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Rules, Roles and Controls

Governance in Social Protection with
an Application to Social Assistance

Lucy Bassett, Sara Giannozzi, Lucian Pop
and Dena Ringold

Background Paper for the World Bank 2012–2022 Social Protection and Labor Strategy



March 2012



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Abstract

The paper develops an operational definition of governance that can be applied to social protection. The 2004 WDR accountability framework acts as a starting point, defining accountability in terms of a set of principal-agent relationships between policymakers, providers, and citizens. Applying this framework to social protection, the paper looks at three broad areas where the Bank is involved in governance in social protection: rules of the game, including clear criteria for entry and exit of programs; roles and responsibilities, including defining accountability relationships and incentive frameworks across levels of government and institutions involved in social protection; and controls and accountability measures, including the broad set of implementation mechanisms and procedures for ensuring that “the right benefit gets to the right person at the right time”. The paper applies this framework to social assistance policies and programs, reviews what is currently being done across the Bank in this area, and identifies future opportunities for clients and Bank engagement.

JEL Codes: I38 - Welfare and Poverty: Government Programs; Provision and Effects of Welfare Programs; H11 - Structure, Scope, and Performance of Government; D02 - Institutions: Design, Formation, and Operations

Key Words: governance, accountability, service delivery, social protection, labor, safety nets, social assistance

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I. INTRODUCTION

1.1 Background and Rationale

Why Focus on Governance in Social Protection?

There are at least four major factors driving interest in this topic both inside and outside of the World Bank.

First, there has been a **rapid expansion of social protection programs** across the globe in recent years and the Bank's social protection portfolio has grown as well. Most recently, the "triple F" crises have increased demand for social protection programs and policies in developing countries. This, in turn, has led to heightened interest from clients and donors alike in ensuring the efficient and effective use of public funds. To this end, the design and implementation of programs came to the fore in order to yield results and minimize the risks of error, fraud, and corruption (EF&C).¹

Second, there is increased recognition and evidence that **good governance is central to improving service delivery and outcomes**. Governance is not just about reducing corruption, it is also about improving incentives for policymakers and providers, and strengthening the accountability of services to citizens. These dimensions of program design are important factors for delivering results. For social protection, this means looking inside the "black box" or "missing middle" of service delivery – rather than focusing only on inputs, outputs, and outcomes. Similarly, good governance of SP programs can increase their **legitimacy** and ultimately their effectiveness.

A third, and closely related point, is that governance can be viewed as one of the building blocks for better implementation and results – in other words, it is an integral element of a

¹ *Error* is an unintentional violation of program or benefit rules that results in the wrong benefit amount being paid or in payment to an ineligible applicant. *Fraud* occurs when a claimant deliberately makes a false statement or conceals or distorts relevant information regarding program eligibility or level of benefits. *Corruption* commonly involves manipulation of beneficiary rosters, for example, registering ineligible beneficiaries to garner political support, staff accepting illegal payments from eligible or ineligible beneficiaries, or diversion of funds to ghost beneficiaries or other illegal channels (van Stolk and Tesliuc 2010).

social protection system. The Bank’s forthcoming Social Protection and Labor Strategy emphasizes the importance at the country level of moving from a focus on individual programs to thinking about “systems” in a way that considers the interactions among programs, including the mix of regulations, institutions, financing mechanisms, and the interests of various stakeholders, including policymakers, providers, and users and clients of programs.²

Fourth, within the Bank, and among other development partners, **governance is increasingly recognized as important for achieving development outcomes.** The 2007 Governance and Anti-Corruption (GAC) Strategy has mobilized a strong focus on governance across the Bank’s portfolio. This means that both clients and Bank teams are putting increased effort into identifying governance risks, including political economy concerns, and implementing mitigation mechanisms. There is growing interest in documenting how and why governance matters for development across sectors, including social protection.

Objectives of this Paper

Given these and other trends, it is useful to step back and assess what governance means in the context of social protection (SP) and for the work of the World Bank. The objective of the paper is to define and frame governance in social protection; to review what is currently being done by Bank clients; and to identify future opportunities for client countries and the Bank to strengthen work in this area. Lastly, the paper aims to identify knowledge gaps and future opportunities to improve governance.

This paper recognizes two main constraints at the outset. First, there is a lack of consensus and considerable ambiguity around definitions of “governance” within the broader development and public sector communities, let alone in its application to social protection.³ It is also a challenge to come up with a single definition for governance of social

² Refer to the background paper for the SP&L Strategy by Robalino et al. (2012) “Building Social Protection Systems: Concepts and Operational Implications.” World Bank, Washington DC.

³ A draft background paper for the forthcoming Public Sector Strategy focuses on ambiguity of governance and the multiple definitions. It proposes that this lack of clarity can be useful for opening up broad areas of policy

protection, given the heterogeneity of the programs – safety nets, labor market programs, and social insurance – that make up the sector. The majority of social protection programs involve the transfer of cash and in-kind benefits. Social protection programs can also involve the direct delivery of services, including services for the unemployed and social care for the disabled, children at-risk, and the elderly. This paper aims to provide a clear framework that draws from existing approaches and is flexible enough to take into consideration the different types of programs that fall within social protection.

Second, it is not possible to undertake a complete and comprehensive stock-taking of governance-related work at the country level and within the Bank portfolio. This is both because of the lack of consensus surrounding what governance means and because World Bank information systems do not systematically categorize project interventions related to governance in social protection.⁴ This paper handles this constraint by drawing on examples of governance interventions in Bank client countries with an emphasis on examples that have documented results and/or are innovative and otherwise illustrative. The majority of examples involve some form of direct involvement from the World Bank. Examples from the Organization for Economic Co-operation and Development (OECD) are also discussed throughout the report for comparison.

This report has three main sections. This first introductory section defines social protection governance and discusses its application across types of SP programs. It develops an operational framework, underpinned by the 2004 World Development Report (WDR) *Making Services Work*, which identifies operational entry points for governance in three main areas: (i) rules of the game; (ii) roles and responsibilities; and (iii) control and accountability mechanisms on the supply and demand sides. The second section applies the framework to one field of social protection, social assistance, reviewing country experiences across the three main areas identified in the framework. The final section of the paper looks

discussions with governments and policymakers.

⁴ For example, the “Business Warehouse” database of all World Bank projects currently does not include a single sector code for identifying social protection projects, let alone governance within the sector.

at areas of opportunity for the Bank in social protection governance, with a focus on social assistance, based on the dialogue with the clients and frontier thinking on governance in the sector. This section aims at defining strategic choices and identifying priorities for the sector in the coming years.

1.2 Defining Governance and Social Protection: What is Governance in SP?

Multiple Definitions

There are multiple definitions of governance with varying entry points and emphases. Some definitions emphasize processes and the “rules of the game.” For example, “the process by which decisions are made and carried out on behalf of the members of an organization, the stockholders of a corporation, or the citizens of a nation.”⁵ Other definitions focus more on institutions and their relationships in a particular country context, for example, Kaufmann, Kraay, and Mastruzzi refer to the “traditions and institutions by which authority in a country is exercised for the common good.”⁶ Yet another category of definitions comes from the literature on private corporations and focuses on the relationships between shareholders and managers. For example, the OECD defines corporate governance as “a set of relationships between a company’s management, its board, its shareholders and other stakeholders.”⁷ In the context of social security administration, the International Social Security Administration defines governance as “the manner in which the vested authority uses its powers to achieve the institution’s objectives, including its powers to design, implement and innovate the organization’s policies, rules, systems and processes and engage its stakeholders.”⁸ And still another take from the Governance and Anti-Corruption Strategy of the World Bank defines governance as “the manner in which public officials and

⁵ Crouch and Winkler (2008).

⁶ Kaufmann (2005).

⁷ Definition of Corporate Governance from the Preamble (p. 3) of OECD (2004), cited in Savedoff (2009).

⁸ ISSA (2011). It further suggests that “good governance implies that the exercise of the vested authority is accountable, transparent, predictable, participative and dynamic.”

institutions acquire and exercise the authority to shape public policy and provide public goods and services.”⁹

Each of these definitions has merits and can be applied to social protection in various ways. Governance of social protection programs and systems, for instance, needs to consider the perspectives of the rules of the game, the institutions involved, and their relationships. The corporate governance literature is commonly applied to pensions and specifically the management of pension funds.¹⁰ Another point to note is that having multiple definitions and approaches to “governance” can be helpful, particularly from the perspective of the Bank, which is engaged in a wide range of country settings. In some cases “governance” may not translate directly into the local language or it may be interpreted as a loaded term synonymous with anti-corruption efforts. In this regard, having a variety of entry points for dialogue and involvement in strengthening the set of rules, institutions, and processes that comprise “governance” can be helpful.¹¹

Governance and Accountability

That said, a helpful framework for discussing governance is to consider the “accountability relationships” among the actors involved in the delivery of social protection. This perspective incorporates the rules and processes, institutions, and their interactions. The framework from the 2004 WDR *Making Services Work* identifies the entry points for influencing the quality, efficiency, and effectiveness of service delivery. The “accountability triangle” developed in the WDR defines accountability in terms of a set of principal–agent relationships between policymakers, providers (including frontline service providers and program managers), and citizens.¹² Within this framework, policies can either be implemented through a “long route of accountability,” whereby citizens elect policymakers,

⁹ World Bank (2007).

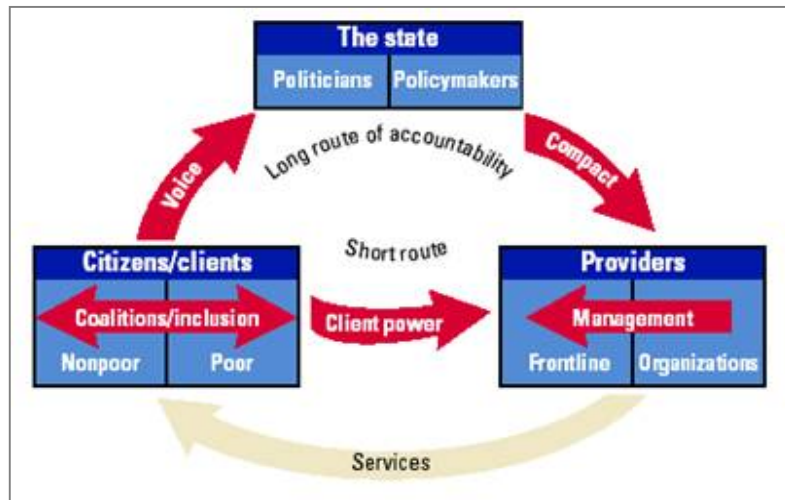
¹⁰ See, for example, Hess (2011).

¹¹ For example, a World Bank colleague working in Human Development Cambodia noted, “*Because of sensitivities on corruption, we’re cautious on using the term ‘governance’ and will try to focus on service delivery.*”

¹² Here “citizens” refers broadly to beneficiaries and users of service delivery. It is not intended to exclude refugees and unregistered populations.

who in turn influence service delivery through providers, or the “short route of accountability,” through which citizens may directly influence, participate, and/or supervise service delivery by providers (see Figure 1).

Figure 1: Accountability Relationships For Service Delivery



Source: World Bank (2004).

In this formulation, governance in social protection can be defined as the set of incentives and accountability relationships that influence the way in which providers are held accountable for their behaviors and ability to deliver services with quality and efficiency. Framing governance in terms of service delivery and the interactions among actors can be applied across types of SP programs – including those that provide cash and in-kind benefits as well as services.

“Operationalizing” Governance: Rules, Roles, and Controls

Defining social protection governance as the set of incentives and accountability relationships implies that from an operational perspective, efforts to strengthen governance can be categorized into three broad areas: first, the *rules of the game* which define the context for accountability relationships; second, the *roles and responsibilities* of actors involved; and third, the *controls and accountability mechanisms* which enforce accountability.

- **Rules of the Game:** Clear rules of the game are a prerequisite for the accountability relationships among policymakers, providers, and citizens to work. At the program level, this refers to the legal framework governing the SP system, or individual program, including legislation and secondary regulations and operational guidelines such as clear criteria for eligibility, entry, and exit from programs, and predictable and transparent mechanisms for setting benefit levels.
- **Roles and Responsibilities:** Roles and responsibilities refer to clear definitions of the principals and agents in the accountability triangle. Setting clear roles and responsibilities across levels of government and the institutions involved in social protection is another key ingredient for making accountability relationships work and balancing incentives at all levels of a SP system or program. Mechanisms for strengthening roles and responsibilities include establishing institutional relationships, clarifying job descriptions for providers, and putting in place performance incentives.
- **Controls and Accountability Mechanisms:** Another central element of governance in SP is the broad set of oversight mechanisms and implementation procedures for ensuring that “the right benefit gets to the right person at the right time.” Most social protection programs – especially cash transfer programs – require measures to ensure appropriate flows of information and money. Control and accountability mechanisms include both measures on the supply-side, including verification, monitoring and evaluation processes such as audits, quality control mechanisms, spot checks, policies to ensure access to information, and formal grievance redress mechanisms. Accountability measures also include demand-side elements that involve citizens in oversight. These include social audits, third-party monitoring, and information provision through report cards.

In other words, the operational entry points and tools for strengthening the governance of social protection systems and programs fall into three, complementary categories (see Table 1). As will be discussed further in Section II, engagement through these three entry points contributes to improved quality and efficiency of programs through strengthened

accountability and incentives for results and improved performance; reductions in error, fraud, and corruption; and greater political support, credibility, and trust in social protection programs and institutions.

Table 1: Overview of Operational Entry Points for Social Protection Governance

Rules of the Game	Roles and Responsibilities	Controls and Accountability	
		Supply-Side	Demand-Side
<ul style="list-style-type: none"> • Definition and communication of rules determining how programs work, including: <ul style="list-style-type: none"> ○ Eligibility criteria ○ Targeting methods ○ Criteria for setting benefit level ○ Conditionalities¹³ and incentives ○ Exit criteria 	<ul style="list-style-type: none"> • Definition of roles and responsibilities at the macro (policy) and micro (program delivery) level • Definition of responsibility for financing, service provision, and monitoring across levels of government • Definition of responsibilities for financial management (e.g., supreme audits) • Incentives for individual providers (e.g., cash and in-kind performance bonuses) • Incentives for institutional providers (e.g., admin grants to municipalities) • Formalization and documentation of institutional arrangements 	<ul style="list-style-type: none"> • Registry of beneficiaries • MIS system • Verification of eligibility and compliance with conditions • Database crosschecks • Audits and processes for remedies and sanctions • Spot checks • Process evaluations for internal quality improvements • Feedback loops for monitoring between policymakers and front-line providers • Program monitoring • Grievance redress mechanism/complaints handling mechanisms (e.g., hotlines) • Supervisory oversight (as applicable) 	<ul style="list-style-type: none"> • Appeals processes • Social audits • Scorecards/report cards • Beneficiary satisfaction surveys • Third party monitoring

Source: Authors (2012).

These operational entry points for governance function at three different levels:

- **Macro level:** This reflects on how the social protection sector is embedded in the wider institutional configuration and environment of the public sector. For instance, this level would consider the independence of the supreme audit institution (SAI), the civil service

¹³ In many cases the term “co-responsibilities” is used instead of “conditionalities” to reflect the double responsibility involved in compliance with program requirements to use social services. The beneficiary is responsible for using services and the program is responsible for providing the services.

code or framework governing human resource policies, the rule of law, overall enforcement capacity, coordination in the core executive, and the political system.

- **Meso level:** This level looks at governance arrangements at the sector level, for instance the institutional arrangements among ministries that make up the social protection system or coordination of ministries and agencies involved in delivering a program or set of programs. A conditional cash transfer program can involve close coordination between a Ministry of Social Welfare that is charged with delivery of cash transfers as well as a Ministry of Health or Education involved in providing services and monitoring beneficiaries' compliance with the conditions of the program.
- **Micro level:** This level refers to the program level and focuses on the responsibilities of different actors and accountability relationships under the program rules to administer and implement. At the micro level, governance plays an important role throughout the service delivery chain, from defining eligibility criteria and enrolling beneficiaries to providing benefits (services and/or payments), monitoring these, and facilitating exit from the program.

This paper focuses mainly on micro- and to some extent on meso-level governance, which are the most relevant for the operational work of the Bank with its client countries. However, the macro, meso, and micro levels are necessarily inter-related. An effective macro level creates an enabling environment and can facilitate better arrangements at the meso, and subsequently, micro levels. Challenges at the macro level, including the absence of a civil service code, an ineffective supreme audit institution, a weak core executive, and inadequate regulatory oversight, may create governance risks and undermine sustainability, scalability, and performance at the meso and micro levels.

The meso and micro levels are important areas of engagement especially from the perspective of building and strengthening social protection as a “system”. Meso challenges may include weak inter-ministerial coordination within the social protection sector, incoherent policies, and fragmented programs as opposed to an integrated system. Choices

at this level will ultimately determine the performance of the social protection system.¹⁴ These can affect how control and accountability mechanisms function across programs, how rules are drawn up, and what roles and responsibilities are specified across levels of government. Micro challenges include risks at various stages of the program's operational cycle – from beneficiary identification to contracting service providers, and monitoring and evaluation. From the “system” perspective, this is the most basic level of engagement, where the focus is on developing the building blocks of social protection programs.¹⁵

Governance across Social Protection Programs

A challenge in discussing governance in social protection is the diversity of types of programs and services that make up the sector. The following section discusses how accountability relationships, and hence the governance issues and entry points, differ across types of programs (see Table 1 and Table 2). In very broad terms, social protection programs can be divided into two categories, first, cash and in-kind benefits, and second, services. Benefits include non-contributory safety nets, or social assistance, and include programs to assist poor and vulnerable individuals, households, and communities. These include cash transfers or food stamps, in-kind transfers, and public work schemes, among others. Benefits also encompass social insurance programs, such as pensions, disability, work injury, survivorship, and unemployment insurance benefits. Services include labor market programs, including training and employment services, and social services for vulnerable groups. Distinguishing between categories of social protection programs highlights the different characteristics of providers and beneficiaries involved in each type of program, and the different types of interactions among providers, citizens, and the government, both of which have implications for how governance is put into practice.

¹⁴ Robalino, Walker, and Rawlings (2012).

¹⁵ Ibid.

Box 1: Error, Fraud, and Corruption in Social Protection

Given the large and growing amounts of public resources spent on social protection, leakage of funds is a legitimate concern. Combating leakage is one driver of efforts to improve governance of social protection. A helpful way to conceptualize the issue is to categorize the misdirection of public funds into three types of problems: error, fraud, and corruption (EF&C). Error refers to unintentional mistakes of various nature, while fraud and corruption refer to intentional attempts to exploit the system by benefit claimants and program staff respectively. Some level of EF&C is unavoidable and to be expected even in the best run and administered programs. Studies of OECD countries have shown that the prevalence of EF&C in social security systems, for example, can result in losses of up to 5% of overall expenditure. Within social protection programs, mean-tested programs had the highest prevalence rates (5-10%), followed by unemployment and disability benefits (1-2%), while old age pensions had the lowest rates (less than 1%).

It is not surprising that social assistance programs have higher EF&C prevalence rates because EF&C is associated with specific design features. First of all, eligibility is often based on economic condition of household, which is hard to verify and changes frequently over time. Moreover, responsibilities for implementation are often shared across multiple departments, agencies, and levels of government, making coordination difficult and increasing risk. OECD countries appear to be most concerned with error and fraud, and less with corruption. This could be due for example to a strict separation of functions (e.g., between payments and assessments, decision-making, and investigation), good staff training and management, as well as effectiveness of controls and internal audits.

When it comes to addressing EF&C, comprehensive strategies combining interventions related to **prevention, detection, and deterrence** seem to have the greatest impact.

Prevention strategies focus on five main areas: (i) ensuring that EF&C risks are considered within each stage of the program at the time of design; (ii) securing payment channels; (iii) assuring reliable and sufficient administrative capacity; (iv) strengthening checks in the initial steps of benefit claims (evidence shows that fraud becomes harder to detect when the claim is in progress); and (v) implementing information campaigns.

Detection focuses on: (i) implementing systems to collect intelligence on EF&C (telephone or online tip-offs, staff reports, data-matching, etc.); (ii) reviewing benefit claims, either randomly or based on red flags, etc.; and (iii) “joint working” to improve information exchanges across government departments and agencies. Unique identifiers for claimants across different databases can facilitate matching data, though they require significant administrative capacity. Other types of review activities can be instrumental for detection. In New Zealand claimants have to re-establish eligibility periodically in order not to lose access to benefits. Such an approach can be useful when eligibility is likely to change over time, but must be carefully considered in order not to place unnecessary burdens on beneficiaries and program staff.

Deterrence involves sanctions. Several countries have begun to use more severe sanctions and increased levels of prosecutions as a deterrent. Examples are Ireland, the United States, and the United Kingdom.

Source: van Stolk and Tesliuc (2010).

Non-contributory cash and in-kind benefits for vulnerable groups are also known as social assistance or social safety nets. They are mainly (though not exclusively) delivered by government agencies – and usually involve a significant degree of decentralization of service delivery – and also can involve religious and civil society organizations. They present two main governance challenges: first, how to target the poorest in society; and second,

how to minimize error, fraud, and corruption (EF&C) to ensure the integrity of the funds (see Box 1 above). Managing targeting and EF&C involves managing the flows of information and funds. The incentives on the part of providers to process the benefits accurately can vary. Inherently, there is an expectation that public sector workers are motivated more by altruism than by financial reward.¹⁶ However, introducing performance incentives into the public sector, such as those given to well-performing municipalities in the *Bolsa Família* conditional cash transfer program in Brazil, can help balance relationships among different stakeholders and minimize EF&C, while supporting positive program outcomes such as targeting or service delivery.

Control and accountability mechanisms, in turn, are key to manage the flows of information and funds. For example, on the supply-side, oversight arrangements between the government and providers can take the form of contracts between central government agencies and providers that specify service standards and performance levels. Controls also include basic financial oversight through audits, including requirements for internal financial control and audit procedures and external audits. On the demand-side, oversight tends to be limited in non-contributory benefits. Because they tend to lack both political voice and choice of services, the poor are more likely to have limited involvement in how services are delivered and often lack influence over providers and policymakers.

Contributory cash benefits deliver cash benefits to those who have contributed to a fund in employment at a specific point in time. Typically, in contributory programs, targeting of beneficiaries is simpler than for non-contributory cash benefits, as beneficiaries are limited to those who have contributed, and generally targeting does not involve an assessment of income or assets. The main governance challenge tends to be investment and financial management. There are five areas of social insurance management all of which need to be carefully designed and subject to oversight. These are: (i) the process of contribution collection and ensuring compliance with legal contribution and wage reporting

¹⁶ Le Grand (2003).

requirements; (ii) data management, reconciliation, and disclosure, both on an individual and aggregate basis; (iii) fund investment and financial management; (iv) benefit calculation and processing; and (v) benefit disbursement. All of the five processes need to be subject to control systems, validation processes, and oversight to prevent errors, fraud, and corruption. Data management also can be subject to EF&C, and needs to be complemented by both oversight and dispute resolution systems so that contributors and beneficiaries themselves can exercise an oversight and accountability function.

Investment management is a key focus of structures, systems, and processes that support strong governance, accountability, and transparency. A key reason for the importance of investment management in social insurance systems is that there are substantial principal-agent incentive problems and substantial information asymmetries in setting aside funds for old age, or other life-cycle risks and events. Sound investment management requires that managers have incentives to manage funds in a sustainable manner over the duration of the liabilities and maximize returns relative to risk. This calls for clear rules, regulations, processes and policies, independent technical analysis, and strong oversight from specialized regulators among others, and demand-side influence from contributors, beneficiaries, and NGOs (Hess 2010). Palacios and Carmichael (2004) note that the governance and accountability foundations of public pension schemes should rely first on transparency, clarity of roles, objectives, and responsibilities, and compatible incentives for the governance structures to be effective and those who make decisions and business judgments be held responsible for those decisions (see Box 2).

Box 2: Governance and Accountability in Public Pension Schemes

A Governance Checklist for Public Pension Schemes

- Are the roles of the respective parties in the public pension scheme clear? For example, is the government's promise clear, are the objectives of the managing agency clearly and publicly enunciated, and so on?
- Are the terms well understood under which the managing agency and its governing members are appointed and terminated?
- Are there adequate fit-and-proper-person protections to prevent the agency from being deliberately manipulated by the government or the board of the agency?
- Is the management agency open and transparent about its governance structures?
- Is the scheme open to periodic review? Do the government and/or the managing agency welcome constructive criticism?
- How well do the agency's internal and/or external governance systems compare with those imposed by the regulator of private pensions?

An Accountability Checklist for Public Pension Schemes

- Does the public have access to adequate information about the governance structures of the public pensions scheme and its managing agency, through explicit laws, annual reports, publications, and/or websites?
- Is disclosure of potential conflicts of interest of Board members required and imposed?
- Is the scheme subject to regular independent audit for both governance and performance?
- Are the financial performance and financial state of the scheme revealed publicly on a regular basis, based on sound accounting standards?
- Is the scheme's financial performance reported against established benchmarks?
- Is the government open about its liabilities under the scheme and subject to independent actuarial reviews?
- Are the incentive structures within the scheme transparent to the public, linked to delegated responsibilities, and risk-based?

Source: Palacios and Carmichael (2004).

The International Social Security Association's *Good Governance for Social Security Institutions* also provides useful guiding principles and practical guidelines on "good governance." These guidelines provide checklist of the essential elements aims to support good governance within social security institutions and spans the range of responsibilities of the Board and Management of social security administration. The guidelines cover the following areas: (i) financial sustainability; (ii) sound investments; (iii) member coverage and contributions, and member benefits and services; and (iv) resource management, in particular human resources and information and communication technology infrastructure. Six areas of operation in the internal governance of social security institutions are the focus:

(a) actuarial soundness; (b) enforcing the prudent person principle; (c) prevention and control of corruption and fraud in contributions and benefits; (d) service standards for members and beneficiaries; (e) staffing policies and performance appraisals; and (f) investments in ICT infrastructure.

Although control and accountability measures for social insurance are mainly on the supply-side, the complexity of investment planning can affect the extent to which contributors can get hold providers accountable. For example, workers and retirees may have difficulty understanding complex financial products and investment strategies. Even if users have opportunities to hold providers accountable—for instance through choice—they may not have sufficient information or capacity to process the information available.¹⁷ Nonetheless, user involvement in social insurance is typically greater than for non-contributory cash benefits. Pensioners with contribution histories are in most cases not the poorest in society and often can exercise influence over government policy and in places hold service providers to account.¹⁸ For instance, the “grey lobby” in the United States has become a force in domestic politics and has gained influence over health and social policy. Pensioners also tend to have an oversight role in the financial management of pension funds.

Active labor market programs, training, and employment services are a heterogeneous set of programs aimed at supporting employment. Providers are diverse and often include third-party organizations and private providers contracted by public sector agencies. Programs are often output- or outcome-based, which means that incentives for providers can be based on the number of beneficiaries served or of services provided, or the outcome of the services (e.g., the number of beneficiaries who find and retain a job for a given period of time). The main governance challenge resides in the relationship between policymakers and service providers, namely setting incentives for achieving the outputs and outcomes that the government aims to achieve (see Box 3). Labor market programs also may be

¹⁷ See for instance Madrian and Shea (2001) on how users choose pension provision in the US.

¹⁸ When the proper legislation, instruments, and mechanisms are in place, pensioners have the right to hold service providers accountable. Individual account or entitlement disclosure and dispute resolution mechanisms are means by which individuals can dispute the remittance of contributions, calculation and receipt of benefits.

targeted, and as a result and require attention managing the flows of information and resources, similar to safety net programs.

Box 3: Provider Incentives in Social Protection – Employment Services In OECD Countries

The use of provider incentives is on the rise. More commonly used in the provision of health and education services, they have increased in popularity in social protection, particularly in the provision of employment services in several OECD countries. In this context, incentives are usually used to offer competition in what was traditionally a monopolistic provision of services by the government. In this case, governments are principals, service providers agents, and jobseekers clients. A review by RAND (van Stolk, Bjornsson, and Goshev 2010) that focused on the use of financial incentives in the provision of employment services in the United Kingdom, United States, Netherlands, and Australia found evidence of efficiency increases, but not of service effectiveness.

In the UK, studies of the pilot Employment Zones found an 8-10 percent increase in job outcomes in the incentivized scheme compared to the traditional one. However, the studies also confirmed that participants got jobs with lower qualification profiles. In the case of Australia, provider incentives increased efficiency in terms of reduced costs, but job placements remained unchanged. Moreover, other studies of the relationship between individual and team incentives found that, at least in small teams where free-riding behavior is less frequent, team incentives can be more effective. The main driver of performance did not appear to be the financial incentive but rather such other factors as team awareness of goals, positive feedback mechanisms, and periodic meetings. These reviews also highlight, however, that provider incentives can contribute to a culture of performance and these incentives can be tailored progressively as unintended consequences appear. For example, in the UK Employment Zones, individual incentives were changed to team level incentives to avoid hoarding behavior. Providers also started including process measures as well as, or instead of, pure outcome measures.

The increase in efficiency appears to go hand-in-hand with what they refer to as ***“unintended consequences”***. First of all, the pursuit of profits and rapid returns by providers leads to cream-skimming and parking effects: easy-to-place jobseekers are given priority and harder to place clients are provided less service. In general, the effect of provider incentives decreased when looking at the harder-to-place jobseekers. Secondly, instead of becoming more specialized through competition, services tend to become more homogenous as providers converge towards a more standardized “for profit” model (higher caseload, cream-skimming, similar delivery strategies), reducing the quality of service. In terms of effectiveness, evidence also showed that hard-to-measure quality indicators, as well as outcomes that are not incentivized, tend to drop as staff focuses on the immediate goal of achieving targeted outcomes. Finally, the review also notes that two important elements should be kept in mind when considering whether to use these schemes in middle and lower income contexts: (i) the existence of various competitive service providers – the existence of a “market” – and (ii) the availability of adequate capacity within the public sector to properly monitor the outsourcing. Because of the high risk involved in strictly tying payments to outcomes services can become more costly. Moreover, in the US and Australia this process also resulted in competition between a few large providers that could afford the high initial investment needed in the period between commencement of services and outcome payments. These barriers to market entry can represent an even greater obstacle in lower income settings.

Source: van Stolk, Bjornsson, and Goshev (2010).

Governments often have contractual relationships with providers that transfer part of the risk of achieving outcomes to service providers. Contracts that pay providers for delivering a certain number of services (output-based) transfer little risk. They incentivize the provider to deliver a set number of services. Contracts that pay by result (outcome-based) transfer most of the risk and incentivize the provider to achieve outcomes (e.g., placement into employment or attainment of a certain level of skills).¹⁹ Both types of programs require increased oversight efforts, for example to verify outcomes and to monitor whether results-based payments to providers for the services delivered are used and complied with. In addition, governments need to assess not only whether payment incentives help the right individuals but also that these individuals move into long term employment or gain skills. Demand-side control and accountability measures can be useful to monitor the efficiency and effectiveness of programs, for example, through social audits. However, the extent to which they can provide long term oversight may also be limited because most employment and training activities tend to engage with beneficiaries at specific points for a limited period of time (e.g., a few employment counseling sessions over a period of time). Also, similar to beneficiaries of safety nets, participants in employment programs can lack voice and influence.²⁰

¹⁹ The risks may be even higher when the target groups have low incentives to actually register, or are stigmatized; additional actions may be required to remove these constraints.

²⁰ There are examples to the contrary. In Argentina, groups of the unemployed (*piqueteros*) have become unionized and present an organized front in the provision of employment services.

Table 2: Rules, Roles, and Controls Across Social Protection Programs

	Common Governance Challenges			
		Non-contributory cash benefits <i>Mainly delivered by government agencies directly, the incentives of the “provider” to process benefits accurately vary. Beneficiaries tend to be less involved in service delivery and lack voice to influence providers as well as policymakers.</i>	Contributory cash benefits <i>Requires an investment strategy linked to the duration of liabilities. Investment managers need the right incentives to maximize returns, manage risks, and limit administrative costs. Service providers need appropriate incentives for account security, data disclosure, and efficient management. Users may have insufficient incentives, reliable information, and/or expertise to hold providers of complex services accountable.</i>	Active labor market programs/ employment services <ul style="list-style-type: none"> Providers often include third party organizations contracted by public sector agencies. Programs are often output- or outcome-based. Engagement of beneficiaries tends to be limited in time (employment counseling sessions); transient group that can lack influence.
Rules of the Game	Having clear program rules on eligibility and compliance that are understood by all actors.	<ul style="list-style-type: none"> Clear eligibility rules (entry and exit, co-responsibilities and incentives to beneficiaries). Publicizing the program rules. Giving a voice to beneficiaries in the selection process. 	<ul style="list-style-type: none"> Managing compliance is extremely challenging in all environments as the incentives are often strong to evade or under-report. Rules for investment managers and other service providers also need to consider principal-agent problems, conflicts of interest, and other incentive incompatibilities. Managing entry and exit less challenging as enrollment is linked to contributions made while employed; however publicizing program rules is still needed, especially when there are multiple schemes. 	<ul style="list-style-type: none"> Managing enrollment can be less challenging as entry is often linked to receiving unemployment benefits; however, many low and middle income countries lack underlying programs making targeting the unemployed necessary. Publicizing program rules. In countries where managing enrollment is difficult, giving a voice to beneficiaries in the selection process.

	Common Governance Challenges			
Roles and Responsibilities	Clear understanding and description of functions/separation of functions in administration.	<ul style="list-style-type: none"> • Stipulating roles in agency to ensure that there is a common understanding on institutional roles and responsibilities. • Separation of functions between payment and processing has been noted in many countries to reduce EF&C. • Providing performance-based management (e.g., accuracy targets) to incentivize provider to process accurately. 	<ul style="list-style-type: none"> • Governing legislation typically stipulates institutional roles and responsibilities. • Providing performance-based management (e.g., setting accuracy targets) to incentivize provider to process accurately. 	<ul style="list-style-type: none"> • Compact normally assures a separation or clarification of roles and responsibilities and performance incentives; and transfers operational risk to provider. • Verifying the registry of participants in programs is important to establish accurate targeting and service provision.
Controls and Accountability	Having good control and accountability systems in the program.	<ul style="list-style-type: none"> • Ensuring that time-based, systematic, and random checks take place to minimize EF&C. • Transferring payments electronically to the beneficiary typically reduces EF&C. • Ensuring sanctions are in place to deter irregularities and remedial action is taken. • Giving a voice to beneficiaries in the verification process (feedback and redress). 	<ul style="list-style-type: none"> • Ensuring appropriate corporate governance is in place to manage funds in a sustainable manner in the long-term to cover liabilities. • Providing a specialized regulatory framework and supervision over fund management to ensure an alignment with the interests of workers and beneficiaries. • Ensuring that time-based, systematic, and random checks take place to minimize EF&C. • Transferring payments electronically to the beneficiary typically reduces EF&C in the payout phase. • Ensuring sanctions are in place to deter irregularities and remedial actions are taken. 	<ul style="list-style-type: none"> • Monitoring and evaluating to see whether outputs and outcomes have been achieved (verifying whether actual delivery of services has taken place; verifying basic quality of services). • Ensuring sanctions are in place to deter irregularities and remedial action is taken. • Giving a voice to beneficiaries in the verification process (feedback and redress).

1.3 Foundations for Governance: Administration and Resources

There are multiple avenues for strengthening governance in social protection through the entry points of “rules, roles, and controls.” Improving governance also requires a strong foundation in administrative capacity and financial resources. This does not mean that only rich countries can afford good governance – the objectives of strengthening accountability and incentives in the delivery of social protection hold across countries, regardless of income levels. Simple institutional arrangements and clear rules of the game (including eligibility rules and benefit levels) are most likely to require fewer resources for monitoring and enforcement, and to be less exposed to governance risks. Accountability mechanisms based on innovative and cost-effective information and communication technologies (ICT) are likely to play an important role as part of the solution, especially in low income countries (LICs).²¹

Adequate administrative capacity is essential for delivering effective SP programs and includes factors such as: (i) adequate human and financial resources to administer programs; and (ii) the existence of a MIS. Many interventions to improve administrative capacity are not specific to SP systems and programs. Rather, they are part of broader public sector reform issues, such as civil service policies, rules governing intergovernmental finance and decentralization, and statistical capacity and information systems.

Without adequate resourcing, the quality of administration will suffer and basic roles and responsibilities will not be performed. To manage overall resources, effective program administration in all likelihood requires:

- **Ring-fencing of administrative resources in program budgets:** Funds for administration are not provided in SP programs. Ensuring that these funds are present as a percentage of the overall program budget will allow the employment of dedicated or additional

²¹ Some evidence has already started to emerge regarding the use of GPS enabled PDAs (for beneficiary selection and enrollment) and automatic checks of eligibility criteria through MIS in Africa (e.g., Nigeria), and the use of mobile technology to improve access to information (e.g., about entitlements) and support grievance redress system (NREGA, India).

program staff or reward existing staff for performing responsibilities. Also, the lack of administrative resources can create situations where staff is overstretched and performing functions for which it is not prepared. This can increase the incentive to short-circuit or alter rules, or rather their practical application, threatening program consistency, transparency, and performance.

- **Providing basic material support for staff to perform their functions:** In some programs, staff are not paid expenses related to their employment. For instance in Ukraine, a common complaint of social inspectors charged with detecting error and fraud in social assistance programs is that they are not reimbursed for travel to and from home visits or inspections, meaning that they have little incentive to perform inspections (van Stolk and Tesliuc 2010).
- **Using scarce staff where they are most likely to be effective:** Program resources are scarce and using staff in areas such as fraud and corruption investigations is likely to be cost-effective or cost-neutral.
- **Increasing efficiency of staff by avoiding duplication of functions and by using technology:** Many programs could potentially increase efficiencies by limiting the levels of government involved in program administration or by using IT in the processing of benefits.

Investments in administrative capacity can be cost-effective and contribute to make better use of existing resources. In Canada, increased training for staff working in Service Canada on how to reduce processing errors, coupled with holding managers to account for errors in a results-based framework, proved effective in reducing processing errors in the means-tested income program (NAO 2006). Other evidence from the OECD shows that increased use of data-matching on files allows social security administrators to target scarce detection resources (e.g., fraud investigators) on those cases with the highest probability of fraud. This highlights the point that sometimes investment in ICT can be cost-effective in the longer run (NAO 2006). Electronic systems used for processing payments also tend to cut down the number of errors in processing and payment systems (NAO 2006) and allow for a

more systematic and integrated MIS. Information and communication technology (ICT) is thus becoming an increasingly important enabler for improving governance (see Table 3). ICT can contribute to improved governance not only by reducing the risks of error, fraud, and corruption but also by improving access to information and facilitating beneficiary feedback.

- **Improving access to information.** For example, potential beneficiaries can increasingly access information on eligibility requirements, rights, obligations and entitlements (see Table 3). Online platforms and electronic communication can help communicate program rules to specific groups (customer segmentation), enabling different types of potential beneficiaries to understand their rights under the program. It is also clear that ICT has increased the amount of information given to service providers to improve services. Organizations using ICT have been shown to find it easier to collect management information, and typically have more accurate processing of information (NAO 2008c).
- **Offering more access to services,** which can affect the frequency of interaction with beneficiaries. The UK Department of Work and Pensions noted a substantial increase in correspondence including feedback with service users when it started using online platforms (NAO 2008c).
- **Facilitating beneficiary feedback.** Through ICT, social protection agencies in OECD countries have begun to rely more on the public to provide information on false claimants and inadequate service provision. This normally occurs through a range of tools that file information and register complaints. Research on Centrelink, the statutory agency responsible for administering the benefit system in Australia, shows that making it easier to complain by increasing the number of ways to complain will increase the number of complaints (ANAO 2008), though it is not entirely clear whether social protection agencies really alter service delivery in response to complaints (NAO 2008b and 2008c). In addition, we know that certain modes of communication, such as

telephone and online platforms, are preferred by specific beneficiary groups (NAO 2008b). We also know that online platforms normally are associated with less actionable information being provided (NAO 2008b).

- **Enabling checks on the veracity of claims.** Many social protection agencies use elaborate data-matching to crosscheck information (i.e., income or assets information held on databases by tax authorities). As such, verification of eligibility can be relatively straightforward.
- **Reducing leakages and risks of corruption.** ICT can contribute to reduced leakages associated with “ghost” beneficiaries. Biometric registration and enrolment uncovered about 12% inexistent recipients of social transfers in Andhra Pradesh, and about 25% in the case of Botswana pension and social grants beneficiaries. In Nigeria biometric audits reduced the number of Federal Pensioners by almost 40%. Moreover, electronic payments (through smartcards, POS, ATMs, etc.) can reduce corruption in cases where clerks ask for bribes as a condition to disburse (Gelb and Decker 2011).

A downside of relying more on ICT for beneficiary feedback or access to information is that some important target groups, like the poor and the elderly, have limited access to ICT and therefore cannot reap the benefits of the technology (NAO 2006). However, with growing technological literacy and outreach, it is likely that ICT will continue to play an increasing role in governance for SP.

Table 3: Overview of Some Uses of ICT across the Stages of a SP Program

Issue	ICT Use	Evidence of Effectiveness
Selecting the Right Beneficiary	<p>IT systems are increasingly used in OECD countries to verify eligibility criteria at the time of the claim by crosschecking data held on the beneficiary across a wide range of government databases.</p> <p>IT systems also allow targeted communication with claimants (customer segmentation) by identifying specific groups of claimants easily to help them with specific problems or remind them of rights and obligations.</p>	<p>Some evidence in Australia suggests that upfront crosschecking reduces the number of ineligible claims.</p> <p>Examples from Canada indicate that targeted communication (advertising, electronic communications, or letters) is seen as a way to reduce customer error in benefit claims.</p>
Crosschecking Wage Reporting between Social Security and Corporate Income Tax Records	<p>ICT systems, communication systems, and data management systems are all necessary in order to validate wage reporting for the purposes of contributing to social security vis-à-vis wage reporting as expenses for the purposes of corporate income tax.</p>	<p>Many countries have centralized contribution collections and perform routine data crosschecking.</p>
Registering and Processing the Information Correctly	<p>IT systems used in OECD countries remind staff to collect all appropriate information and allow for additional checks at different points in the organisation and in the processing of the benefit that the information filed is correct.</p> <p>IT systems can produce management information.</p>	<p>There is some evidence that the move from manual registration of information to IT systems reduced the number of claims containing errors dramatically in OECD countries.</p>
Having a Sound Payment System	<p>Most OECD countries use electronic payments directly to the claimant.</p>	<p>Evidence in the UK suggests that payment fraud has practically been eliminated.</p>
Verifying and Monitoring Activities	<p>Most OECD countries use IT systems to crosscheck data held on the beneficiary across a wide range of government databases.</p> <p>Many OECD countries use case management systems, which allow staff at any point in the organisation to see full details of the claimant file (authorities to change the field are mostly restricted).</p> <p>Many OECD countries use IT systems (online platform) and telephone systems to allow the general public to provide information on fraudulent claimants.</p> <p>Many OECD countries use IT systems (online platforms) and telephone systems to allow claimants to complain about service delivery.</p>	<p>Data-matching in the UK and Australia has been shown to be a cost-effective way to combat error, fraud, and corruption in a social protection program.</p> <p>Evidence in the UK suggests that providing frontline staff with more and more complete information on the claimant reduces error within the system.</p> <p>Gathering information from complainants has been shown in Australia and the UK as a cost-effective way to combat error, fraud, and corruption.</p> <p>Evidence from the UK and Australia suggests that giving claimants more ways to complain is important in raising the amount of feedback, though often not directly linked to service improvement.</p>

Source: NAO (2006), NAO (2008a), and van Stolk and Tesliuc (2010).

II. RULES, ROLES AND CONTROLS IN PRACTICE: AN APPLICATION TO SOCIAL ASSISTANCE PROGRAMS AND POLICIES

This section presents an application of the governance framework developed in the preceding section to one field of social protection, social assistance policies and programs, reviewing governance-related work at the country level and within the World Bank portfolio across the three main areas identified in the framework.

2.1 Rules of the Game

The rules of the game shape the incentives and practices of the individual actors and organizations involved in the delivery of social protection benefits and services, including policymakers, service providers, program managers, and beneficiaries. Clear and transparent rules are important prerequisites for accountability relationships to work at all levels of a social protection system, or program. If roles, responsibilities, and incentives are not clearly defined, control and enforcement mechanisms cannot operate effectively. Building broad credibility among beneficiaries and other stakeholders requires clear, transparent, and enforceable rules, with defined oversight institutions.

In practice, the rules of the game include a mix of formal regulations and informal rules that determine the way social programs work and are implemented. Informal rules, particularly at the local level, matter.²² While there is evidence that informal mechanisms for appeals and grievance redress or local rules to identify the vulnerable and distribute support can be effective,²³ it is important to acknowledge that informal rules do not come without limitations or risks, including the risk of discriminatory practices or of excluding the

²² The most common example of informal rules of the game is the selection bias towards the “deserving poor” in poverty-targeted programs. Such “local preferences” are shaped by social norms and values and do not always overlap with the formal selection criteria.

²³ For example, the customary dispute resolution systems in many developing countries are often more accessible, faster, and provide culturally accepted resolutions (Wojkowska 2006). Similarly, there are examples of traditional mechanisms to redistribute food to protect against food insecurity such as *Zunde raMambo* in Zimbabwe, where the chief designates a common plot of land to be worked by the community on a voluntary basis and the outputs are distributed to vulnerable children, the elderly, and the disabled (Bhattamishra and Barret 2008).

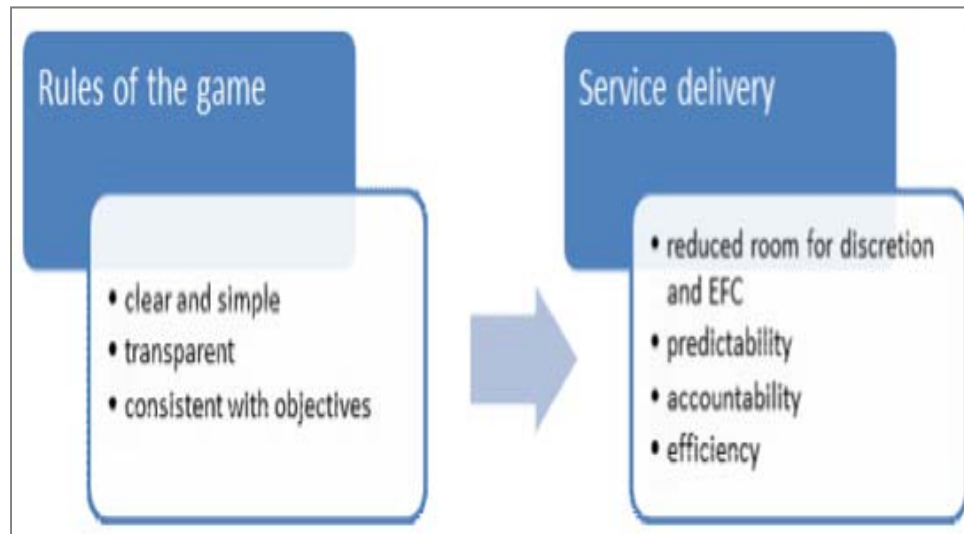
“undeserving” poor, or the risk of elite capture. Moreover, competing formal and informal rules may represent a governance challenge.²⁴

The formal rules of the game are set through legal and regulatory frameworks, including national constitutions, laws, and regulations governing the social protection system. At this level the rules of the game refer to the main laws governing rights to social protection and access to services, and ultimately reflect the social contract in a given country. At the program level, rules refer to the specific laws, regulations, operational manuals, and guidelines that set the various processes and activities of a program. The discussion in this section focuses mainly on formal rules, as these are the main entry points for Bank involvement in social protection, including social assistance.

Social assistance programs can be vulnerable to political interference, inequities, political economy risks, elite capture, and corruption. In many cases these risks are generated or facilitated by the absence of clear and transparent rules of the game, especially regarding eligibility for programs, establishment of services and benefit levels, payment arrangements, and program financing. In order to minimize risks and make accountability mechanisms work in social protection programs, three basic principles are important for the rules of the game: (i) clarity and simplicity, (ii) transparency, and (iii) consistency in application across and within programs, including with agreed-upon program objectives (see Figure 2). Clear, simple, transparent, and consistent rules contribute to reduced room for bias, arbitrariness, error, fraud, and corruption and to increased predictability of benefits. They enable the functioning of accountability mechanisms and can enhance the effectiveness and efficiency of interventions through reducing exclusion and inclusion errors.

²⁴ A relatively strong body of evidence documents competition between formal and informal rules in social protection programs, especially when these programs are targeted and/or decentralized. The most common example coming from safety net programs refers to excluding those who are “undeserving” according to local definitions, against program rules. Other examples refer to “parallel” formal and informal grievance redress mechanisms, which may issue conflicting resolutions to the same case.

Figure 2: Rules of the Game Can Improve Service Delivery



Source: Authors (2012).

Clear and simple program rules and procedures for selecting and enrolling beneficiaries, determining benefit levels and access to services, and exiting programs can help prevent arbitrariness and distortionary influence by local elites or program administrators, inclusion and exclusion errors, preferential treatment of some groups as opposed to others, and other types of horizontal inequities in service delivery. The lack of clarity can leave the door open for uneven interpretation of rules and ad-hoc and often discretionary decisions, which can in turn lead to a lack of transparency and predictability of programs, undermine accountability and control mechanisms, and the credibility of the programs. Among the most common factors contributing to unclear rules are the gaps in regulatory frameworks or, *au contraire*, overly complex regulations, as well as frequent changes and reforms of the legislation governing the programs.

Clarity is important not only for beneficiaries but also for the staff implementing the programs. For example, in many of the ECA countries, the implementation of the programs is regulated through secondary legislation but not transposed into operations manuals “translating” the cumbersome legal jargon into clear and simple operational guidelines (e.g., Romania, Albania). This leads to different interpretations of regulations at the local

level, and uneven program implementation (even between neighboring communities). It can also overload central agencies with requests for clarification from local officials (e.g., through numerous phone calls).

Social assistance programs can entail serious political economy risks, if programs are “captured” by officials who want to use them to support certain constituencies. Unclear rules surrounding, for example, targeting or the indexation of cash benefits may expose programs to political manipulation, especially during electoral cycles.²⁵ Similarly, when programs are financed by the central government and implemented by local governments – as is common with many employment programs, social services, and safety net programs – the absence of clear rules and formulas for intergovernmental transfers can increase risks of political influence or clientelism. In the case of pensions, political interference in the policy for investing pension funds can affect the performance of pension funds.²⁶

Having clear and simple rules of the game is necessary but not always sufficient for accountability relationships to work. A key ingredient is the **transparency of rules and procedures** – the public needs to know and understand what programs and services they are eligible for, how and where to apply, when they should expect to receive services, and where they should complain if they do not receive what they are entitled to. Transparency can contribute to increased predictability and create an enabling environment for accountability by allowing for monitoring and enforcement, and thus reducing the risks of political interference and clientelism. As noted by DFID (2005), transparency contributes to reducing corruption and leakage by “[p]roviding clear information to recipients on the size

²⁵ For example Verstyuk (2004) finds a significant relationship between social spending and election dates in Ukraine (1996-2002), and shows that social protection expenditures (among others) tend to rise in pre-electoral period and fall in post-electoral period. Likewise, Hickey (2007) cites several cases in Africa with social policies and programs “marking time with the electoral calendar” and Nieto-Parra and Santiso (2009) report increased current expenditures (e.g., social transfers) before elections in Latin America. There is a significant body of literature on political budget cycles (including in relation with social protection spending), reporting findings that are not always consistent. Some of the more recent studies suggest that political budget cycles are rather characteristic to “new democracies” (Brender and Drazen 2008), but there is no consensus in this respect either.

²⁶ For example, “forcing pension funds to finance deficits of state enterprise losses often at interest rates lower than what’s available on the market” (Palacios 2000).

of their entitlement should make it more difficult for implementing agencies and staff to siphon off funds. [...] Leakage appears to be reduced where the poor are aware of their rights and are able to access information for monitoring the performance of schemes.”

Consistent rules – both in content and in application – at the program level and across programs can contribute to increased effectiveness of social protection systems and strengthen accountability. Consistent rules across programs lead to better integration and coordination of the core functions of social protection systems. Consistency of rules with program objectives allows for service providers to be held accountable for results, and can contribute to the legitimacy of interventions. Non-compliance with the rules is more likely to appear when they are inconsistent with agreed-upon objectives.²⁷ When eligibility criteria are consistent with a program’s objectives they can contribute to reducing inclusion and exclusion errors, and increase program effectiveness and efficiency. In the case of poverty-targeted transfers, inconsistent rules of program financing in decentralized contexts may lead to horizontal inequities,²⁸ when funds are not allocated based on objective indicators correlated with poverty or financial capacity, poorer localities are likely to be unable to cover all eligible households. In many such cases political economy factors have a significant influence, as governments are tempted to distribute more funds to the more politically powerful regions. In the case of Uzbekistan’s Low Income Benefit, for example, errors of inclusion emerged because funding from the central level was not consistent with the regional distribution of poverty. As a consequence, although only 6% of the poor were located in Tashkent (capital region), about 27% of the low-income benefit funds were allocated to that region.

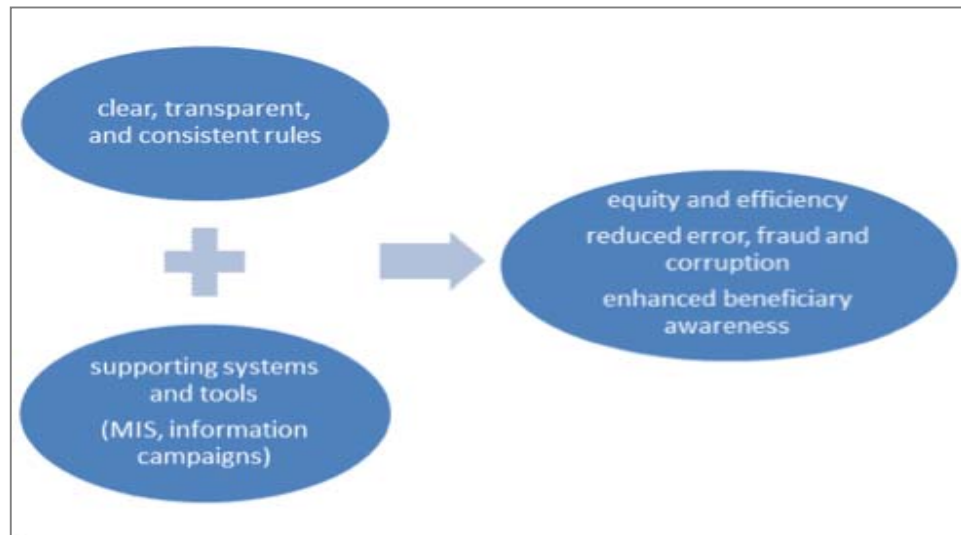
The objectives of the Bank engagement in this area is to assist client countries in **developing clear and consistent rules at the program and sector level**, and to **promote transparency**. In practice this translates into supporting the development of legislation and operational

²⁷ Legitimacy is an important governance dimension, however difficult to operationalize. Most often non-defiance of the rules of the game is the only direct (but partial) indicator of legitimacy.

²⁸ For example, if two households with similar poverty status, but located in different regions, do not have the same probability of receiving a benefit.

manuals, assisting the implementation of effective outreach and awareness campaigns to explain the main design elements of the programs, and advancing the modernization of supporting systems such as beneficiary registries and management information systems (MIS). The remainder of this section aims to provide illustrative examples for this agenda.

Figure 3: Rules and Supporting Systems Can Improve SP Outcomes



Source: Authors (2012).

Setting Clear, Transparent, and Consistent Eligibility Rules

Clear eligibility rules help to minimize error and fraud (van Stolk, Bjornsson, and Goshev 2010). Setting clear and transparent rules for program entry may require different approaches depending on the type of program and the country context. Out of the possible range of social assistance programs, the poverty-targeted ones have most likely stimulated the most debates with respect to eligibility rules, from both technical/efficiency and respectively governance/transparency perspectives.²⁹ However, experience shows that any method – from means and proxy-means testing to community based targeting – may have strong or weak governance records. In recent years an increasing number of “targeting

²⁹ Interestingly, another category of social assistance benefits, i.e., those for disabled, did not stimulate as much debate, despite their at least equally challenging technical and governance issues regarding targeting. The governance issues of the disability benefits started to capture the attention only recently (and especially during and after the crisis), when policymakers noticed their significant increase in caseloads (and cost).

systems” in developing countries have started to rely increasingly on proxy-means tests (PMTs), often combined with other targeting methods such as geographic targeting and community-based targeting or community validation. In spite of not being free of errors, this approach has the advantage of using well-defined and transparent eligibility criteria that are consistent with the program’s objectives and are easy to measure and verify, and simple to administer and explain.³⁰ Due to its benefits the method is spreading rapidly across countries and regions:³¹ examples include Armenia, Georgia, Kenya, Ghana, Pakistan (see Box 4), and the Philippines, where the introduction of PMT has been accompanied by strengthened beneficiary registries and management information systems.

³⁰ The criteria are derived from household survey data by using relatively simple econometric models that identify easy to observe and measure indicators having a high correlation with the household welfare status. While the method is not free of inclusion and exclusion errors, it has the great advantage of being clear and transparent, since it is easy to replicate and the criteria used are easy to observe and explain.

³¹ In most countries with high shares of informal incomes and low administrative capacity income-tests are difficult to perform. PMTs became increasingly popular following extensive use in the LAC region in the 1990s. According to a survey of 65 cash transfer programs in Sub-Saharan Africa, more than one-third use PMT (World Bank 2011).

Box 4: Pakistan Benazir Income Support Program - Improving Transparency and Equity

When the food, finance, and fuel crises unfolded in 2008/09, the newly elected Government of Pakistan found itself with an array of fragmented, uncoordinated, politicized, and non-transparent safety net programs, none of which were providing a reliable and effective approach to support the poor. In response, the government decided to launch a new national safety net program, the Benazir Income Support Program (BISP). The program initially aimed at providing USD 12 per month to 5 million poor families (approximately 20 million people) covering almost 18% of the population. In order to respond to the crisis quickly, and because of the lack of an objective targeting mechanism that could be readily implemented, the government relied on parliamentarians to identify the poor; it distributed 8,000 application forms through each federal parliamentarian of all parties as well as 2,000 forms for each provincial parliamentarian. By April 2009, the program received more than 3.5 million applications out of which 2.24 million families were declared eligible, based on verification by the National Database Registration Authority (NADRA) using selection/verification filters.

Subsequent analyses suggest that while the targeting outcomes of this initial approach to identifying the poor might compare favorably to the previously established safety net programs, eligibility was affected by several issues: lack of transparency, limited coverage, built-in inequities, and bias towards female-headed households. Nevertheless, besides initiating the BISP through targeting by parliamentarians, the government intensified its efforts to move towards a more objective targeting system for assessing eligibility. The parliamentarian-based targeting process of BISP is gradually being replaced, with Bank technical assistance, using a poverty scorecard based on proxy-means tests and on a house-to-house census basis.

Source: World Bank (2010b).

Setting and enforcing clear eligibility rules for social safety nets is believed to be a challenge in lower capacity settings, where means test or proxy-means test methods to assess eligibility are difficult to implement due to the high share of informality, limited data, and the lack of capacity and resources to implement complex screening instruments. In such contexts, community-based targeting is more common, although this approach has raised concerns about the lack of transparency and consistency of eligibility rules, even in those cases when the programs are limited only to easily identifiable population groups such as the elderly or the disabled.³²

³² The same survey of Africa cash transfers shows that more than 60% of the programs were using a form of community-based targeting - alone or in combination with other methods.

The example of the Ethiopia Productive Safety Net Program (PNSP) demonstrates that designing and implementing large-scale safety nets with clear, fair, and transparent rules of the game can be as successful in low income countries as in other contexts. PNSP is a government program that was launched in 2005 to support about 5 million people living in chronic food-insecurity. The program is supported by many development partners (including two World Bank Projects in 2005/6 and 2007/8) through financial and technical assistance. It is implemented almost entirely through national systems, which are decentralized through regional and local administrations and use geographic combined with community-based targeting to select beneficiaries. The beneficiary selection process uses clear and simple criteria to capture chronic food-insecurity, which is defined as “a three months food gap or more and receipt of food aid for three consecutive years.”

The community-based targeting system is strengthened to ensure the transparency of the process through participatory mechanisms: the decisions of the Community Food Security Task Force are endorsed through community meetings, where both beneficiaries and non-beneficiaries debate and agree on which households to include in the program for the next year. A 2008 survey of local service delivery in Ethiopia reported that over 85% of respondents described the PSNP selection process as being fair. The overall level of satisfaction with the program is high (75%), and the rules with respect to eligibility are transparent: 89% of respondents reported knowing who their local PNSP representatives are, and 68% of respondents agree that they have a clear idea of how households are selected to receive PSNP assistance. At the same time, recent evidence shows that the program is well targeted to the poorest households (World Bank 2010).

Clear, transparent, and consistent eligibility rules help to minimize error and fraud not only in social assistance but also in social insurance programs. For example, in Bosnia Herzegovina the labor legislation provided neither a precise definition of unemployment nor clear instructions regarding the procedures to register as unemployed, nor processes for monitoring temporary unemployment. As a consequence before 2005 the unemployment insurance program was loaded with beneficiaries employed in the informal

sector, with no contribution history, and/or not actively looking for a job. In 2005 and 2006 the government, with assistance from the Bank, reformed the legislation after carrying out a public awareness campaign explaining the reasons and substance of the forthcoming reforms. At the same time, a new operational manual and procedures for the registration of unemployed were developed. As a result, about 130,000 ineligible or non-compliant beneficiaries were dropped from the records.

Promoting Transparency

Transparency is a key ingredient of governance. There are many tools to influence the transparency of projects and programs, and experience illustrates that it is beneficial to have these tools in place from early stages of program preparation. Consultations with stakeholders regarding the program's rules during the design phase can ensure not only transparency, but also credibility and legitimacy of the interventions through consensus-building. In many developing countries consultations with respect to draft legislation and citizens' access to public records are already part of the country systems.³³ Draft laws are discussed in consultation meetings and posted on the internet, and feedback is incorporated into program design. Communication strategies and awareness campaigns to inform the population about the programs' rules are also carried out frequently at program launch as part of the outreach strategies. In 2005, in Indonesia, the communication campaign was a critical element for the success of the fuel subsidy reform and the development of a cash transfer program to compensate those most affected. The campaign included workshops and consultation meetings, a brochure detailing the selection criteria for transfer beneficiaries, as well as a website where the public could access the latest news and events and updates of the disbursement of transfers.

Carrying out information campaigns at program launch is not always enough, as programs may reform over time, and beneficiary enrollment is a continuous process. This is true for

³³ For example, in India the Right to Information Act was passed by the Parliament in 2005 in response to a struggle initiated by the poor for a just and equal society. Under the provisions of the Act, any citizen may request information from a public authority, and the authority should answer within 30 days. (Chamorro et al. 2010).

both social assistance and social insurance benefits. In Moldova the Social Protection Management Project aimed to support the pension system by improving the transparency of budgeting and accounting practices and enabling pensioners to benefit from timely payments of pensions, calculated in a fair and transparent manner. The project also aimed to benefit contributors and pensioners through continuous information programs, which could help them to better understand the pension system. With the Bank and DFID support, a Communication Unit in charge of a public communication strategy on pension issues was established within the Ministry of Social Protection. One of its objectives was to increase public understanding of how pension benefits are calculated (see Box 5).

**Box 5: Improving Information and Communication about the Rules of the Game:
Social Insurance Pension System in Moldova**

A communications unit (CU) was established with co-financing from DFID. The CU was expected to coordinate programs aimed at increasing awareness of the public regarding the pension system. During its existence, a communications strategy was developed, and an Advisory Group on publicity (including officials from the ministry, NSIH, and the Independent Journalism Center) was established in the Ministry. Press coverage of pension reform increased. In addition, publicity leaflets were produced and distributed to all counties. Other accomplishments included the training of journalists on social protection policies and at the same time actively engaging them in writing about social protection. A resource center accessible to the journalists and the public was established within the Ministry.

Evidence based on two opinion surveys conducted in 2001 and 2004 indicated that the CU helped to increase the clients' knowledge about the pension system. The CU ensured a competitive selection of media campaign providers to communicate the messages about the pension system to the public through various channels (e.g., radio, television, news conferences, website, and flyers). The 2001 and 2004 opinion surveys asked the respondents what factors influenced their pensions. The percentage of those saying that their pensions depended on the number of years worked increased from 57 percent to 69 percent, and the percentage of those saying that their pensions depended on contributions paid to NSIH and on the number of years they contributed increased from 17 percent to 26 percent.

Source: World Bank (2008).

Most social protection programs require extensive information and communication for the rules of the game to be transparent and effective. The Bangladesh Employment Generation

Program, a public works program, carries out a widespread communication campaign at the beginning of each public works effort including the guidelines for participating in the program, the wage paid per hour, and payment mechanisms. The success of conditional cash transfers (CCTs) such as Brazil's *Bolsa Família* and Colombia's *Familias in Acción* provides evidence that communicating the rules of the game throughout program implementation not only sustains the daily operations of the interventions but also promotes a wide-spread "buy-in" for the programs (see Box 6).

Box 6: *Bolsa Família*: Information on Social Services, Programs and Rights

Brazil's flagship conditional cash transfer program *Bolsa Família* covers 12.7 million beneficiary families (about 25% of the Brazilian population). The program has relied on diverse approaches to inform people about their rights and obligations under the program and to emphasize the message that receiving benefits and good quality social services is a right.

The program has been well advertised through the main website of the Ministry of Social Development (MDS), local radio ads, and pamphlets and posters that are distributed around poor neighborhoods and public offices. For example, the payment calendars are advertised through posters and radio ads.

Social workers and professionals from the Municipal Secretariats of Social Assistance and the social assistance centers (*Centros de Referencia de Assistencia Social – CRAS*) also play a key role in promoting the program and informing beneficiaries about their rights and obligations. These agents work with vulnerable families and conduct home visits in poor neighborhoods to search for families who do not seek assistance. Once a family is admitted in the program, social assistance professionals notify them and provide guidance on how the program works, explaining aspects such as: (i) program objectives; (ii) concept of conditionalities and responsibilities to receive benefits; (iii) consequences of non-compliance; (iv) payment process; and (v) key contact information for additional questions and reporting any irregularities.

Bolsa Família also has improved its outreach to highly disadvantaged groups, such as indigenous populations, *quilombolas* (African descendant groups), and the homeless through adaptation of the program's information materials into local dialects and use of appropriate graphic design to address each group's culture.

Source: Fruttero, Gomez, and Ringold (2011).

In the case of CCTs, transparency and communication are important with respect to: (i) the definition of the conditionality and responsibilities of households and individual members;

(ii) transparent criteria for selecting families, determining benefit amounts, and checking compliance with conditionalities; (iii) sanctions to non-compliant beneficiaries, including temporary and definitive suspension from the program, and conditions for reinstatement; (iv) sanctions for fraud and mismanagement by program staff and local officials; and (v) clear guidelines about the duration of program benefits.³⁴ A review of transparency in Bank-financed CCTs in Latin America and the Caribbean in 2007 found that program transparency could be improved by posting information regarding processes and indicators publically, such as on the Internet. If programs are monitoring the kinds of indicators that need to be tracked for proper management, then transparency costs should be minimal, as the information would exist in any case. Some CCT programs publish public listings of all recipients as a social accountability mechanism. This may increase transparency and has not been highly controversial in most countries; however, this step needs to be considered in the context of each country's cultural norms regarding privacy and confidentiality.³⁵

Strengthening Supporting Systems

Information and communication technology (ICT) is becoming an increasingly important enabler for improving governance, including through promotion of clear and transparent rules of the game. Management Information Systems (MIS) support not only program supervision, monitoring, and evaluation but also the transparency of the program through dissemination of information in various formats and for different audiences. MIS are used to notify beneficiaries about their entitlement and to issue periodic reports for the media and the public. They also help reduce fraud, error, and corruption by ensuring that eligibility rules are met, including through automatic crosschecks of the information provided by beneficiaries.³⁶

For example, in Chile, the MIS brings together information from various institutions that operate social protection programs – pensions, subsidies, cash transfers – into a unique,

³⁴ World Bank (2010a).

³⁵ World Bank (2007).

³⁶ The use of ICT has many other benefits, such as reducing the risk of registering “ghost” beneficiaries or collusion of administrative staff and beneficiaries.

well-integrated database. The system ensures that eligibility rules are met and that programs are transparent for beneficiaries and other stakeholders. After the client's data is input, the MIS performs crosschecks to validate the information, and automatically produces an index indicating whether the household is eligible based on respective program requirements. Data is available online for all stakeholders with differentiated levels of access, and beneficiaries can review their profiles.

Supporting ICT systems are important for improving governance not only in social assistance but for social insurance programs as well. In Azerbaijan, the implementation of a sound MIS for pensions led to increased transparency and reduced opportunities for fraud and error (see Box 7).

Box 7: E-governance in Social Insurance Pensions: The Case of Azerbaijan

“Azerbaijan’s pension fund as a standalone unit was established in 1991 (at the end of the Soviet period) without defined physical premises, effective national legislation, corporate policies, skilled personnel, a centralized record keeping system, and other necessary characteristics of a modern pension system.[...] Many people were unaware of the pension fund’s existence and refused to pay social contributions. ... Average pension benefits were of symbolic amounts (USD 10-15 per month), [...] procedures for claiming them were very bureaucratic, [...] and [...] payment delays could reach three to four months. [...] Data processing was done manually, without centralized record keeping. All of this made possibilities for fraud and error uncomfortably high. [...] In 2001 the government adopted a reform concept that sought to ensure the pension system’s financial sustainability, strengthen links between social insurance contributions and pension benefits, improve transparency and access to information for taxpayers and beneficiaries, and reduce incentives for avoiding the social security taxes that fund the pension system. In 2003-2004 agreements were concluded with UNDP on the joint Capacity Building for the State Social Protection Fund Project, and then with the World Bank for the Pension and Social Assistance Project. These projects worked to significantly increase the SSPF’s managerial capacity by introducing e-governance instruments, in order to automate payments and data processing, improve transparency and access to information (for beneficiaries and the general public), improve the flow of information between the SSPF’s head office and local branches, and create the technological and financial preconditions for the subsequent introduction of the pension system’s funded pillar.” (Muslumov and Ibrahimov 2009).

Several inter-related measures were implemented, including drafting new legislation and developing and installing a modern ICT system to maintain transparency, accountability, and accessibility of information for the population. A case study carried out by an independent consultant on behalf of the SSPF and UNDP in 2008 found that the new MIS led to an improved quality of service to clients, greater transparency, and reduced opportunities for fraud and error. Online records can now be used to explain to customers the situation of their entitlements. Calculation of pensions is now made easily understandable and transparent for the population, and automation reduced the risk of fraud and abuse to a minimum. For example, the risk of adding fake certificates to the original workbooks was completely eliminated.

Source: Muslumov and Ibrahimov (2009).

Reducing Political Interference and Political Economy Risks

In several countries the Bank has worked with policymakers to help formulate rules to minimize the risk of political influence on cash transfers. For example in Brazil’s *Bolsa Família* program new beneficiaries cannot be enrolled in the program during a pre-election

“quarantine” period of about three months. This measure of freezing new registrants during the campaign season reduces the risk, and also prevents the perception, of “vote-buying.” When the rules of geographic targeting or grants allocation from the central to local level are not clear, politicians can use their discretion to target selected communities for purely political reasons. The use of clear and transparent rules and criteria (e.g., poverty maps) in selecting the target program areas can minimize such risks. Brazil and the Philippines (see Box 8) are examples of countries that use poverty maps for municipal allocations of funds and respective geographic targeting.

Box 8: Minimizing the Risks of Political Interference in the Philippines

The Philippines’ *Pantawid Pamilyang Pilipino* (known as the “4Ps”) operates in a highly politicized environment. The food and fuel crisis prompted the government to scale up the program by more than 750 thousand beneficiaries in one year, and by 2011 there were 2.3 million registered households. Because the program involves cash transfers in such a political environment, the 4Ps has been particularly scrutinized by the opposition, the public, civil society, and the press as vulnerable to political influence. Indeed, its lack of objective and transparent rules and criteria for both geographic and household targeting provided opportunities to use the program for political purposes. This has tended to weaken the general credibility of government programs aimed at targeting the poor.

Following a Process Risk Mapping (PRM) that mapped out decision-making step-by-step for geographic selection, household targeting, registration, compliance monitoring, and payment, the implementing agency for the program, the Department of Social Welfare and Development, with technical support from the World Bank, designed a PMT-based targeting system complemented by geographic targeting to select the poorest areas in the Philippines. The geographic selection is now based on a clear and transparent procedure of identifying the poorest provinces based on poverty incidence according to the latest Family Income and Expenditure Survey (FIES). Within these provinces, the poorest municipalities and cities are selected based on the poverty incidence of Small Area Estimates (SAE) and the data on pockets of poverty from the Presidential Commission on the Urban Poor (PCUP).

Source: World Bank (2010).

Unclear rules leave the door open to political interference. In Argentina, the *Jefes* program was started in the midst of the economic crisis and as an emergency program in rapid response to the 2002 crisis, when 10 million people suddenly fell into poverty. The program

was scaled up quickly, reaching over 2 million beneficiaries by 2003. There was confusion in the original decree regarding program design, the division of responsibilities, eligibility criteria, and the enforcement of the work requirements for receiving benefits. As a result, in some municipalities, there were reports of political interference and interest groups getting involved in the design. For example, *piquetero* organizations (groups of the unemployed) registered beneficiaries directly with the Ministry of Labor instead of going through the municipality. Also, beneficiary numbers increased significantly in several municipalities before the Presidential elections of 2003, between January and May, after government officials had declared that registration was closed as of end-May 2002.

A subsequent Bank investigation examined some of these reports and the government took remedial actions based on its recommendations, such as: (i) expansion and systematic use of internal consistency and database crosschecks to confirm available beneficiary information and continued eligibility of participants; (ii) enhanced supervision of municipalities with an improved methodology of checking files (random sampling with lists provided centrally to supervisors); and (iii) improved transparency of program implementation. Public access to micro-data improved as the management information system became accessible on the internet to beneficiaries as well as local authorities, providing data on beneficiary names, identification numbers, payment history, reasons for being dropped from the program, assignment to workfare activity, etc. In addition, more general information is now available on the Ministry of Labor website. Between mid-2003 and mid-2006, beneficiary numbers declined by about 800,000, about half of which is due to the various actions to strengthen program governance.³⁷

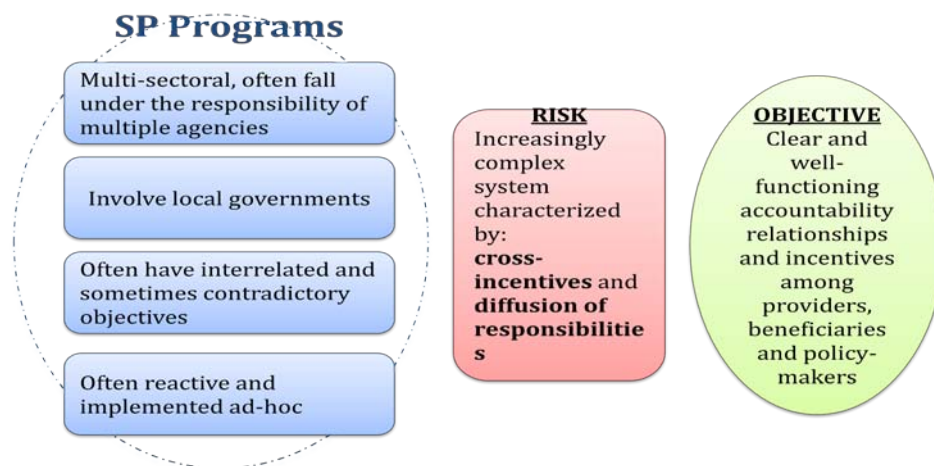
2.2 Roles and Responsibilities

Setting clear roles and responsibilities horizontally, across institutions involved in delivering programs, and vertically, across levels of government, is a key ingredient for making

³⁷World Bank (2007a).

accountability relationships work and for balancing incentives between policymakers and providers. This basic governance principle applies to all types of social protection programs.

Figure 4: Social Assistance Programs Have Complex Institutional and Incentive Arrangements



Source: Authors (2012).

Social protection programs and social assistance programs in particular are often organizationally complex, involving multiple government actors, systems, and processes. In many countries, social protection programs have evolved and been added to over time, with new programs created and existing programs modified and expanded. As a result, social protection systems and programs frequently lack an overall strategic vision and a clear institutional structure. Social assistance programs are also multi-sectoral and may fall under the responsibility of multiple ministries and government agencies. They also can involve local governments. In many cases, their objectives are interrelated and sometimes contradictory and this translates into increasingly complex systems characterized by cross-incentives. Inappropriately defined roles can generate perverse incentives or, in the case of overlapping roles, make accountability unclear. The lack of coordination across *implementing institutions* poses risks for program effectiveness and can blur accountability if roles and responsibilities are not clearly defined or inappropriately defined.

Moreover, the delivery of social programs can entail shifting some discretionary power and responsibilities to lower levels of government. This is particularly common for safety nets, labor markets, and social services.³⁸ National governments typically finance a large share of programs, while local governments often retain significant responsibilities in the administration and delivery of programs. In an attempt to increase efficiency and accountability and improve outcomes, several countries have been experimenting with more decentralized approaches to program implementation, which raises further issues on the clarity of institutional responsibilities and incentives across *different levels of government*. Shifting responsibility for program implementation closer to citizens can be critical in strengthening accountability, particularly in the case of social services delivery, because of their importance for the poor and vulnerable, who tend to suffer from greater exclusion. However, separation of responsibilities for financing and implementation across government levels also implies the need to carefully think about the institutional incentives to ensure that service providers are held accountable for program outcomes.

The objective of the Bank engagement in this area is to assist clients in developing **clear and well-functioning accountability relationships and incentives among providers, beneficiaries, and policymakers**. This has strong implications for the predictability, legitimacy, and administrative efficiency of social protection programs, since these three elements are essential in terms of program sustainability and impact on beneficiaries.

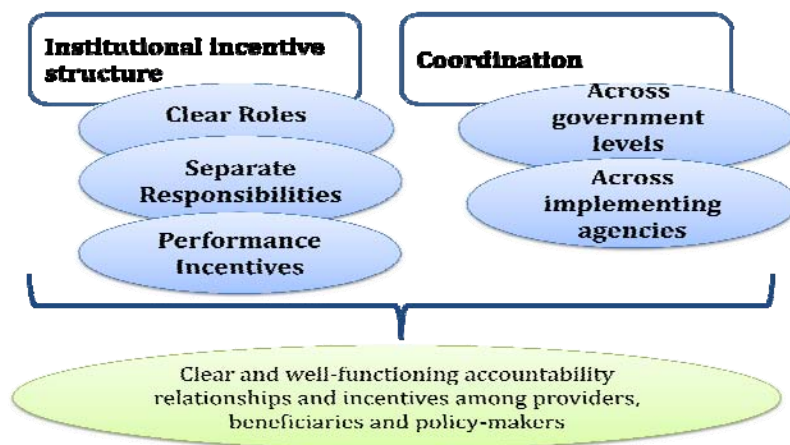
To achieve clear and well-functioning accountability relationships either at the meso or the micro (program) level, **two principles are important** (see Figure 5): (i) a clear and appropriate institutional incentive structure; and (ii) coordination, particularly in a decentralized context. When multiple actors are involved in the delivery of a service or a benefit, responsibility can be diffused resulting in lack of accountability. Clear roles and separate responsibilities (with balanced and aligned incentives among stakeholders) provide the basis for strong accountability relationships. Once roles and responsibilities have been

³⁸ In the case of social insurance an important reason for maintaining central financing, even in the context of decentralization of the delivery of other social programs, is avoiding the fragmentation of the risk pool.

clearly defined and assigned, coordination across implementing institutions and actors can contribute to greater efficiency and effectiveness.

There are many ways to clarify the division of responsibilities, align incentives with accountability, and facilitate coordination. At the meso level, some approaches include, among others, intra-governmental coordination mechanisms within the sector, sector regulations, public sector reforms, and capacity-building to strengthen existing social protection institutions, performance targets for government agencies, and local level actors (municipalities). At the micro level, within individual programs, clear job descriptions for personnel, standard operating procedures, and separation of functions can avoid duplication of tasks and strengthen accountability. Common interventions in this category focus on developing operational manuals and clear guidelines, terms of reference (TORs), and job descriptions, for example. Quite often, achieving a clear delineation between jobs also involves developing professional certification and better-targeted training. The introduction of performance incentives for service providers and staff at various levels of the service delivery chain also falls within this category.

Figure 5: Clear Roles and Responsibilities Can Enhance Accountability



Source: Authors (2012).

The discussion that follows covers examples of the tools and approaches mentioned above as they have been applied in variety of contexts in social assistance programs and systems.

These examples by no means provide a comprehensive list of existing governance engagement in the sector, but offer some insight into how countries have been addressing institutional and governance factors related to “Roles and Responsibilities” that may be hindering optimal program outcomes, and how the Bank has been supporting these developments.

Promoting Institutional Coordination

Co-responsibilities are more and more present in the design of the last resort income support programs in both developed and developing countries (i.e., in the form of job-search and other requirements). CCT programs in particular present significant institutional coordination challenges across line ministries due to the need to ensure an adequate supply of services across sectors, and to verify co-responsibilities. Close intersectoral coordination is key to ensure that supply-side services are provided, that management information systems to monitor compliance at schools and health clinics are developed, cross-referenced, and timely, and that monitoring and oversight at the local levels is effective. In the Dominican Republic, the government, with Bank support under the Performance and Accountability of Social Sectors (PASS) DPL series, has revamped the institutional framework, operative rules, organizational structure, and personnel roles for the CCT *Solidaridad* to focus on promoting the human capital investments of poor households. The government formalized the *Solidaridad* program as a full-fledged CCT, separating it by decree from other non-conditional transfer programs. An Intersectoral Committee was created, which brings together the *Solidaridad* program with the Health and Education Ministries, along with the Finance and Planning Ministries on budget issues, to verify co-responsibilities, identify and gradually close supply-side gaps, revise the manual of operations, and design a shared results framework linked to sectoral strategies. The PASS series also supports the institutionalization of a performance orientation in the social sectors with the gradual introduction of performance agreements in priority social programs, signed between the line ministries and the finance and planning ministries, as

have proven successful in building a managerial culture oriented toward results in other countries in the region.

Upon the creation of the Philippines CCT program (the 4Ps) in 2007, the government issued a series of government administrative orders to formalize the institutional arrangements among the agencies involved. This institutional structure helps to ensure that responsibilities and lines of authority are clear between agencies and levels of government. Moreover, national, regional, and municipal advisory committees have been created to ensure smooth coordination between relevant government departments and ensure the availability of health and education services in the targeted areas. At a higher level, coordination across social programs remains harder to achieve. In this area, the Philippines has made substantial efforts by establishing in 2008 an inter-agency National Social Welfare and Protection Cluster to coordinate social programming.

The need for greater institutional and policy coordination in the supply of social assistance also is demonstrated by the creation of one-stop-shops which provide access to benefits and services provided by multiple agencies. For example, in Armenia, a World Bank project is supporting the integration of what are now administratively separate territorial centers for social services into one administrative structure. The project will support the development of a joint system of provision of integrated social services and e-services, to create a “one-stop-shop” organization of service delivery.

Aligning Accountability and Incentives

Many social protection programs require shifting some degree of program implementation responsibility to local governments, non-governmental public service providers, or the private sector. This is true for social assistance as well. As Alderman (2002) notes in the case of the Albanian safety net program (*Ndihma Ekonomike*), shifting administration to lower government levels can be instrumental to make the most of local officials’ deeper knowledge of individual households and improve targeting considerably. However, managing the tensions of multi-level systems can be challenging since it implies complex

mechanisms for cost sharing and oversight, as well as allocating administrative functions across government levels. There is no single blueprint, and different countries have successfully adopted opposite schemes. Political, administrative, and financial decentralization can proceed at different speed and create tensions and trade-offs.

In an effort to address the typical principal–agent dilemma characteristic to national programs implemented by local governments, and to more closely align incentives and increase accountability, some countries have attempted to transfer to the local level the responsibility for program financing together to the one of program implementation. However, results have been mixed at best, particularly in ECA (see Box 9).³⁹ The arguments and trade-offs involved in decentralizing the administration and the financing of social assistance highlight the importance of distinguishing between the type of decentralization (financial or administrative) and the particular program to be decentralized (cash benefits vs. social assistance services for example) when taking decisions about what to decentralize and to what extent.

A more successful example is that of Brazil's *Bolsa Família*, where program financing remains highly centralized, while many aspects of the program's operations are managed by municipalities. The program faces the same typical principal–agent dilemma for executing federal programs via autonomous municipalities; however, it is being addressed through joint management agreements (*Termos de Adesão*) between the Ministry of Social Development and municipalities, which formalize roles and responsibilities and establish minimum standards for program operation. The Ministry provides a performance-based financial incentive to municipalities to promote good implementation. Specifically, the Ministry monitors municipal implementation quality using an index of management capacity based on a four-point scale, which covers key indicators of registration quality and

³⁹ According to a recent review of decentralization in the region Decentralization and Welfare Assistance to Serbia's Poorest Households, this is at least partly due to the fact that "decentralization in the region in most cases was motivated less by the primary objective of improving service delivery, and more by secondary objectives [...] from coping in times of economic and financial crises; devolution of fiscal responsibility and contingencies; reactionary rejection of any form of central planning ...; and even the appeasement of ethnic and religious minorities with aspirations for political independence."

verification of compliance with conditionality. Based on the scores, the Ministry pays a pro-rated administrative cost subsidy. Poor performing municipalities do not qualify for this subsidy, but are offered technical assistance to improve performance in addition to a minimum guaranteed level of payment detached from the management index in order to strengthen lower capacity municipalities.

Box 9: Pitfalls of Decentralizing the Financing of Social Assistance in ECA

Romania

In 1995, Romania introduced a last-resort social assistance program called Social Aid. During its first year of implementation, financing was covered by the central budget, while implementation was decentralized to the local government. The program aimed to cover about 10% of the population, a figure close to the estimated number of extreme poor. After the first year, in order to limit demand and provide incentives of local governments to improve the targeting performance of the program, the responsibility for program financing was transferred to the local governments, with no extra national resources transferred. As a consequence the poorest municipalities were unable to pay eligible applicants and the program caseload plummeted, to 6% of the population in 1996 and 2% in 2001, with the highest reductions in the number of beneficiaries occurring in the poorest municipalities. The program's performance only improved six years later, in 2002, when financing was shifted towards a cost-sharing formula. Still, the programs' legal provisions were not clear regarding the cost shares to be covered by the central and local governments, and the program suffered of partial payments and arrears. Financing was fully (re-)centralized in 2011.

Bosnia-Herzegovina

In Bosnia- Herzegovina, decentralized financing mechanisms for social assistance have resulted in substantial inter-regional disparities in coverage, with poorer localities providing the fewest services. This also has resulted in additional governance challenges. In the face of resource constraints, local welfare offices use discretion when rationing available resources, with the result that eligibility criteria for most benefits in Bosnia are ad hoc and inconsistent.

Source: Grosh et al. (2008).

Careful thought of the trade-offs involved in administrative and financial decentralization of social assistance programs is particularly important in the context of the wave of decentralization in lower income countries.⁴⁰ This can offer interesting opportunities to

⁴⁰ For example, in the Africa region. Social assistance has been an important channel through which the

engage in the early stages of the definition of roles and responsibilities in a way that increases accountability and provides appropriate incentives for program implementation, but it is also a delicate process in which political, administrative, and financial considerations must be carefully balanced.

The introduction of performance incentives to improve quality and efficiency of service delivery is increasing in a variety of contexts – including with respect to service delivery through private providers or NGOs. The Bulgaria Social Inclusion Project (SIP) highlights the importance of capacity building for effective service delivery as well as the use of performance targets in sub-contracting the provision of services at the local level. The SIP builds on the idea that there is substantial valuable knowledge among NGOs and that an integrated approach involving NGOs as service providers could be effective. The project involves significant capacity building for service providers, as an essential precondition to effective social service delivery and also emphasizes cross-sectoral cooperation (education, health, social services as well as social assistance), including setting-up of cross-sectoral forums and joint agreements of referral maps and responsibilities involving NGOs. According to project design, municipalities subcontract third sector agencies with contracts involving performance targets and per capita-based remuneration, and municipal officers are trained on sub-contracting practices and cooperation with NGOs to ensure a functional working relationship at the local level.

Sub-contracting to NGOs with contracts involving capitation payments as well as performance targets has been a common approach in some Central American countries, for example, particularly in the context of strengthening the supply of health services in rural areas. Increasingly, these interventions are part of integrated approaches involving the demand side (through conditional cash transfers) as well as the health/education supply side. As such, a growing number of social protection projects include these outsourcing mechanisms in their design. In the Panama Social Protection project, for example, contracts

decentralization process was pushed in several instances in the past (e.g., ECA transition countries), and the lessons learned are relevant for today's LICs as well.

and agreements are signed with both government and NGO outreach teams to provide an integrated health and nutrition package to beneficiaries in rural areas. These contracts include not only those expenditures directly related to the provision of services (e.g., salaries and mobilization costs), but also an amount to cover training, as well as non-monetary incentives to volunteer community level *monitoras*. In the Dominican Republic, performance agreements are used to incentivize improvements in social sector performance (see Box 10).

Setting up and monitoring performance indicators for private service providers requires proper mechanisms and capacity. In the case of *Colombia Unidos* (formerly *Juntos*), new Operational Committees were created at the micro region level in order to monitor the performance of the “social operators” (NGOs or private service providers in charge with family counseling). These Committees are now responsible for setting up goals and indicators and measuring performance.

Of course, performance incentives also run the risk of translating into unwanted outcomes. Evidence on this is however scarce, particularly for social assistance programs and in developing countries. Box 3 in the first section of this paper provides some evidence of the unintended consequences stemming from the use of provider incentives in the UK’s employment services. As highlighted there, additional considerations for introducing provider incentives in middle income and, in particular, low income settings apply – such as the existence of various (competitive) service providers, and sufficient administrative capacity to track outcomes related to payment and identify potentially unwanted outcomes.

Box 10: Dominican Republic DPL – Performance and Accountability of Social Sectors

In recent years, the Dominican Republic has redefined its legal and institutional frameworks for planning, budgeting, and public investment. One important innovation is the development of Performance Agreements (*Contratos por Resultados y Desempeño*) to provide a flexible managerial link between budget resources and desired improvements in the social sector's performance. As stated in the 2006 Budget Act, these agreements are to be signed between the Secretary of Finance (SEH), the Secretary of Economy, Planning, and Development (SEEPyD), the Secretary of Public Administration (SEAP), and implementing agencies. These agreements will include commitments regarding: (i) compliance with policies, goals, and objectives verifiable by performance indicators, by the highest executive authority of the agency and the Secretaries of State concerned; (ii) greater management flexibility – for that executing agency – on the application of rules regarding execution of the budget, human resources, and procurement; and (iii) budgetary incentives to agencies and/or cash incentives to officials and employees during the duration of the agreement.

However, critical challenges need to be addressed for the introduction of Performance Agreements in the social sectors. In the case of the education sector, the main challenge is to strengthen the information management system in order to develop performance indicators and monitor compliance. In the health sector, the monitoring and evaluation systems are quite strong and the sector is already developing internal “management agreements” as part of the decentralization process and transferring responsibilities from the center to the local level. The main challenge is to align the Performance Agreements to the restructuring process that the sector is undertaking. Although there has not been any previous “formal” attempt to develop Performance Agreements in the Social Cabinet and CCT Program (*Solidaridad*), the program has all the elements in place for a contractual relationship among the parties involved: performance indicators, information about the supply gaps required to meet the performance targets that are being used for budget discussions, and institutional arrangements have been established to monitor compliance. The recently signed DPL aims to formalize this contractual relationship, in line with the reform program.

Source: World Bank (2009).

Ensuring Clear Roles and Division of Responsibilities

One recent example of a strong effort to document and formalize a program's institutional arrangements and the roles and responsibilities of all stakeholders is the Rwanda Vision 2020 *Umurenge Programme* (VUP). The VUP is a flagship program within the country's

Economic Development and Poverty Reduction Strategy that was conceived as an integrated local development strategy to accelerate the rate of poverty reduction and rural growth by targeting the very vulnerable with the right mix of interventions. The VUP comprises three major components: public works, direct support, and financial services, with a complementary cross-cutting package of Training and Community sensitization. Each of the three components developed detailed operational manuals to guide all stakeholders involved in the implementation of each Component of the VUP. The objective is for sectors to have a common understanding of the component's mode of implementation, to work efficiently, and to create synergies.

One area in which the importance of assigning clear roles and dividing responsibilities is immediately evident is payments in cash transfer programs. Very often, the same entity in charge of beneficiary registration also approves – and sometimes delivers – payments. This type of arrangements creates a problem of accountability. Separating these functions increases transparency and reduces conflicts of interest. However, this can increase administrative cost, and sometimes it may not be possible given the resources constraints, including human, financial, as well as the unavailability or low coverage of financial services - particularly in lower income settings. In many cases, social assistance agencies decide to contract out the processing and delivery of payments (while maintaining control over the approval of payments, particularly when there is a need to verify conditionalities). This is true for most large CCT programs such as Colombia's *Familias en Acción* or Brazil's *Bolsa Família*.⁴¹

Similar considerations to the ones made in this section for Social Assistance can be made for Active Labor Market Programs (ALMPs). In Morocco, efforts to revise the legal and institutional set up of training services and modify the incentives faced by stakeholders in the training sector (e.g., government officials, employers, and employees) created a more

⁴¹ A detailed review and analysis of payment systems, addressing important governance considerations including the issue of setting up appropriate institutional arrangements (division of responsibilities, coordination, incentives) can be found in Subbarao et al. (2012 forthcoming).

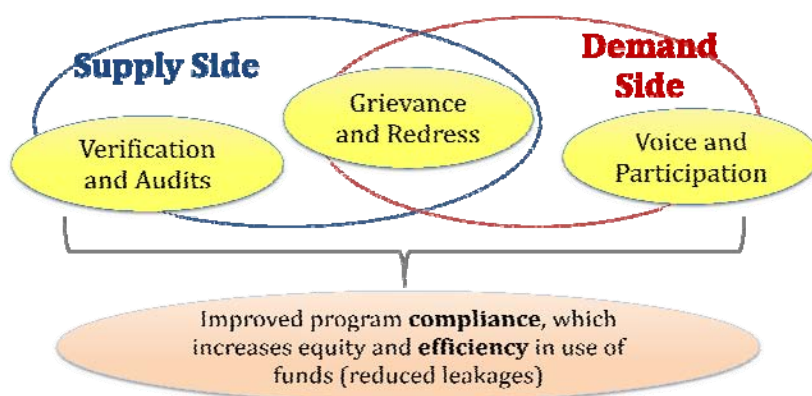
competitive environment for the development of in-service training and achieving positive program outcomes. In Kazakhstan, the Bank has been supporting the government in the development of a comprehensive training and vocational education (TVE) reform which includes a substantial set of interventions aimed to increase the responsiveness of the sector to evolving labor market demands. Planned reforms include modifying the institutional structure, clarifying the division of functions and responsibilities among different stakeholders and creating new incentives for more effective and efficient use of resources. Specific actions include the introduction of formula-based financing to allocate TVE resources toward students pursuing specialties required by the labor market and the introduction of incentives for increased public-private partnerships in TVE.

2.3 Controls and Accountability

Controls and accountability mechanisms (referred to here as “controls”) are the elements that provide oversight and verify that the rules of the game are followed and that the incentives set up among policymakers, providers, and beneficiaries function. Controls support the enforcement of rules, by minimizing the gap between what is written in the laws and implementation. The size of this gap is a measure of the quality of governance at the macro, meso, and micro levels. At the program level, control and accountability measures help to ensure that “the right beneficiary gets the right benefit at the right time.” Controls are part of the building blocks of program implementation and administration.

They can contribute to program **equity**, by ensuring that eligibility criteria are applied transparently and fairly, and by providing channels for feedback and grievance redress. They can also improve **efficiency**, through their potential to reduce leakage of funds and to streamline delivery of services. In this regard, controls are important instruments for mitigating the risks of error, fraud, and corruption (EF&C) in social protection programs (see Figure 6).

Figure 6: Control and Accountability Mechanisms Can Improve Compliance and Increase Efficiency



Source: Authors (2012).

For social assistance, and particularly for cash transfers, control and accountability mechanisms focus on two main areas: (i) the flow of information and (ii) the flow of funds. Controls exist at points across the chain of service delivery – from the entry of beneficiaries through to their exit from the program. Controls are also important for ensuring that incentives for providers are in place and function. In this regard, controls are closely linked to performance management.

Although the term “control” implies top–down processes from higher levels of government and/or program management to lower ones, in practice, controls can be situated both on the **supply-side** of social protection – between, or across, levels of government – or on the **demand-side** – through channels for citizens and beneficiaries of programs to hold providers and policymakers accountable and avenues for providing feedback and registering and responding to complaints and grievances (see Table 4). Supply- and demand-side mechanisms are implemented across levels (e.g., macro, meso, and micro). They are complementary and appear to be most effective when used in combination.

Table 4: Examples of Control and Accountability Mechanisms

Program activities	Supply-Side	Demand-Side
Beneficiary selection and enrollment	<ul style="list-style-type: none">• Audits• Spot-checks• Database crosschecks• Grievance redress• Policies to ensure access to information	<ul style="list-style-type: none">• Participatory methods of selection/ validation• Third party monitoring• Appeals processes
Service delivery and/or payment of benefits	<ul style="list-style-type: none">• Audits• Spot checks• Process evaluation• MIS	<ul style="list-style-type: none">• Social audits• Scorecards/ report cards• Beneficiary surveys• Complaints and appeals
Grievance redress	<ul style="list-style-type: none">• Complaints-handling systems	<ul style="list-style-type: none">• Complaints and appeals
Exit	<ul style="list-style-type: none">• Spot checks• MIS• Database crosschecks	<ul style="list-style-type: none">• Complaints and appeals

The objective of Bank engagement in this area is to support the development and strengthening of control and accountability mechanisms through its range of lending and non-lending instruments. Dialogue on controls is generally integrated into work on the “nuts and bolts” of program implementation and administration. This section provides a review of “controls” tools and mechanisms which look promising for achieving better governance and service delivery and discusses their application in different country contexts.

Supply-Side Mechanisms

Supply-side accountability mechanisms are conducted by the program or service provider, generally without significant involvement of the intended beneficiaries of the program. These controls can be implemented by specialized institutions, agencies, and personnel (e.g., the Social Inspection which oversees social benefit programs in Romania) or they can be integrated into business processes (e.g., crosschecks between databases which may be automated as part of an MIS). The objectives of supply-side controls include ensuring appropriate use of financial resources and improving program management mechanisms.

Verification measures and audits. Audits are most commonly associated with oversight of financing and aim to ensure appropriate use of financial resources and improve program management mechanisms. The typical scope of an audit aims to ensure that: (i) disbursement procedures and systems are followed; (ii) basic accounting records are adequately maintained and updated; (iii) internal control systems are adequate (e.g., in terms of payments, authorizations, and payment reconciliation); and (iv) expenditures are eligible under the program.

For example, controls of *Bolsa Família* are conducted through the Public Audit Network, a partnership between the Ministry of Social Development, Supreme Federal Audit Agencies, and the 27 state audit agencies. These agencies are responsible for verifying irregularities in the program database and beneficiaries' compliance with conditionalities, as well as proposing legal and administrative penalties for any irregularity found.

Other types of audits can also be useful controls of program implementation and processes. Concurrent audits are continuous program-level audits that take place more frequently than an annual audit (e.g., monthly or bimonthly) to provide up-to-date information about program processes that can be acted upon in the short run. Systems audits assess the effectiveness and security of a program's information system, including data confidentiality, information processing, access to information, and adequate system documentation.

For example, a systems audit of the MIS for Colombia's CCT program, *Familias en Acción*, identified opportunities to improve the MIS, contributing to enhanced program accountability. The systems audit was conducted in response to a range of identified risks, including unreliable data leading to wrong payments or unwarranted penalization; irregular, inaccurate, or interrupted payments; unauthorized access to data and/or changes in the system; and overall lack of data quality/integrity causing reputational or political risks. The audit covered all of the modules in the MIS, and focused on the following components of the MIS: governance and organizational structure, information management, and application management. The audit aimed to determine whether risk management, control,

and governance processes of the MIS ensured the security and confidentiality of data and information, accurate and complete management reporting, and adequately maintained system documentation. The systems audit identified opportunities to improve the security of the MIS and make more procedures automatic.

Database crosschecks. These checks examine whether the beneficiary information in the program database is consistent with information in other public databases (e.g., tax records and civil registries) and can identify ineligible beneficiaries or individuals receiving inappropriate benefits. For example, Brazil's *Bolsa Família* uses internal and external crosschecks of the *Cadastro Único* data to identify duplicate registrations, scan for consistency and completeness, and verify income and other information against other databases. For example, as a check on consistency of information, if a person's reported consumption is 20% higher than the self-reported income, the case is sent for further verification (Lindert et al. 2007).

Spot checks. One of the good practices for increasing accountability is to conduct periodic third-party reviews of key aspects of program design and implementation. These reviews, called spot checks, are rapid evaluation instruments that seek to determine the quality, effectiveness, and efficiency of the program in some of the following areas: design, operational management, institutional structure, payments, and the monitoring system. Spot checks provide information about the execution of different program processes, which can serve as the basis for a deeper analysis of program operation at different levels and among the stakeholders involved. Beyond their technical merits, spot checks enhance governance, transparency, and accountability as they assess and validate a wide range of actions and players involved in the program delivery. Spot checks can also prevent fraud and corruption through deterrence.

Colombia's *Familias en Acción* program uses spot checks, or sample-based site monitoring, to review program operations in different localities. The process is contracted by the National Coordination Unit and supervised by the Planning and Supervision Department.

Interviews were conducted every six months in a randomly selected sample of 20 municipalities. Program staff interview participants, program officials, and local governments using structured questionnaires, covering 400 indicators of critical program aspects including enrollment, verification of compliance with conditionalities, payment, appeals, and participation in and quality of health education sessions. Results indicate which aspects of the program work well, where there is regional variation in program management, and what changes in procedures, staff, training, or other inputs may be needed.

The program has been successful at collecting information through spot checks and at using the information to improve program results. For example, spot checks revealed problems with long wait times for payments whereby program managers worked with banks to reduce wait times. Furthermore, spot checks detected areas, such as improved communication about the program to beneficiaries and municipalities, in which staff needed more training, and this was subsequently provided.

Ethiopia's Productive Safety Net Program (PSNP) uses rapid response spot check teams at the local and regional levels to address critical implementation problems, including transfers to beneficiaries, public works activities, capacity issue, and program monitoring. For example, to address problems in the implementation of the program's monitoring system (especially related to logistical obstacles) during the first year of program operation, the project used a sample-based emergency response system, which collected information via telephone twice per week as well as rapid response teams to perform regular spot checks (at the regional levels eight times per year and at the federal level four times per year). The program decided to continue the use of spot checks even after use of the monitoring system improved to obtain more qualitative and in-depth information on program performance.⁴²

⁴² Grosh et al. (2008) and van Domelen and Coll-Black (2010).

Grievance Redress

Grievance redress mechanisms (GRMs), also known as complaints-handling, refer to the formal institutions and channels that capture beneficiary complaints or grievances related to targeting, service delivery, or other program functions, and provide redress. Grievance redress is an important element of managing a targeted program, particularly when cash is involved. Grievance redress mechanisms can be important for mitigating inclusion and exclusion errors and for monitoring corruption. GRMs for managing targeting are also found in social protection programs that disburse targeted grants to poor communities, such as social funds and other community-driven development programs.

There are broadly three categories of grievance redress mechanisms.

- First, **grievance redress mechanisms within government agencies**. These are the hotlines, complaints offices, websites, and other channels that governments set up to field complaints about their programs and services. These can exist at various levels – ranging from the ministry itself, down to the point of delivery, such as within hospitals or social welfare offices. For example, the UK Department for Work and Pensions (DWP) has separate complaints departments for each of their sub-agencies: the Pension Service, Job Centre Plus, Child Support Agency, Debt Management Organization, and the Disability and Careers Service.⁴³
- Second, **independent redress institutions**. This category includes a diverse set of institutions that sit outside of the formal government bureaucracy (e.g., tribunals and ombudsmen) a variety of sector-specific entities (e.g., labor relations boards) and civil society organizations. Because they are independent of the government, these types of institutions generally have little or no public authority to enforce their findings and their judgments are often advisory only.
- Third, **courts**. Depending on local legal traditions, institutional configurations, and political circumstances, courts can hear complaints and requests for redress regarding

⁴³ <http://www.dwp.gov.uk/contact-us/complaints-and-appeals/>

the failures of line agencies and providers to comply with their statutory and contractual obligations.

In practice, grievance redress institutions and processes can be overlapping at the country level. A country may have an ombudsman for citizens to raise general issues regarding the health sector in addition to facility level channels for registering complaints. In Mexico, in addition to the court system, citizens have at least three channels through which they can register complaints about the national conditional cash transfer program, *Oportunidades*. The program has its own complaints system that is operated through central and local offices of the program administration. Citizens can also register complaints through two federal government offices. First, the *Dirección General de Atención Ciudadana de la Secretaría de la Función Pública*, which handles citizens' petitions and complaints for all public services, and second, the *Fiscalía Especializada para la Atención de Delitos Electorales*, which reviews formal complaints in all issues related to electoral politics (Gruenberg and Pereyra Iraola 2008).

Grievance redress is an important element of managing a targeted program, particularly when cash is involved. Grievance redress mechanisms can be important for mitigating inclusion and exclusion errors in targeting and for monitoring corruption. Cash transfer programs, for example, commonly have complaints-handling systems in place for potential beneficiaries to complain if they thought they were eligible but denied a benefit; or if they received a benefit but believe that it is the wrong amount; or if they think that someone else – say, a neighbor – is receiving benefits, who should not be eligible.

Most of the conditional cash transfer (CCT) programs in Latin America, such as *Bolsa Familia* in Brazil, *Familias en Acción* in Colombia, and *Oportunidades* in Mexico have extensive grievance redress systems that combine both redress mechanisms within government agencies, at the national and program levels, and independent redress institutions. Most complaints fielded through CCT programs have to do with benefit payments. In Colombia,

80% of complaints about *Familias en Acción* were related to non-payment of benefits (Rodríguez Restrepo 2011).

GRMs for managing targeting are also found in social protection programs that disburse targeted grants to poor communities, such as social funds and other community-driven development programs. Grievance redress can also be important for the delivery of social services. In the UK, a complaints procedure for adult social care has been in place since 1991. Complaints most commonly relate to poor standards of treatment or people not being treated properly; uncaring attitudes of staff; or inaccurate or mis-diagnoses (NAO 2008).

In Brazil, the complaints system for *Bolsa Família* illustrates how grievance and information interventions may intersect. It includes four channels: (i) toll-free hotlines managed by the Ministry of Social Development (MDS) that provide information and collect complaints; (ii) emails and letters sent to the *Bolsa Família* address, which are processed by the MDS; (iii) complaints made to publicly constituted councils at the municipal level that monitor the program; and (iv) a public oversight network. The latter includes the *Tribunal Contas da União*, the *Controladoria-Geral da União*, and the *Ministério Público*, which function as independent redress processes to review individual transactions. The program in the State of Piauí covers about 400,000 beneficiaries, and in the early phases of the program, their hotline received as many 300,000 calls per month with complaints and information requests about the program.

The *Bolsa Família* Secretariat examines complaints and adopts actions according to the level of complexity of each situation. In most cases, the Ministry of Social Development recommends that complaints that are received at the local level be reviewed by municipal level program coordinators. Complaints are also monitored by local social control bodies comprised of civil society representatives and local government officials, who provide oversight of the program. They have the mandate to follow up on processes, and they make

sure that actions are taken and sanctions adopted, although no information was available about whether this happens in practice.

In the Philippines, grievance redress is an important feature of the Philippines' *Pantawid Pamilyang Pilipino* (known as the 4Ps) conditional cash transfer program. Complaints are entered into a publicly accessible database that tracks the nature, origin, location, and status of complaints, including targeting errors, payment irregularities, fraud, and corruption. The database takes in complaints from text messages, various websites, Facebook, Twitter, and a hotline. In the first quarter of 2010, some 13,500 complaints were received, over 80% of which were related to payments. A survey of one region found that 13% of the population had complaints about the program (World Bank 2010). This is not surprising given the rapid expansion of the program, which now covers approximately 20% of the poor. The complaints system is also being used as an important source of information for course corrections as the program expands.

In Yemen's public works program, beneficiaries can share complaints and observations using a complaints box set up at the worksites. A community participation officer gathers the complaints during regular field visits and reviews them with program officers. After this review, program officers provide program management with a list of the complaints at every project and the measures taken each month to respond to these complaints. In case of difficult complaints, they seek assistance from program management. Furthermore, the phone and fax numbers of the program operating agency (at both headquarters and branch level) are circulated at each of the project work sites (Subbarao et al. 2012 forthcoming).

Program specific grievance redress mechanisms in CCT programs are increasingly being built into the management information systems (MIS). This allows for improved tracking and monitoring of complaints received, as well as aggregating types of complaints to improve the functioning of the program (Silva Villalobos et al. 2010). This is an area where advances in technology such as SMS-based systems can be helpful.

Demand-side Mechanisms

Demand-side controls involve beneficiaries and the general population in the process of monitoring whether program operations are running well. These controls are important to improve both program transparency (by verifying program implementation case-by-case at the local level) and accountability towards society (by taking into account beneficiary opinions about the program as well as opinions of the public in general).

Social audits. Social audits are participatory processes in which a program offers information, and beneficiaries organized in various ways (e.g., social audit committee) provide feedback on the implementation of the program in their communities and provide suggestions for improvement. In many cases, beneficiaries, communities, or the general population review official records in order to determine whether reported expenditures reflect money being spent on the ground.

For example, Panama has piloted a participatory social audit to capture beneficiary perceptions of its health program, the *Programa de Atencion Integral de Servicios de Salud* (PAISS). Representatives of existing civil society groups in each community are selected to be members of a social audit committee and are trained by regional health staff to be certified as social auditors. The social auditors interview several beneficiaries in their communities on topics such as perceptions about health services, whether health staff are present, and whether they receive an explanation of the services provided. On an annual basis, the social auditors, regional and local Ministry of Health staff, and NGO providers meet to discuss the findings from the surveys. The group develops a common action plan to solve the service provision problems that were identified during the social audit. Results of the social audit determine whether service providers receive 5% of the value of their annual contract (between USD 10,000 and USD 12,500).

Several challenges were identified during the pilot. For example, the frequency of the social audit (once a year) limited timely response to problems, and some health staff resisted being evaluated by uneducated people. However, overall, the participating communities

were pleased with the pilot experience in Panama. Community groups felt empowered (particularly women) and community members expressed interest in participating in the process of improving health services.

Social audits are also being used as an institutionalized tool for monitoring program effectiveness in the National Rural Employment Guarantee Scheme (NREGS) in several states in India (Chamorro et al. 2010).⁴⁴ The core of the social audit method is to involve, in the process of auditing, the entire group or community that is affected by the program that is being audited. In most cases, the members carrying out the social audits are volunteers who are directly affected by the program. These volunteers are generally trained in social audit process by a NGO/CSO.

The NREGS program was introduced in 2006 in India as a flagship social protection program that guarantees 100 days of employment in a financial year to rural households whose adult members are willing to do unskilled manual work. An innovative feature of the NREGS act is that it gave a central role to “social audits” as a means of continuous public vigilance. The Government of Andhra Pradesh set up a separate unit to design and implement social audits within the NREGS program in their state. The World Bank and the Government of Andhra Pradesh conducted a study that surveyed 840 wage seeker households across three districts of Andhra Pradesh, three times in seven months. The first survey was conducted one month prior to the social audit; the second survey was conducted one month following the social audit; and a third one six months after the social audit. In addition, another 180 wage seekers were also interviewed 5-7 days after the social audit.

The survey showed that there was a large increase in the percentage of wage seekers who knew about the program and its details between the first and third visit. The percentage of people who knew that the program provided 100 days of work went up from 31% during the first round to 99% in the third round. The number of participants reporting entries in

⁴⁴ The social audit process has been used in Andhra Pradesh, Orissa, and Rajasthan states in India to monitor effective implementation of the NREGS programs in those states.

their job cards also went up after the social audits, suggesting participants understood the importance of documentation following the social audit process. These numbers tend to suggest that the social audit process in Andhra Pradesh had a positive effect on the implementation of the NREGS program; however the social audit has never been rigorously evaluated and the cited results here are specific to the AP case. In most cases, the study points to improvements in percentages in many process indicators.

Citizen report cards and community scorecards. Citizen report cards and community scorecards are participatory instruments to exact social and public accountability and responsiveness from service providers. Citizen report cards provide quantitative feedback on user perceptions on the quality, adequacy, and efficiency of public services and community scorecards are qualitative monitoring tools used by communities for local-level monitoring and performance evaluation of services, projects, and even government administrative units. The community scorecard process combines techniques of social audits, community monitoring, and citizen report cards. By including face-to-face interaction between service providers and the community allowing for immediate feedback, the scorecard process is also a strong instrument for local empowerment.

Malawi's Social Action Fund Project 3 (MASAF) uses a comprehensive community scorecard process to assess whether services are benefitting the poor and to solicit responses from public agencies. The process gives communities a central role in assessing the performance of services and public agencies and in providing citizen feedback to service providers on their performance. Each community discusses the performance of a local social service, such as health or education, and agrees on a score (say, 50 out of a maximum of 100) based on how well they perceive the service to be performing. Similarly, the service provider or the agency being assessed performs a self-assessment of its own performance based on the perceptions of staff or people working in the agency and then gives itself a score. A meeting is then held between the service provider and the community where common concerns are discussed and a joint action plan for reform or improvements in the service are agreed. In

Malawi's public works program, this process helped to identify ghost workers and payment problems (some workers getting paid no wages or lower wages than promised).⁴⁵

Social control committees. Social control committees, teams comprised of members of civil society, local authorities, beneficiaries, and/or the general public, allow groups to provide feedback on various program functions. In Brazil, social control committees have been established in more than 5,000 municipalities. Committee responsibilities include: verifying if the program reaches the most vulnerable and poor, validating the accuracy of beneficiary data and the frequency of the recertification process, following the payment process, and ensuring monitoring of beneficiary compliance with conditionalities. Committees report irregularities to the municipal government and, if these are not addressed in an appropriate and timely manner, to the Ministry of Social Development (which will follow up through the Public Audit Network).

Applying Controls in Different Country Contexts

The degree to which control mechanisms (both supply- and demand-side) can be designed, implemented, and enforced depends heavily on institutional and administrative capacity. Many MICs are well positioned to apply a combination of effective supply- and demand-side controls. They may have supreme audit institutions and other bodies and/or institutional structures set up to implement and enforce supply-side controls as well as relatively sophisticated organization of demand-side controls. The challenge for middle income countries (MICs) is likely to be maintaining the quality of the various control mechanisms used and effectively responding to the problems that they identify.

In low income countries (LICs) and fragile states, where administrative capacity is weaker and financial resources are scarce, enforcement is a challenge and controls are generally harder to manage. In these contexts, using a combination of, albeit imperfect, supply- and demand-side control mechanisms can be even more important to ensure acceptable levels

⁴⁵ World Bank (2003 and 2006).

of governance at the project/program level.⁴⁶ For example, Ethiopia’s Productive Safety Net Program combined spot checks (see above) with a system of roving audits to investigate compliance with financial rules, disbursements and payments, as well as appeals and complaints. These mechanisms acted in synergy to provide timely, in-depth information about program performance, leading to improvements in governance.

Promoting Control and Accountability Interventions in Bank Operations Remains Challenging

One challenge, relevant for all donor-financed projects, is how to balance the need to secure the fiduciary controls of the project (e.g., donor financing) while also supporting the longer term goal of strengthening a country’s own capacity for enforcing accountability and strengthening governance. World Bank teams working on Development Policy Loans (DPLs) in Latvia and on Results Based Financing lending in Romania took an innovative approach by enlisting the State Audit Office and respectively the National Court of Accounts to carry out the performance audit of the social assistance programs supported through the Bank projects (see Box 11).

⁴⁶ Until not very long ago, ring-fencing was the preferred approach by donors to protect “good governance” in projects in low capacity contexts. However such an approach is rather likely to affect the program sustainability and scalability, except perhaps in fragile states where the macro-level governance risks could jeopardize the project development objectives.

Box 11: State Auditing of Latvia's Emergency Safety Net Strategy

The World Bank's two Development Policy Loans to Latvia (2010 and 2011) have supported implementation of Latvia's Emergency Social Safety Net Strategy (ESSNS). That strategy provides a short term safety net for the most vulnerable during the economic crisis that enveloped Latvia beginning in late 2008.

The Latvian government and the Bank team both knew that the ESSNS would benefit from good administration, control mechanisms, monitoring, and what would inevitably be an ex post evaluation. At least 4 ministries and 118 local governments are involved in the implementation of the program. It is orchestrated by the Ministry of Regional Development and Local Government, which submits quarterly reports to the Cabinet of Ministers assembled from the responsible ministries. These reports tend to count activities and money spent. During such a short period of time, an evaluation would be nearly impossible. The question was how to have a monitoring framework that might not solve all of the problems of implementation but would provide good guidance on improvements needed in the second year of the program.

The independent State Audit Office agreed to audit the program's performance. The audit, published at the end of October 2010, has contributed to a detailed understanding of actions taken by the government in fulfillment of its commitments both to its own people and in the legal agreement with the Bank from the ground up. The State Auditor tested the ESSNS against three areas of performance: (i) Was each element implemented in a manner consistent with the law and the regulatory framework, including consistency with the constitutional requirement for equal treatment of citizens? (ii) Did key mechanisms perform their job well, in particular the determination of eligibility for the various benefits provided under the safety net? (iii) To the degree possible, was the expenditure of public funds economically efficient?

On legality and equality treatment, the Auditor found some serious flaws but recommended solutions for each. In particular, the extension of unemployment benefits and the targeting of higher education subsistence subsidies ran afoul of the equal treatment provisions in the constitution. In each of these cases, the relevant law or regulation needs to be adjusted. For example, for the higher education subsidy it is necessary to indicate that the subsidy is oversubscribed, and a criterion of poverty is being used to allocate it, given that it cannot be made available for everyone. The Auditor also made an important observation that uneven application of criteria for eligibility in the targeted social assistance program (GMI) across municipalities and the enacting of special GMI provisions by some municipalities may result in an inability of all Latvian citizens to receive benefits to which they are entitled under national law.

Perhaps the most serious findings were on the mechanics of determining eligibility at the local level. For this review, the State Auditor selected a sample of 19 local offices and extracted information on their social assistance decisions from the "Social Services Administration System" on 792 families or persons granted the status of needy and thus a GMI allowance. This information was crosschecked against other datasets, including those showing payments from

the State for various benefits, such as unemployment, the state family allowance, the state social provision allowance, the state old-age pension, a disability pension, a sickness allowance, and a maternity allowance. Other datasets containing information on farm equipment assets, vehicle licenses and ownership, and so on, were also checked. The Auditor found considerable leakage of GMI funds to ineligible households and inadequate monitoring of changes to household income that would change eligibility for continuing GMI payments. A few of these were jaw-dropping discoveries, such as a GMI household with nine vehicles, two of which had been purchased while receiving the GMI benefit. Of course the Auditor could not screen for eligible households not receiving GMI benefits; that information awaits completion of the impact evaluation. Nevertheless, this audit showed what many have suspected – that local offices' performance is variable and that national oversight is inadequate.

Such a critical, comprehensive, and deep understanding of what happened could not have been replicated by the Bank at any cost simply because of language barriers, deep knowledge of the system from previous audits, and access to information. For both the Ministry of Finance and the Bank, coordinating the timing of the review for the second loan with the release of the audit contributed substantially to an understanding of the weaknesses of the program as implemented and to have confidence that steps were already in place and formally agreed among the implementers to address them.

Source: Griffin (2011).

Second, implementing social accountability interventions entails common challenges. Staff experimenting in this area note bottlenecks on the client side, including lack of local capacity for putting in place new and unfamiliar processes (e.g., scorecards), and limited government ownership for activities that providers and policymakers may find threatening. As a result, there are risks that program-specific demand-side interventions remain very contained and do not link to broader accountability systems (e.g., general administrative appeals/sanctions regimes). Such linkages have been implemented in Brazil and India, but ongoing integration remains a challenge in many countries (Chamorro et al. 2010). There are open questions about the effectiveness of using demand-side control mechanisms like social audits in places where there are strong local social divisions like caste or ethnicity.

Furthermore, the implementation of social accountability mechanisms in projects is frequently delayed because of cumbersome processes, such as procurement, which make it

difficult to contract firms quickly for initial activities, such as data collection. Critical questions also surround what happens after projects end – including scalability of the interventions and their political and financial sustainability. Many social accountability initiatives start out as pilots and most are not scaled up.

On the Bank side, staff noted, especially with respect to demand-side mechanisms, an increased need of access to information and operational lessons learned about what works in different country contexts, including those with different implementation and enforcement capacities.

III. The Way Forward

This final section looks at areas of opportunity for the Bank in social protection governance, with a focus on social assistance. The aim is to help to define strategic choices and identify priorities for the sector in the coming years, based on existing engagement, client demand, and frontier thinking on governance in the sector. We identify four main directions for the Bank to consider as it moves forward.

First, engagement in the area of social protection governance is growing fast. However, there is scope to *consolidate and be more systematic about governance work in SP*.

Second, the evidence base on what works and what does not on governance in social protection is being developed. This implies that there is a need for an *agenda that better documents and measures what governance is and how it affects outcomes*.

Third, some *key areas stand out as particularly important as the World Bank tries to consolidate the governance work in social protection* and apply it more systematically across lower and middle income countries, and all regions. There are opportunities to strengthen and learn from the interaction of supply-side measures focused on efficient service delivery and demand-side measures, and there are opportunities to better harness the innovative use of technology for accountability. The Bank should also carefully think about how to

promote effectively the “good enough governance agenda” and to make strategic use of political economy analysis in a way that best serves its engagement at various levels (country, sector, and program).

Fourth, there is a need to explore the governance implications of the Systems Vision promoted by the SP&L Strategy. At the same time, there is scope for *better linkages and synergies between the micro- and meso-level work on SP systems and the broader agendas on public sector management.*

- **1. Consolidate and be more systematic about governance work in SP.** The Bank’s SP sector is engaged in numerous ways in “rules, roles and controls” even though staff does not always view what they are doing as governance. There is, however, potential to be more systematic in thinking through how interventions to strengthen “rules, roles, and controls” are incorporated into Bank-supported programs and assistance.
 - a. **Knowledge sharing and consolidation.** Patterns of engagement vary significantly across regions. These differences reflect the varying nature of the social contracts, the particular political economy, and the evolution/sophistication of social protection systems. They also translate into possible different “entry points” for governance interventions, depending on context. For safety net programs, for example, in LAC, program “rules” are found at the level of the operational manuals, while in ECA they tend to be defined by laws or regulation, which are harder to modify. These and other factors have strong implications for how to attempt reform across contexts and regions. Nevertheless, the diversity of engagement patterns represents a strong argument for useful experience sharing, knowledge consolidation, and a more systematic engagement.
 - b. **Developing simple toolkits including roadmaps and risk-diagnostic tools** to support a more systematic approach, especially for low capacity contexts and fragile states, where often the attention should be focused only on the minimal conditions of governance to be met in order for a program to perform. An

important agenda refers to the development of tools to support the assessment of governance risks in projects and programs, and the development of corresponding mitigation measures/interventions. Such tools could also help task teams to address important governance questions like whether to adopt a ring-fencing approach or not and the implications for project sustainability and scalability. Examples are readily available in Bank operations implemented in fragile states and/or in emergency situations where lessons maybe drawn (e.g., Pakistan cash transfer following the floods).

- **2. Strengthen monitoring and improve the evidence base of what works in social protection governance.** The increased relevance of governance highlights the need to properly monitor and evaluate the impact of governance interventions.

- a. **Strengthen monitoring of “governance results” including through the integration of governance related indicators in the SP benchmarking tools.** Efforts to increase measurement of governance in SP include the development of indicators to track and benchmark policies and performance across and within countries (Rubio 2011). Distinguishing between *policy indicators*, which define the rules, roles, and controls of service provision, and *indicators of performance* is important. The former have to do with monitoring the implementation of “rules, roles, and controls” (e.g., Are the eligibility criteria communicated and transparent? Do performance incentives for providers exist? Is there a complaints-handling mechanism?), while the latter attempt to measure the actual changes in practices and behaviors of providers resulting from the implementation governance arrangements (Fiszbein et al. 2009).

The SP&L anchor is planning an effort to benchmark SP policies across countries (Robalino et al. 2012). The focus on the exercise would include issues related to eligibility, financing sustainability, fragmentation, and coordination between programs, as well as institutional capacity and service delivery arrangements.

While these dimensions are still to be operationalized, they may benefit from incorporating governance policies and tools into this framework.

- b. **Strengthen portfolio-monitoring tools.** Currently, the Bank systems (e.g., SAP, Business Warehouse) are not well positioned to monitor what we do in the area of SP governance within our portfolio. The tools for tracking what is being done in this area within the Bank's portfolio and at the country level need to be strengthened.
- c. **Build evidence about the effectiveness of approaches for which a solid body of knowledge does not exist.** Performance incentives and demand-side interventions in particular are becoming increasingly popular, but as the Bank shifts attention and resources to strengthen its engagement in these areas, it will be crucial to build evidence around their effectiveness. These are priorities not only for the Bank. For example, in OECD countries, where governance interventions in social protection tend to be more sophisticated, there seems to be broad agreement on the importance of user involvement for the improvement of public services, but evidence remains limited.⁴⁷ Another area in which more reliable evidence is needed is the cost-effectiveness of implementing governance-related measures. All of these represent priority areas for the evidence building agenda.

3. **There are opportunities to strengthen engagement in key areas, such as: (i) complementarity of demand and supply side interventions; (ii) good enough governance agenda; (iii) innovative use of technology for service delivery; and (iv) political economy of social protection.**

⁴⁷ A UK House of Commons Public Administration Select Committee (2008, p. 27) summarizes the motivation of promoting user involvement and current state of evidence as follows: *"It is as yet unclear whether user-driven public services offer better value for money or improved outcomes for all or most service users. What is clear is that stronger variants of user participation and control would have far-reaching effects on the shape of some of our public services. In particular, there would be fundamental implications for the role of public service professionals, their relationship with service users, and the way that public services are organised and assessed."*

- a. **Complementarity of demand- and supply-side interventions.** Efforts to strengthen beneficiary involvement for program monitoring must be met by government support for results to be sustainable, in what should be a mutually reinforcing cycle. In India's NREGA, a critical supply-side measure like the implementation of the Right to Information Act in 2005 offered the basis for the program to introduce a number of innovative accountability measures including the institutionalization of demand-side mechanisms such as Social Audits. The effectiveness of these Social Audits in increasing citizen program awareness, which has in turn led to improvements in program implementation with the support of the government, has made NREGA a celebrated case study.

Within the Bank, both the Demand for Good Governance (DFGG) and the Program for Results (P4R)⁴⁸ agendas explicitly recognize the need to support activities to strengthen the enabling environment for social accountability. These provide a useful framework to think about accountability in a comprehensive way, involving demand- and supply-side interventions.

- b. **The good enough governance agenda.** This paper makes the case for a set of simple operational entry points (rules, roles, and controls) for strengthening governance of social protection systems. It is important to ensure that governance is integrated into programs in all types of countries. Governance is neither a Middle Income nor a Fragile States agenda. Innovations are occurring across types of countries. The Bank should continue to engage in finding the best ways to move towards better governance in any particular capacity context, by promoting tools and instruments relevant to the particular conditions of countries, and without expecting to address all governance deficits at once. Well-

⁴⁸ P4R programs will need credible results monitoring systems including, where appropriate, independent third-party reviews, greater beneficiary participation, and civil society oversight (Integrated Audit). Such measures would also help broader efforts to enhance governance and accountability at the country level by focusing on results and institutional issues as well as on the incentives for achieving desired results.

implemented good-enough-governance interventions could also help overcoming programs' scalability risks.

- c. **Innovative uses of technology.** Innovative uses of technology provide powerful tools to enhance accountability and transform the way public services are delivered to citizens. Technology can empower citizens to communicate directly with government and service providers. The value of these modern avenues for registering grievances is that they can establish accessible, alternative channels to the standard means by which people complain.
- d. **Political economy of social protection.** While the Bank has been conducting political economy analysis for a many years, the attempt to develop a systematic and operationally relevant approach to political economy is a more recent phenomenon, and one that is receiving increasing attention by sector and country units alike. The Political Economy agenda within the Bank has been growing rapidly within the context of the broader Governance and Anticorruption (GAC) agenda. The establishment of a Political Economy (PE) community of practice is meant to facilitate and promote the Bank's work on PE, including high quality PE analysis and operational support as needed, with an eye to improving operational relevance and knowledge sharing.

Despite these efforts, engagement at the sector level remains tricky. Resources, both in terms of time, skill, and money, remain limited. When PE assessments are undertaken, they need to carefully balance the need for discretion on what can be very sensitive topics against the opportunity of making candid assessments, lest running the risk of becoming exclusively internal documents. Moreover, incentives for staff may at times be contradictory in terms of the pressure to deliver a project even in unfavorable political economy conditions, something we need to acknowledge. The sense is that at the individual country level, and within each sector, staff engages in PE analysis in a variety of ways, some more systematic than others. Knowledge sharing is happening, but there is significant

room for improvement in connecting the dots within the institution, so that sectors can benefit more from existing GAC resources, for example. Going forward, and given the limited resources available, it will be critical to use political economy strategically to inform project teams. PE analysis has to be selective, demand-driven, and focus on priority issues rather than becoming a “box ticking” exercise. Comparative analysis of the nature of problems and feasible solutions depending on the PE context is needed.

4. Finally, there is an interesting governance agenda ahead regarding the area where the boundaries of programs overlap, and what governance issues are implied by the systems vision of the SP&L Strategy Paper. At the same time, there is scope for better linkages and **synergies between the micro- and meso-level work on SP systems and the broader agendas on public sector management**. As such, the implementation of SP governance agenda will require a coordinated effort between networks, in particular Human Development (HD), Poverty Reduction and Economic Management (PREM), and Social Development (SDV).⁴⁹

⁴⁹ For example, the various related initiatives such as the Demand for Good Governance, the Governance and Anti-Corruption, or the broader Public Sector Management agenda.

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Abstract

The paper develops an operational definition of governance that can be applied to social protection. The 2004 WDR accountability framework acts as a starting point, defining accountability in terms of a set of principal-agent relationships between policymakers, providers, and citizens. Applying this framework to social protection, the paper looks at three broad areas where the Bank is involved in governance in social protection: rules of the game, including clear criteria for entry and exit of programs; roles and responsibilities, including defining accountability relationships and incentive frameworks across levels of government and institutions involved in social protection; and controls and accountability measures, including the broad set of implementation mechanisms and procedures for ensuring that “the right benefit gets to the right person at the right time”. The paper applies this framework to social assistance policies and programs, reviews what is currently being done across the Bank in this area, and identifies future opportunities for clients and Bank engagement.

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