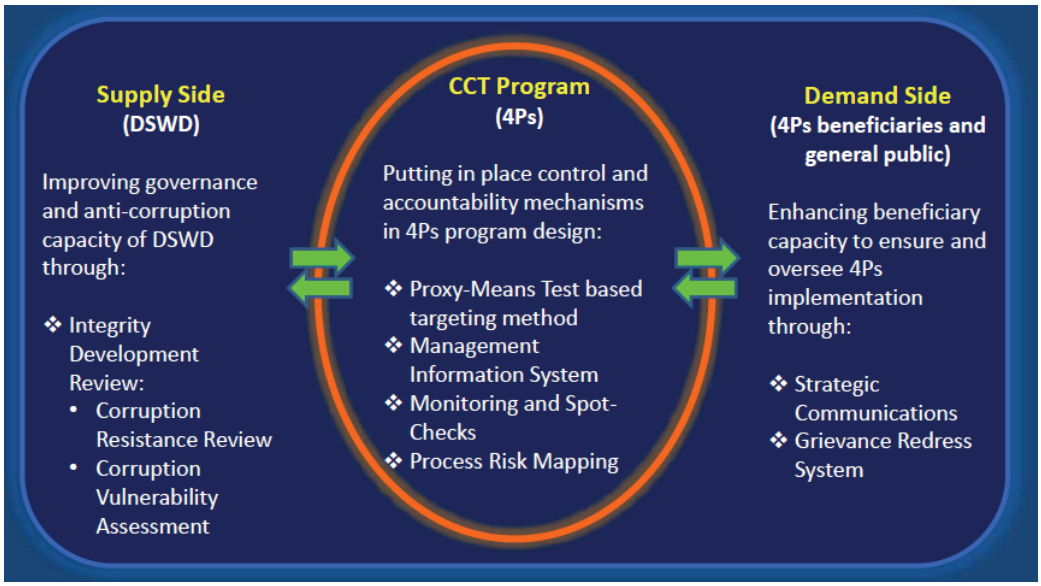

Figure 5: Example of GAC technical assistance program

Source: Presentation EAP governance hub meeting March 2-4 Bangkok

Table 4: Overview of diagnostic questions per stage of a SSN program

Stage of SSN program	Diagnostic questions
Beneficiary selection	Are eligibility criteria easy to understand for program staff and beneficiaries?
	How easy are eligibility criteria to verify (for program staff) and comply with (for beneficiaries)?
	Are thorough eligibility checks carried out at the outset of the claim?
	What is the awareness among beneficiaries and communities of program rules (rights and obligations), eligibility criteria, and beneficiary lists?
	Do program staff, communities, and individuals receive training to understand program rules?
Processing of applications	Is there a separation of function or checks and balance between processing, payment and monitoring?
	Do monitoring and verification systems allow for checks and control throughout processing of claim?
	Do staff have adequate basic material support to perform their function?
	Is capacity sufficient given the number of processes staff control?
	Is that capacity commensurate with caseload?
	Does administrative capacity exist elsewhere that is currently not used in program?
	To what extent is administration of program budgeted for?
	Are program staff remunerated to administer the program?
	To what extent are staff incentivised to reduce EFC entering program?
	What type of training do staff receive to eliminate EFC in processing?
	Can processing of claims be automated?
Payment	Can payments be made directly to beneficiaries?
	Can the administration of financial flows be simplified?
	Does proper monitoring and accounting of cashflows take place?
	Are internal quality control processes in place including evaluation, feedback loops and correction mechanisms?
	Are controls in place to verify registered beneficiaries have received regular payment?
	Are payment providers properly supervised by responsible ministry?
	Are there independent feedback options for staff and beneficiaries (e,g. complaint lines)?
Verification and monitoring	Are incentives aligned with institutional responsibilities?
	Are incentives aligned with performance outcomes of the provision of services?
	Are there formal agreements for those involved in implementation (multi-tier government or service level agreements)
	Do these agreements specify performance levels and ways of recording performance?
	Can these agreements be enforced and are appeals possible?
	Is an adequate (captures key program information that staff engage with at each stage of program) MIS system in use?
	Are MIS systems integrated?
	Are corrective actions taken on the basis of feedback and accountability systems?
	Is there involvement of third parties in providing oversight in financial management?
	To what extent are program outcomes communicated to beneficiaries and program staff?
	To what extent is outcome data benchmarked and communicated to beneficiaries and program staff?
	To what extent are beneficiaries or civil society involved in drawing up and verifying beneficiary lists,

	payments and overall monitoring and verification? Is their involvement free from interference from program staff or community leaders? Can beneficiaries and civil society hold service providers to account on beneficiary selection and payments? Does dedicated capacity exist for monitoring and verification (e.g. audit, monitoring, and fraud investigations)? Do communities and civil society have the knowledge and resources to support beneficiary selection and monitoring and verification? Does the involvement of particular actors in monitoring and verification compromise the participation or capacity-building of others? Can more capacity be allocated to data-matching processes?
Exit of beneficiary	Do monitoring and verification allow the program to identify the moment of exit of beneficiary?
Cross-cutting	*Is inter-institutional coordination effective in the core executive?* *Does the core executive take ownership of the overall social safety net?* *Does strategic planning on SSN provision take place in the core executive?* *Does oversight independent of government and political influence exist?* *Is inter-institutional coordination effective at sectoral level?* *Does a sectoral champion exist for SSN programs?* *Are different service providers coordinated at sectoral level?* *To what extent are decisions taken on SSN programs subject to political interference?* *Does strategic planning on SSN provision take place at sectoral level?* *How consistent and sustainable is the SSN system?* *How consistent and sustainable is the funding of the program and administration of the program?* Does sectoral audit capacity exist? Is this audit capacity integrated or fragmented across the administration of the program? How independent is sectoral audit? Is it subject to political influence? Have responsibilities and lines of accountability been properly mapped out? Are these responsibilities and lines of accountability well-documented (e.g. job descriptions and standard operating procedures)? Are these responsibilities and lines of accountability widely known by all in the program? Are these responsibilities and lines of accountability enforced? Are there mechanisms to support accountability arrangements (e.g. complaints mechanisms and mutual accountability mechanisms)? Are accountability systems conflicting? How complex is the administration of the program? Are there ways to eliminate stages or agency without compromising administrative capacity? *Does a civil service code or law exist?* Does the civil service award pay for performance and evaluate performance of civil servants? Does the civil service incorporate clear guidance on malfeasance and how to address irregularities? Does specific professional certification exist in the delivery of SSN programs? Do adequate laws exist that deal with program irregularities? Do adequate laws exist that apply to procurement in a SSN program? Are these laws visibly applied in the SSN context? Are sanctions embedded in program rules?

	Are sanctions applied in cases of malfeasance? Is the sanctions regime subject to political interference?

CHAPTER 3 Arriving at feasible, acceptable, and suitable recommendations

3.1 What are feasible, acceptable, and suitable recommendations?

Chapter 2 outlined that a diagnostic question could entail a number of responses. There is a question of how staff can come up with recommended courses of action. A first would entail seeing what is in use elsewhere by using available evidence and getting views from stakeholders in the program. The latter can be done through workshops and focus groups to discuss options per stage of SSN program design.

Furthermore, a response is likely to be contextual. To understand whether a recommended course of action is likely to be effective and implemented, it is important to consider the feasibility, suitability, and acceptability of any proposed action. These factors are contextual and could determine whether a proposed action is introduced or whether it is successful. This section offers some thoughts but is not meant to describe how to conduct institutional analysis, political economy analysis, or value for money (VfM) analysis.

A useful overview is given in Tools for Institutional Political and Social Analysis (TIPS) published jointly by the World Bank and the UK Department for International Development (DfID).[12] The tool distinguishes between analysing the country and reform context, looking at the prerequisites for policy implementation, and introducing mechanisms to establish the impact of a course of action (see Figure 6). Each area of the TIPS framework is associated with a number of analysis tools.[13] For operational staff involved in the design of SSN programmes the meso- and micro-levels are likely to be most relevant given they relate most directly to the implementation or reform of a program. Institutional analysis would look at the feasibility of a course of action; stakeholder analysis at acceptability; and impact analysis at suitability.

---

[12] http://siteresources.worldbank.org/INTTOPPSISOU/Resources/Volume201Tools-Sourcebook.pdf (accessed July 2010).

[13] For an overview, see http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPSIA/0,,contentMDK:22186494~pagePK:148956~piPK:216618~theSitePK:490130,00.html (accessed August 2010). Further examples as well as analytical tools can be found in these pages.

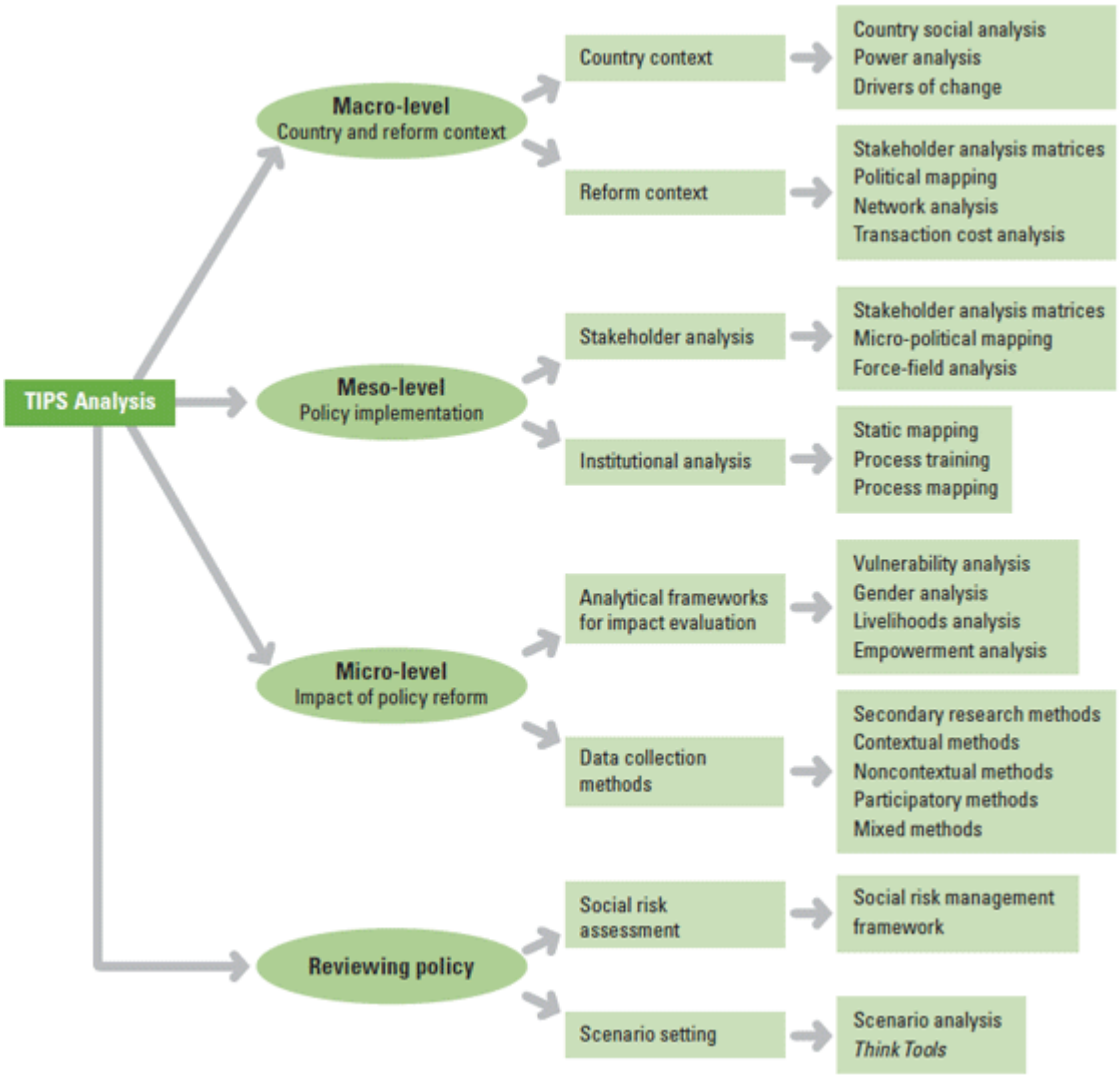

Figure 6: TIPS framework

Source: World Bank 2009

Feasibility refers to whether the proposed action clashes with the institutional set-up and organizational processes. Institutions and processes tend to be path dependent. Even institutions perceived to be weak or informal can prove to be resilient. For instance, proposing a central coordinating body for the SSN system in a system that has known weak or arbitrary coordination traditions and arrangements could prove difficult. Even if such coordination capacity is introduced it might not be sustainable. Experience from the enlargement of the European Union shows that pressures for adaptation are often deflected (van Stolk 2005) and do not become embedded over time. That said, sectoral adaptation tends to be easier than sustained changes in the macro-institutional framework, for instance arrangements in the core executive or law. Feasibility is an important point to consider as often implementation arrangements of SSN programs reflect the institutional architecture (for instance decentralized implementation in a federal system) and informal institutions. Making specific changes that are not in line with institutions and organizational processes may prove difficult.

Feasibility speaks to the need of a basic institutional analysis of any proposal to see how it sits within the institutions and organizational processes. There are a number of ways to undertake institutional analysis. One example is organizational mapping, which was used by the World Bank in understanding the cotton reform program in Chad. The aim was to analyze the distributional impacts of the proposed policy reform to privatize and liberalize the cotton sector in Chad (Verardo and Ezemenari 2003). The objective of the organizational mapping was to gain an overview of the formal and informal institutional framework and organizational practices within which the cotton reform takes place and to identify constraints to poverty reduction. The work consisted of static mapping and process mapping. Static mapping was used to illustrate the process and the participants. It included an organizational flow chart that mapped out the formal links among all relevant stakeholders. Process mapping identified formal and informal rules and procedures. It related resources (such as, money, cotton, inputs, and information) to activities (explicit and implicit tasks). The aim was to make decision-making processes, resources, flows and activities explicit and to identify bottlenecks and constraints, as well as opportunities for change.

Acceptability is the political economy argument (see also Fritz et al 2009). The question here is to what extent the proposed action is acceptable to political decision-makers, administrators, the claimants and wider stakeholders. Changes in institutional arrangements can change incentives and indeed influence. Moving responsibilities from one agent to another might make programmatic sense but may prove unacceptable to the former. Hence, understanding the perceptions and motivations of stakeholders on any proposed action is key to ensure that buy-in exists.

Acceptability speaks to a basic stakeholder analysis to understand motivations, preferences and concerns of stakeholders. A good guide on political economy analysis is used by DfID.[14] An example is offered by the introduction of the rice tariff in 2002 in Indonesia. A matrix of key stakeholders was created to identify their policy positions, why those positions were held, sets of interests that those positions represented, and the degree of influence over the decision. This matrix helped to identify natural coalitions with similar perspectives, as well as the most powerful and influential interest groups, and to create a clearer, more transparent policy environment.

Suitability refers to 'value for money'. Value for money (VfM) refers to the economy, effectiveness, and efficiency of a proposed action. These three E's effectively refer to whether the initiative allow you to do less (spend less), more with the same, or the same with less. These considerations are of key importance. OECD countries are increasingly moving away from merely considering the effectiveness of proposed actions to understanding the cost-effectiveness (see van Stolk and Wegrich 2010 and UK NAO 2008). So, a mere assumption that a change would improve the efficiency and effectiveness of a program would have to be considered carefully and preferably evidenced.

Considering the VfM aspects of any proposed change is important in strengthening the overall program. The main problem is that little information on cost-effectiveness of programs is available. As a substitute, a program could consider using ex ante design of an impact

[14] http://webarchive.nationalarchives.gov.uk/+/http://www.dfid.gov.uk/Documents/publications/howto-pol-econ-analysis.pdf (accessed July 2010).

evaluation. An interesting example is the approach used in Indonesia's PNPM Generasi Project (see Olken et al 2010).Olken et al (2010) used an experimental design whereby similar communities were either incentivized or not. Subsequently, the study looked at whether incentivization had any impact on human capital outcomes. This approach allows for an impact assessment of the program as well as assessing the effectiveness of specific program components (in this case offering communities incentives).

3.2 What are realistic timeframes for recommendations?

It is clear that specific action on governance might involve different time horizons.

- Short-term: These can be quick-wins at little cost, which can improve the governance of the SSN program (e.g. making program information available and the sharing of information between program stakeholders to improve accountability);
- Medium-term: These are improvements, which can improve the governance of the SSN program but need some changes in the rules governing the program or resourcing and additional administrative capacity to implement (e.g. the improvement of sanctions regime and the use of IT); and
- Longer-term: These are aspirational improvements, which likely require substantial political and institutional hurdles to be overcome (e.g. the decentralization of administration or improving inter-ministerial coordination).

References

Online references were last accessed August, 2010.

Ahmad, J et al. (2005). Decentralisation and Service Delivery. World Bank Policy Research Working Paper 3603.

Algemene Rekenkamer (2004), Fraudebestrijding: Stand van Zaken 2004, The Hague; Tweede Kamer der Staten-Generaal. http://www.rekenkamer.nl/9282000/d/p349_tk29810_2.pdf.

ASEAN Secretariat and The World Bank (2009). ASEAN Assessment on the Social Impacts of the Global Financial Crisis. Bangkok. ASEAN Secretariat and the World Bank East Asia and Pacific Region.

Asian Development Bank (2007). Philippines: Critical Development Constraints. Country Diagnostics Studies. Manila, Asian Development Bank.

Asian Development Bank. (2006). Indonesia: Social Protection Sector Development Program. Project Number: PPE: INO 32255 Performance Report, Operations Evaluation Department

Asian Development Bank. (2006). Social Protection Index for Committed Poverty Reduction. Volume 1, available online at http://www.adb.org/Documents/Books/Social-Protection/default.asp.

Asian Development Bank. (2007). Governance Assessment of the Social Security Organizations in Indonesia. Part of Preparatory Studies on National Social Security System in Indonesia.

Asian Development Bank. (2008). Social Protection Index for Committed Poverty Reduction. Volume 2: Asia. Available online at www.adb.org/Documents/Books/Social-Protection/Volume2/.

Attanasio, O., Battistin, E, Fitzsimons, E., Mesnard, A. and Vera-Hernandez, M. (2005). How effective are Conditional Cash Transfer Programs? London: Institute of Fiscal studies.

AusAID, A. G. (2009). Social Protection in Indonesia: Landscape of Social Protection Addressing Vulnerability in Indonesia.

Australian National Audit Office (2004). Fraud Control in Australian Government Agencies: Better Practice Guide. Canberra: ANAO.

http://www.anao.gov.au/uploads/documents/Fraud_Control_in_Australian_Government_Agencies.pdf.

Baldeon C. and Arribas-Banos, M. (2008). Management Information Systems in Social Safety Net Programs: A Look at Accountability and Control Mechanisms. World Bank SP Discussion Paper No 0819.

BlomquistJohn, Marijn Verhoeven, Juan Pablo Cordoba, César Bouillon, and Patricia Moser (2001). Social Safety Nets in Response to Crisis: Lessons and Guidelines from Asia and Latin America. Presented at APEC ministers conference.

O'Brion, Eoin (2005). Control Proofing in System and Process Design. Presentation given by the Director of Regions at the Department of Social and Family Affairs of Ireland to the Six-Nations Conference on Benefit Fraud in New Zealand, September 2005.

Brunetti, A. and B. Weder (1998). A Free Press is Bad News for Corruption. Wirtschaftswissenschaftliches Zentrum der Universitat Basel Discussion Paper.

Burns, Monica. (2004). Social Protection in Lao PDR: issues and options. Report to the Mekong Department, Asian Development Bank, TA number: 4009.

Campos, E.J. and Pradhan, S. (eds) (2007). Many Faces of Corruption: Tracking vulnerabilities at the sector level. Washington DC: World Bank.

Caton, Brenda (2009). Risk-Based Governance Assessment, An Approach to Assist in Mainstreaming Governance. Asian Development Bank, Public Management, Governance, and Participation Division, Regional and Sustainable Development Department. Manila: ADB.

Chan, Sophal and Sophal Ear. (2004). "Toward Understanding Social Protection in Cambodia." Cambodia Development Review. 8(4).

Chanphal, N. (2009). Social Safety Net in Cambodia, Gaps and Challenges. Regional Workshop on Social Assistance and Conditional Cash Transfer. Manila: ADB Headquarters.

Chase, R. and Anjum, A. (2008). Demand for Good Governance Stocktaking Report: Initiatives Supporting Demand for Good Governance (DFGG) Across World Bank Group Sectors and Regions. Washington DC: World Bank.

Coady, D. Grosh, M., and Hoddinot, J. (2004). Targeting of Transfers in Developing Countries: Review of Lessons and experience. Washington DC: World Bank.

Collinson, Sarah (ed.) (2003). Power, livelihoods and conflict: case studies in political economy analysis for humanitarian action. ODI HPG Report 13.

Del Ninno, C. Subbarao, K., Millazo, A. (2009) How to Make Public Works Work: A Review of the Experiences. SP Discussion Paper, No 0905. Washington DC: World Bank.

DfiD (2008). How to Note: Country Governance Analysis. DfID Practice Paper. London: DfiD.

DfID (2009). Political economy Analysis: How to Note. DfID Practice Paper. London: DfID.

Doig, A. (2006). "Good government and sustainable anti-corruption strategies: A role for independent anti-corruption agencies?" Public Administration and Development 15(2): 151-165.

Doig, A. (2010). "Anti-Corruption Strategies at National and Institutional Levels." Practice Meets Science: 1.

Doig, A., D. Watt, et al. (2006). "Hands-on or hands-off? Anti-corruption agencies in action, donor expectations, and a good enough reality." Public Administration and Development 26(2): 163-172.

Dorhoi, M. (2005). Anti-Corruption Strategies and Fighting Corruption in Central and Eastern Europe. Michigan State University.

EC (2003). Communication on Governance and Development. COM 2003 615. Brussels:EC. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2003:0615:FIN:EN:PDF.

Evans, P. and J. Rauch (1997). Bureaucratic Structure and Economic Performance in Less Developed Countries. IRIS Working Paper. Maryland: IRIS.

Gurgur, T. and A. Shah (2000). Localization and Corruption: Panacea or a Pandora's Box. Presented at the IMF Conference on Fiscal Decentralization. Washington DC: IMF.

Fernandes L (2005). Mitigating Fraud in Canadian Social Benefit Programs: Prevention through Risk Assessment. Presentation given by the Investigation and Control Branch of Service Canada to the Six-Nations Conference on Benefit Fraud in New Zealand, September 2005.

Fiszbein A., Ringold D., and Rogers, H. (2009). Making Services Work: Indicators, Assessments, and Benchmarking of the Quality and Governance of Public Service Delivery in the Human Development Sectors. World Bank Note, December 2009.

Fiszbein, A., N. Schady, et al. (2009). Conditional Cash Transfers: Reducing Present and Future Poverty. A World Bank Policy Research Report. Washington DC: World Bank.

Fritz V, et al (2009). Problem-driven Governance and Political economy Analysis. Washington DC: World Bank.

Grosh, M et al. (2008). For Protection and Promotion: the Design and Implementation of Effective safety Nets. Washington DC: World Bank.

Huther, J. and A. Shah (2000). Anti-Corruption Policies. World Bank Working Paper. Washington DC: World Bank.

Hyden Goran & Olowu Dele (ed.) (2000). African Perspective on Governance. Africa World Press, p.6.

Hyden, G., Court, J. and Mease, K., (2004). Making Sense of Governance: Empirical Evidence from Sixteen Developing Countries. Boulder, Co: Lynne Rienner.

ILO. (undated). Indonesia: Implementation of the National Social Security System Law, 2006-2015 Asian Decent Work Decade Series: Social Security Extension Initiatives in South East Asia. ILO Subregional Office for South East Asia.

ILO. (2005). Social Security Governance: A Practical Guide for Board Members of Social Security Institutions in Central and Eastern Europe. Geneva: ILO.

Kaufmann, D. (1998). Revisiting anti-corruption strategies: tilt towards incentive-driven approaches? Corruption and Integrity Improvement Initiatives in Developing Countries. New York: UNDP.

Kaufmann, D. and J. Sachs (1998). Determinants of Corruption. Cambridge: Harvard University.

Kaufmann, Daniel, A. Kraay and M. Mastruzzi (2003). Governance Matters III: Governance Indicators for 1996–2002. World Bank Policy Research Working Paper 3106. Washington, DC: World Bank.

Kaufmann, D, A Kraay and M Mastruzzi. (2008). Governance Matters VII: Aggregate and Individual Governance Indicators, 1996-2007. World Bank Policy Research Working Paper No. 4654. Washington DC: World Bank.

Kaufmann, D. (1998). Revisiting anti-corruption strategies: tilt towards incentive-driven approaches? Corruption and Integrity Improvement Intiatives in Developing Countries. New York, UNDP.

Klitgaard, R. (1998). "International Cooperation Against Corruption." Finance & Development: March 1998.

Lewis M. and Petterson, G. (2009), Governance in Health Care Delivery: Raising Performance. Washington DC: World Bank.

Mathisen, H. and N. Duncan (2006). Knowledge Management for Anti-Corruption: Problems, Perspectives and Prospect, U4 Anti-Corruption Resource Centre.

Moncrieffe J and Luttrell C. An Analytical framework for Understanding the Political Economy of Sectors and Policy Arenas. London: ODI.

New Zealand Comptroller and Auditor-General (2003). Social Security Benefits: Accuracy of Benefit Administration. Wellington: OAG New Zealand. http://www.oag.govt.nz/2003/benefit-administration/docs/benefit-administration.pdf.

Nguyen, Q. (2007). "Responses to Poverty and Risks in Vietnam: How Effectively Does the Current Public Safety Net Target Vulnerable Populations?" Awarded Theses 2006: 51.

ODI (2006). Governance, Development, and Aid Effectiveness: A Quick Guide to Complex Relations. ODI Briefing paper March 2006. London: ODI.

OECD (2005). Security System Reform and Governance. DAC Guidelines and Reference Series. Paris: OECD.

OECD/DAC, (2009). Donor Approaches to Governance Assessments: Guiding Principles for Enhanced Impact, Usage and Harmonisation. Paris: OECD. www.oecd.org/dac/governance/govassessment.

Olfindo, R. Social Impacts of the Global Economic Crisis and Policy Responses: Philippines. ASEAN Snapsnot Report, The World Bank. Washington DC: World Bank.

Olken, B., Onishi, J., and Wong, S. (2010). PNPM Generasi Final Impact Evaluation: Summary of Preliminary Main Findings. June 2010

Perdana, A. A. and J. Maxwell (2004). Povety Targeting in Indoneisa: Programs, Problems and Lessons Learned. CSIS Working Paper Series. Jakarta: Centre for Strategic and International Studies (CSIS).

Rodrick, D. (2008). Second-Best Institutions. NBER Working Paper No. W14050.

Rosfadhila, M., N. Toyamah, et al. (2009). A Rapid Appraisal of the Implementation of the 2008 Direct Cash Transfer Program and Beneficiary Assessment of the 2005 Direct Cash Transfer Program in Indonesia. The SMERU Research Institute.

Rousso, A. and F. Steves (2006). "9 The effectiveness of anti-corruption programs: preliminary evidence from the post-communist transition countries." International handbook on the economics of corruption: 247.

Segal, P. (1999). "Dealing with devil: the hell of corruption." Impact, International Finance Corporation, Spring.

Singh, Paguman. (2007). Social Protection in ASEAN: Issues and Challenges for ASEAN and its member countries. Draft Report for International Council on Social Welfare, ASEAN GO-NGO Forum, December 2007

Social Security Administration. (2009). Social Security Programs Throughout the World: Asia and the Pacific, 2008." Washington DC: SSA. Available online at http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2008-2009/asia/index.html#toc.

Suharto, Edi. (2007). Social Protection Systems in ASEAN: Social Policy in A Comparative Analysis." Available online at: http://tinyurl.com/l5snj7.

Tanzi, V. (1998). Corruption Around the World: Causes, Consequences, Scope and Cures. IMF Staff Papers. 45. Washington DC: IMF.

Tomaszewska, E. and A. Shah (2000). Phantom Hospitals, Ghost Schools and Roads to Nowhere: The Impact of Corruption on Public Service Delivery Performance in Developing Countries, Working Paper Operations Evaluation Department, World Bank. Washington DC: World Bank.

UK National Audit Office (2006). International Benchmark of Fraud and error in Social Security Systems. HC 1387, Session 2005-2006. London: NAO.

UK National Audit Office (2008). Progress in Tackling Benefit Fraud. (HC 102 Session 2007-2008). London: NAO.

UNDP (1997). Governance for Sustainable Human Development, A UNDP policy paper UNDP 1997.New York: UNDP.

UNDP (1999). Fighting Corruption to Improve Governance. New York: UNDP.

US General Accounting Office (GAO) (2001). *Strategies to Manage Improper Payments: Learning from Public and Private Sector Organizations.* GAO Report GAO-02-69G, October 2001. Washington DC: GAO. http://www.gao.gov/new.items/d0269g.pdf.

Van Rijckeghem, C. and B. Weder (1997). Corruption and Rate of Temptation: Do Low Wages in the Civil Service Cause Corruption? IMF Working Paper. Washington, DC: IMF.

van Stolk, C. and Wegrich, K. (2010). Casting light into dark corners. A cross-national comparison of approaches to performance management in fighting fraud in social security and the hidden economy. Public Management Review, forthcoming

van Stolk C. and Tesliuc E. (2010). Toolkit on tackling error, fraud and corruption in social protection programs. SP Discussion Series No. 1002. Washington D.C.: World Bank.

van Stolk C (2005). Europeanisation of regional and agricultural policy in Poland and the Czech Republic. LSE London.

Weatherley, K. E. (2008). The Effectiveness of the Raskin Program. The SMERU Research Institute.

World Bank. (2005). PSIA Summary – Indonesia Social Protection Reform. INDOPOV Team, World Bank Office Jakarta, available online at http://go.worldbank.org/6W62L4PND0.

World Bank (2007). Control and Accountability Mechanisms in Conditional Cash Transfer Programs: A Review of Programs in Latin America and the Caribbean. Operational Innovations in Latin America and the Caribbean, Vol. 1, No. 1. Washington DC: World Bank.

World Bank. (2007a). Strengthening World Bank Group engagement on governance and anti-corruption. Washington DC: World Bank.

World Bank (2009a). Control and Accountability Mechanisms in Cash Transfer and Conditional Cash Transfer Programs: A Review of Programs in South Asia. Washington DC: World Bank.

World Bank (2009b). Roots for Good Forest Outcomes: An Analytical Framework for Governance Reforms, Report No. 49572-GLB. Washington DC: World Bank.

World Bank SSN website at http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTSAFETYNETSANDTRANSFERS/0,,menuPK:282766~pagePK:149018~piPK:149093~theSitePK:282761,00.html.

World Bank Cambodia (2009). Policy Response to the Global Financial Crisis. World Bank.

World Bank (2009). The Policy Response to the Global Financial Crisis in ASEAN – Vietnam, World Bank.

World Bank (2010). Emerging Stronger from the Crisis. World Bank East Asia and Pacific Economic Update 2010. Washington DC: World Bank.

APPENDICES

Appendix A: Control and accountability mechanisms in LAC

Table 5: Control and accountability mechanism in use in the Latin American and Caribbean region

Mechanisms	Pros	Cons
Top down		
SAI	Country-wide	Standing varies between countries
Call centres	Client facing, cost-effective, and useful in multi-tier systems	Needs to operate well or can backfire
Public prosecutors	Useful deterrent for corruption and to foster accountability	Impact limited more widely and can be expensive
Spot checks	Quick feedback on implementation of program	None
Data-matching	Cost-effective and quick	Need to have IT, expertise and unique identifiers
Concurrent audits	Provides timely information that can be acted upon	Costly
Public disclosure of program information	Fosters transparency and shared understanding	Privacy issues
Evaluation	Basic accountability tool	Takes a long time and expensive
Bottom up		
Neighbourhood and municipal committees	Builds on skills and may be closer to beneficiary	Depends on volunteers and role needs to be defined carefully
Committees of mothers	Beneficiary empowerment	Depends on volunteers who may become intermediaries
Civil society	Third party close to beneficiary	Potential conflict of interest

Source: Taken from World Bank 2007

Appendix B: MIS per stage of SSN program

Table 6: MIS risk mitigation strategies per stage of SSN program

Stage	Risks	MIS functions	Tools
Beneficiary entry	Inclusion and exclusion errors	Data quality; data security; records management	Cross-checks; access control; separation of functions; audit trails; security classification; archiving strategy
Processing	Service interruption; unauthorised access to information; unauthorised changes; creation of false transactions	Disaster recovery; availability management; capacity planning; security management; data warehousing	Back-ups and redundant systems; downtime management; access control; unique identifiers; cross-checks
Payment	Irregular payments; inaccurate payments; interruption of payments	Data quality; master data management; systems availability management	Error/inconsistencies alert; service level agreements
Verification and monitoring	Uninformed decision-making; reputation risks; political risks Program abuse; program credibility; missed opportunities for demand-drive program improvement	Data quality; records management; process monitoring; data availability; data usability; data warehouse	Reporting tool; management reports; case management; service level monitoring

Source: Taken and adapted from Baldeon and Arribas-Banos 2008

Appendix C: Program design and management with EFC lenses

Table 7: EFC lenses on critical phases of the program

Phase	Recommendation
Institutional Design	Define lines of authority and accountability, including administration and service delivery. Align incentives and financing, particularly for intergovernmental responsibilities. Identify risks and remedies up front.
Eligibility, Recertification	Minimise inclusion and exclusion errors.
Conditionality	Balance accuracy and the burden of verification. Examine reasons for non-compliance.
Payment processes	Improve monitoring of cash flows and control procedures.
Management Information Systems (MIS)	Strengthen framework to analyze and design MIS systems. Promote the crosschecking of enrolments with other databases.
Internal quality control	Expand process evaluation, feed-back loops, and correction mechanisms within programs, particularly through spot checks.
Appeals and complaints	Handle complaints and appeals appropriately and in a timely manner, and publish program data.
Financial management and auditing	Define payment accounting and reporting requirements. Focus audits on risks. Include supreme audit institutions.
Procurement	Closely supervise implementation of large service contracts.

Adapted from: World Bank (2007)

Appendix D: Job descriptions in the UK

Customer Service Agent

A Customer Service Agent provides the focal point for customers/employers making enquiries to Jobcentre Plus services using the telephone. Depending on the nature of the telephone call received they:

- Provide a high quality and effective first contact service for customers either making a claim for Jobcentre Plus and associated benefits, or applying for a National Insurance Number (NINO).
- Conduct jobsearches and identify suitable vacancies for customers contacting Jobseeker Direct.
- Provide a high quality and effective vacancy taking service, in line with Jobcentre Plus policy, quality standards and employment legislation, for employers placing vacancies with Jobcentre Plus.
- Record accurate and relevant information provided by members of the public regarding allegations of potential fraud or tax evasion for possible investigation by the Fraud Investigation Service or HMRC.
- Establish the nature of the customer's enquiry, redirecting them if the query is not relevant to a Jobcentre Plus Benefit.
- Advise the customer of their rights and responsibilities in relation to their claim.
- Identify and initiate referrals to Fraud Investigation Services, with the support of the Team Leader.

Benefits Delivery Officer

- Complete processing action on claims as required, through to the payment screen, and set HB/CTB indicator as appropriate.
- Handle claims where CMS contingency is invoked.
- Deal with system generated reports, including appropriate Work Available Reports (WARs) and Overdue Work Reports (OWR).

- Liaise with other Jobcentre Plus sections, DWP sections or other Government Departments e.g. HMRC in connection with benefit claims.
- Record tax code and occupational pension indicator on system as appropriate.
- Check Child Benefit record for JSA claims from 16/17 year olds and consider eligibility.
- Obtain contribution details clerically or using NIRS2, as appropriate.

Fraud Investigator
To investigate allegations of potential and actual fraud activity; pro-actively, particularly in relation to potential areas of work, where there is evidence that employees are committing or have committed fraud and; referrals from the Generalised Matching Service that meet the criteria for investigation on behalf of the DWP.

The main activities associated with this role are to:

- Ensure investigations are performed in line with the instructions set out in the Fraud Procedures and Instructions Manual, other user manuals and follow the processes in the Standard Operating Approach (SOA) to ensure compliance with the legal and policy requirements.
- Conduct Interviews Under Caution in accordance with The Police and Criminal Evidence Act 1984 (England and Wales) and Common Law (Scotland).
- Conduct interviews with customers to offer Administrative Penalties, Formal Cautions (England & Wales) and Administrative Cautions (Scotland).
- Make recommendations to the Team Fraud Investigator (TFI) on the outcome of cases and their suitability for a sanction.
- Record the outcome of a case on FRAIMS and to make appropriate recommendations to the Decision Maker when a case meets the criteria for a loss of benefit provision.

Develop cases into prosecution cases and to attend Court as a witness when requested.

Appendix E: Typical quantitative data collected for monitoring and evaluation in a public works program

Level of collection	Instruments	Information
Project level	MIS registry	Input and output indicators at project level and at local level
	Project level sample collection	Efficacy of design & implementation
Household level	Beneficiary Survey and citizen report card	Access to program, service quality and satisfaction of implementation
	Cross-section household survey of beneficiaries	Profile of beneficiaries & their households
		Income, assets and welfare level
		Eligibility and participation in the program
		Amount of transfers received
		Relevance & quality of training
	Longitudinal household surveys	Similar info as in the household survey, but implies follow up of beneficiaries to gage long term impact
Community level	Local officials interviews	Perception on the implementation issues
	Communities and village level surveys	Community characteristics in terms of labor market, wage rates, and level and quality of infrastructure
		Community perceptions of the benefit of the project

Figure 7: Overview of quantitative collected for M&E in a public works program

Source: Taken from Del Ninno, Subbarao, Milazzo 2008

Appendix F: Social protection in use in ASEAN members pre-crisis and as a response to the crisis

Table 8: Cash transfers in use pre-crisis (existing) or as a response to 2008 crisis in ASEAN members

		Cash Transfers					
		In kind transfers	Housing support	Broad coverage - CCT/UCT	Broad coverage - Categorical	One-time transfer	Geographically focused pilot
Singapore	*Existing*				X		
	Response		X		X		
Brunei	*Existing*				X		
	Response						
Malaysia	*Existing*	X			X		
	Response		X		X		
Thailand	*Existing*	X			X		
	Response					X	
Indonesia	*Existing*					X	X
	Response					X	
Philippines	*Existing*	X			X	X	
	Response			X	X		
Vietnam	*Existing*				X		
	Response		X			X	
Lao PDR	*Existing*	X					X
	Response						
Cambodia	*Existing*	X					X
	Response						
Myanmar	*Existing*						
	Response						

Source: Taken from ASEAN World Bank 2009

Table 9: Social protection programs and policiesin use pre-crisis (existing) or as a response to 2008 crisis in ASEAN members

		Subsidies			Labor market			Integrated develop	Social Insurance
		Universal Price	Food	Health and/or Educ.	Public works	Other active labor mkt	Livelihood	Geog. targeting, block grants	Pensions, health ins., UI, etc. (formal sector & civil servants)
Singapore	*Existing*			X		X			X
	Response			X		X			X
Brunei	*Existing*					X			X
	Response								
Malaysia	*Existing*	X		X		X			X
	Response		X			X	X		
Thailand	*Existing*	X		X				X	X
	Response			X		X		X	X
Indonesia	*Existing*	X	X	X				X	X
	Response							X	
Philippines	*Existing*	X		X			X		X
	Response			X			X		
Vietnam	*Existing*	X					X	X	X
	Response							X	
Lao PDR	*Existing*			X	X		X		X
	Response								
Cambodia	*Existing*		X	X	X				X
	Response					X			
Myanmar	*Existing*							X	X
	Response								

Source: Taken from ASEAN World Bank 2009

Appendix G: Overview of governance and administrative challenges

Table 10: Supply-side governance challenges in a SSN program

Governance challenge	Actions to be taken	Stakeholder involved	Remark	Diagnostic questions
Clarity of institutional responsibilities and accountability	Macro-level: Encourage central coordination in the core executive of cross-sectoral responsibilities and programs Encourage a strong and independent SAI to provide oversight in the program	Core executive	Inter-institutional coordination is a problem in many countries (LAC, OECD as well as EAP) Main issues involve the lack of coordination between ministries, which can impact on government strategy in social protection, planning of social protection, lines of responsibility and budgeting of programs – many OECD countries use interministerial committees and steering groups to better coordinate provision Strong oversight (mostly SAI) independent of government is common in the social protection regime any OECD country (The US uses strong parliamentary oversight to monitor performance of Social Security Administration; Canada)	Is inter-institutional coordination effective in the core executive? Does the core executive take ownership of the overall social safety net? Does strategic planning on SSN provision take place in the core executive? Does oversight independent of government and political influence exist?
	Meso-level: Encourage the creation of a central coordinating body for all social protection programs Encourage the creation of independent audit capacity in a program Promote integrated accountability arrangements	Ministry and core executive	Inter-institutional coordination is also a problem at sectoral level. Examples from LAC and EPA show that often a social protection system is not well-coordinated with competing programs managed in different ministries Programs in many countries (see e.g. Bangladesh) show high turnover and lack of sustainability Moreover, many bodies and agencies are involved in the implementation of programs, which can lead to absent or fragmented accountability Most OECD countries manage and coordinate the social security systems through one dedicated body, a champion of the system and SSN programs (e.g. Centrelink in Australia, Service Canada, or the Social Security Administration in the US) Strong sectoral audit capacity is desirable in providing oversight (internal audit and analysis divisions) Most OECD countries operate under an integrated	Is inter-institutional coordination effective at sectoral level? Does a sectoral champion exist for SSN programs? Are different service providers coordinated at sectoral level? To what extent are decisions taken on SSN programs subject to political interference? Does strategic planning on SSN provision take place at sectoral level? How consistent and sustainable is the SSN system? How consistent and sustainable is the funding of the program and administration of the program?

			sectoral performance framework with outcome measures, which is agreed with the core executive (examples are the US, the UK , and Canada)	Does sectoral audit capacity exist? Is this audit capacity integrated or fragmented across the administration of the program? How independent is sectoral audit? Is it subject to political influence?
	Micro-level: Assign clear responsibilities and lines of accountability Document the responsibilities and lines of accountability Support the creation of a shared understanding between all involved in program Promote the enforcement of responsibilities and lines of accountability Support accountability mechanisms and promote integration of arrangements Consider the division of responsibilities in a program or introduce checks and balance Reduce the complexity of administration	Ministry, program staff, civil society, community, beneficiaries	All involved in implementing the program need to understand their responsibilities and lines of accountability (e.g. see LAC examples) – Brazil has developed tables listing each component of program operation and which agency is responsible for management and monitoring Division of responsibilities between processing, payment and monitoring in OECD countries is a main way to limit error, fraud and corruption from occurring Reducing the complexity of administration (less reliance on a large number of actors or a multi-tiered system) has proved effective in OECD countries to improve delivery –there may be a trade-off between reducing complexity and administrative capacity Clear documentation of responsibilities (e.g. job descriptions) and the use of standard operating procedures in all countries are essential in creating a shared understanding off roles, responsibilities and obligations As stated earlier, LAC examples show that the creation of shared understanding has to be supported by an effective communication strategy and training LAC also shows the use of other mechanisms such as mutual accountability (allowing the beneficiary to hold service providers to account) in SSN program LAC also shows clear and simple eligibility requirements across the social protection are easier to	Have responsibilities and lines of accountability been properly mapped out? Are these responsibilities and lines of accountability well-documented (e.g. job descriptions and standard operating procedures)? Are these responsibilities and lines of accountability widely known by all in the program? Are these responsibilities and lines of accountability enforced? Are there mechanisms to support accountability arrangements (e.g. complaints mechanisms and mutual accountability mechanisms)? Are accountability systems conflicting? How complex is the administration of the program? Are there ways to eliminate stages or agency without compromising administrative capacity? Is there a separation of function or checks and balance between

			implement for staff and easier to understand for beneficiaries; This point also speaks to the relationship between complexity and EFC	processing, payment and monitoring? Are eligibility criteria clear and understood by program staff and beneficiaries? How easy are eligibility criteria to verify (for program staff) and comply with (for beneficiaries)? Are thorough eligibility checks carried out at the outset of the claim?
Lack of alignment of incentives to program implementation (for an example see **Error! Reference source not found.**)	Macro-level: Encourage the creation of standards commensurate with a professional modern meritocratic civil service	Core executive	A meritocratic professional civil service has been shown in OECD to promote service delivery.[15] Such a system consists among others of: transparency in appointment; performance-related pay; effective performance evaluation; an independent redress system Two main areas relevant to SSN programs stand out from the OECD experience: performance evaluation through results-based management (e.g. Canada) and adequate sanctions against those committing irregularities (disciplining staff has also shown to be effective in healthcare provision in the US); and professional certification (e.g. UK)	Does a civil service code or law exist? Does the civil service award pay for performance and evaluate performance of civil servants? Does the civil service incorporate clear guidance on malfeasance and how to address irregularities? Does specific professional certification exist in the delivery of SSN programs?
	Meso and micro-levels: Ensure that incentives are aligned with implementation Promote the creation and enforcement of formal agreements on performance levels and incentives between actors in implementation	Ministry, program staff and potentially civil society	Ensuring that incentives are aligned with implementation responsibilities is an integral aspect of how programs are structured. Examples from LAC show that in multi-tier systems some countries such as Brazil choose to award financial subsidies linked to quality of performance There is much evidence in the OECD about the importance of service level agreements and also about some perverse effects that some arrangements may	Are incentives aligned with institutional responsibilities? Are incentives aligned with performance outcomes of the provision of services? Are there formal agreements for those involved in implementation (multi-tier government or service

[15] See for instance, the activities of OECD-SIGMA in East and Central Europe, www.sigmaweb.org (accessed April 2010).

			have There is less evidence on what constitutes the optimal number of participants in a SSN program – OECD has tended towards simplification	level agreements) Do these agreements specify performance levels and ways of recording performance? Can these agreements be enforced and are appeals possible?
Lack of information to adjust program	Meso and micro-levels: Ensure that adequate program information exist to monitor performance and alignment of incentives Encourage transparent sharing of program information between stakeholders	Program staff	Management information systems (MIS) are essential to see what problems exist in a program or where problems in accountability may exist – without MIS it is difficult to assess performance and align incentives to institutional responsibilities	Is an adequate MIS system in use? Are MIS systems integrated? Are corrective actions taken on the basis of feedback and accountability systems? Do monitoring and verification systems allow for checks and control throughout processing of claim? Do monitoring and verification allow the program to identify the moment of exit of beneficiary?
Ensuring the rule of law	Macro-level: Ensuring that laws exist on the books that punish irregularities in SSN programs Ensuring the procurement law exists and is applied to large scale contracts	Core executive	Laws dealing with malfeasance and corruption are a legal bare minimum There is still debate about the role of institutions in reducing corruption[16] Large-scale procurement is most likely to result in malfeasance (example of food stamps program in US)	Do adequate laws exist that deal with program irregularities? Do adequate laws exist that apply to procurement in a SSN program? Are these laws visibly applied in the SSN context?
	Meso and micro-levels: Ensuring that law is	Ministry	Adequate sanctions can prove a powerful deterrence –	Are sanctions embedded in

[16] The debate takes place between those who look at the effectiveness of particular initiatives to combat corruption (Huther and Shah 2000) and those that link corruption mitigation to wider institutional reform (e.g. democratisation and enforcing the rule of law) (Kaufman 1998), also see Appendix G.

	applied by incorporating national law in program rules Ensuring consistency between program rules and national law is a prerequisite of program design		all OECD countries continue to increase sanctions Prosecutions in OECD countries typically occur in high value and high profile cases – minor cases are dealt with through administrative penalty It is clear that any sanctions regime has to be seen to be fair, transparent and consistent	program rules? Are sanctions applied in cases of malfeasance? Is the sanctions regime subject to political interference?

Ensuring proper financial management and accounting	Meso-level	Ministry/financial institutions	Making electronic payments direct to beneficiaries appears practice in most OECD countries and is an efficient and effective to stop leakages from occurring Eliminating the number of organizations, levels of government, and officials involved in handling money appears an effective way to reduce the opportunities of error and corruption Monitoring the process of cash flows in a system is a bare minimum to reduce the risk of leakages In Latin America, the importance of internal quality control has been shown to be an important weakness that needs to be addressed Basic verification of receipt of payment by registered beneficiaries Minimising the length of time payments stay in the accounts of payment bodies (e.g. post office and consolidating ministry and payment agency accounts were particular factors in reducing leakages (mostly corruption) in Kyrgyzstan Feedback functions such as complaint mechanisms, outlines, and independent appeals are in place in most all OECD countries, in the LAC region, and common throughout	Can payments be made directly to beneficiaries? Can the administration of financial flows be simplified? Does proper monitoring and accounting of cashflows take place? Are internal quality control processes in place including evaluation, feedback loops and correction mechanisms? Are controls in place to verify registered beneficiaries have received payment? Are payment providers properly supervised by responsible ministry? Are there independent feedback options for staff and beneficiaries?
	Micro-level	Civil society	Third-party monitoring in payments has proved in some instances as in Latin America an effective way to monitor the program – there are no prescribed ways to do this	Is there involvement of third parties in providing oversight in financial management?

Table 11: Demand driven governance challenges in SSN programs

Stage of SSN	Governance challenge	Actions to be considered	Stakeholder involved	Remark	Diagnostic questions
Beneficiary selection	Making information available to stakeholders	Making beneficiaries aware of eligibility criteria, program rules, and beneficiary lists	Communities and civil society	Evidence in OECD countries and indeed in MICs and LICs shows that most all programs are moving to making more information available to the claimant Some OECD countries have moved to rights and obligations charters	What is the awareness among beneficiaries and communities of program rules, eligibility criteria, and beneficiary lists?
	Promoting social accountability	Bottom-up accountability mechanism	Civil society communities, and individuals	Much evidence on the importance of building in social accountability mechanisms LAC examples show that social accountability mechanisms are a complement to top-down social accountability mechanisms – no clear prescription on which mechanism work best	To what extent are beneficiaries or civil society involved in drawing up and verifying beneficiary lists? Is their involvement free from interference from program staff, politicians or community leaders? Can beneficiaries and civil society hold service providers to account on beneficiary selection?
Payment of benefits	Promoting social accountability	Bottom-up accountability mechanism	Civil society communities, and individuals	Evidence from LAC shows a variety of payment mechanisms but the importance of continuous monitoring of the payment system	To what extent are beneficiaries or civil society involved in verifying payments? Is their involvement free from interference from program staff, politicians or community leaders? Can beneficiaries and civil society hold service providers to account on payments made?
Verification and monitoring	Making information available to stakeholders	Making beneficiaries aware of program	Communities and civil society	Evidence from LICs such as Uganda (**Error! Reference source not found.**) show that	To what extent are program outcomes communicated to beneficiaries? To what extent is outcome data

		outcomes Benchmarking with other regions or providers		benchmarking and program outcome information can be a powerful driver for producing better program outcomes	benchmarked and communicated to beneficiaries
	Promoting social accountability	Bottom-up accountability mechanism	Civil society communities, and individuals	Much evidence on the importance of building in social accountability mechanisms LAC examples show that social accountability mechanisms are a complement to top-down social accountability mechanisms – no clear prescription on which mechanism work best	To what extent are beneficiaries or civil society involved in overall monitoring and verification beneficiary lists? Is their involvement free from interference from program staff, community leaders, or politicians?
Exit of beneficiary	See points made under monitoring and verification				

Table 12: Administrative challenges in SSN programs

Stage of SSN	Administrative challenge	Actions to be considered	Stakeholder involved	Remark	Diagnostic questions
Beneficiary selection	Lack of capacity in communities and civil society to support selection of beneficiaries in SSN from the bottom-up from the bottom-up	Involving civil society in social audit with known capacity	Communities and civil society	Much evidence on the importance of building in social accountability mechanisms Anecdotal evidence from Bangladesh suggests that relying on civil society with known capacity may prevent communities from building up own capacity Evidence from LAC suggests that training is important to build up capacity. LAC examples also question to what extent civil society actors are held to account in SSN programs	Do communities and civil society have the knowledge and resources to support beneficiary selection? Do communities and civil society receive financial and training support to implement program? To what extent are civil society actors held to account? Does the involvement of particular actors in beneficiary selection compromise the participation or capacity-building of others?
	Lack of knowledge about beneficiary selection in program staff and communities	Training of communities and program staff	Program staff, communities, and individuals	Evidence in CCTs suggest that training and communications strategies are of key importance in explaining the rules of a SSN program	Do program staff, communities, and individuals receive training to understand program rules
Processing of applications	Poor quality of staff introduce errors in the processing of claims	Training of staff Results-based management	Program staff	OECD evidence suggest that training is effective in dealing with staff error OECD evidence suggest that results-based management reduces error in processing	What type of training do staff receive to eliminate errors in processing? To what extent are staff incentivised to reduce errors in processing?
	Low number of staff to implement program	Ring-fence part of the budget for administration Seek administrative capacity in other	Program staff and ministry	Evidence from Bangladesh and Kyrgyzstan suggest that administration is often not budgeted for or added on existing responsibilities of staff without reward	To what extent is administration of program budgeted for? Is capacity sufficient given the number of processes staff control? Are program staff remunerated to

		public sector agencies			administer the program? Does administrative capacity exist elsewhere that is currently not used in program?
	Lack of knowledge about processing rules in program staff and communities	Training of communities and program staff	Program staff, communities, and individuals	Evidence in CCTs suggest that training and communications strategies are of key importance to explain the rules of the SSN program	Do program staff receive training to understand program rules
	Low IT capacity	Providing additional resources to upgrade IT	Program staff and ministry	Evidence from OECD shows that increased IT capacity reduces the number of errors made in processing compared s with more staff-based processes	Can processing of claims be automated?
Payment of benefits	No inhouse capacity to pay benefits	Simplify payments to process them electronically	Program staff and ministry	Reliance on others to pay benefits adds a degree of complexity to processing payments, which can compromise the integrity of the payment system Evidence from the OECD suggest that payment directly to the beneficiary reduces leakage	Could payment be made directly to the beneficiary?
	Lack of knowledge about payment rules in program staff and communities	Training of communities and program staff	Program staff, communities, and individuals	Evidence in CCTs suggest that training and communications strategies are of key importance to explain the rules of a SSN program	Do program staff receive training to understand program rules
Verification and monitoring	Low IT capacity	Providing additional resources to upgrade IT	Program staff and ministry	OECD evidence shows that data-matching is an extremely cost-effective way to verify eligibility information	Can more capacity be allocated to data-matching processes?
	Low number of staff to investigate irregularities	Invest in investigative staff Invest in facilities	Program staff and ministry	OECD evidence shows that investigators who follow a risk-based approach are extremely cost-effective	Does dedicated capacity exist for monitoring and verification? Is that capacity commensurate with

		and staff to handle complaints		LAC evidence shows importance of not over-auditing and following a risk-led approach - evaluation and audit can be expensive OECD evidence suggest that complaints systems are important and also a cost-effective way of investigating irregularities	caseload? Are program staff remunerated to provide verification and monitoring in the program?
	Lack of knowledge about monitoring and verification rules in program staff and communities	Training of communities and program staff	Program staff, communities, and individuals	Evidence in CCTs suggest that training and communications strategies are of key importance to explain the rules of the SSN program	Do program staff, communities, and individuals receive training to understand program rules
	Lack of material support to undertake monitoring and verification	Ensure staff has basic support required to perform function	Program staff and ministry	Evidence from several middle income countries (e.g. Ukraine) suggests that providing staff with inadequate support (e.g. no reimbursement for travel or lack of transportation) has a significant effect on effectiveness	Do staff have adequate basic support to perform their function?
	Lack of capacity in communities and civil society to support verification and monitoring	Involving civil society in social audit with known capacity	Communities and civil society	Much evidence on the importance of using social accountability mechanisms in SSN programs Anecdotal evidence from Bangladesh suggests that relying on civil society with known capacity may prevent communities from building up own capacity Evidence from LAC suggests that training is important to build up capacity. LAC examples also question to what extent civil	Do communities and civil society have the knowledge and resources to support monitoring and verification? Do communities and civil society receive financial and training support to implement program? To what extent are civil society actors held to account? Does the involvement of particular actors in monitoring and verification compromise the participation or capacity-building of others?

				society actors are held to account LAC review further highlights that social accountability should be a complement to not a substitute for formal audits	
Exit of beneficiary	See points made under monitoring and verification				