

SAFETY NETS HOW TO

A TOOLKIT FOR PRACTITIONERS
(VERSION 1)

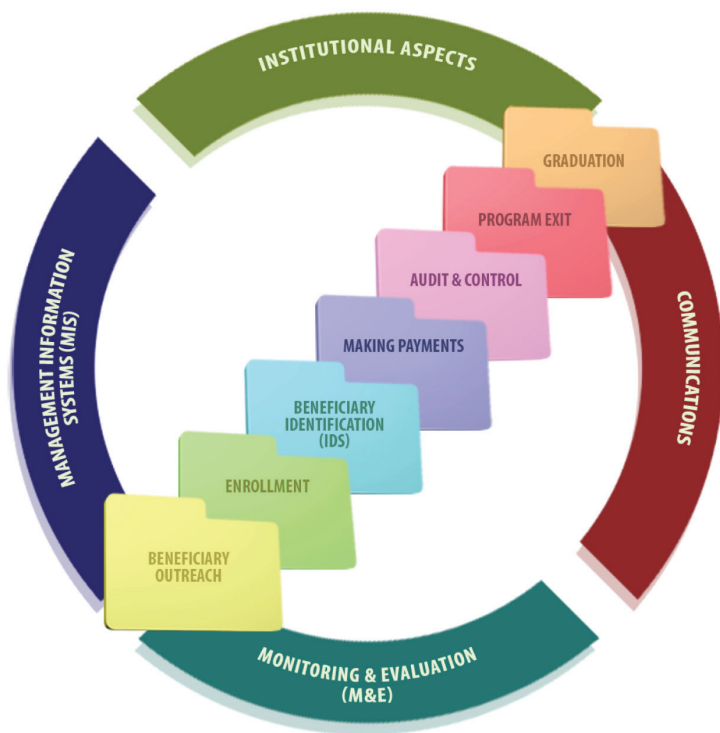


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SAFETY NETS HOW TO



The **Safety Nets How To** resource guide presents several fundamental implementation topics organized around program processes and cross-cutting themes.

Safety Nets How To is a resource guide for practitioners involved in the design and implementation of social protection systems. It pulls together summary information, country cases, and guidelines on key processes and cross-cutting issues, with lessons for everyday program implementation. The information is organized in a standardized, concise, and accessible format and draws on best practices from a variety of contexts, including middle-income, low-income, and fragile states.

The objective of **Safety Nets How To** is to support practitioners with technical knowledge on key implementation issues. Its “how to” focus has been crafted in response to practitioners’ demand for first-hand country program experiences on practical “nuts and bolts” topics.

The target audience for **Safety Nets How To** includes policy makers and practitioners in national and subnational governments, donor and international organizations, and nongovernmental organizations (NGOs)—particularly those working in low-income countries where a new wave of social protection interventions has appeared in recent years.

The information aims to complement existing knowledge in the sector, which mostly focuses on program design. In addition to **Safety Nets How To**, readers are encouraged to explore the extensive literature on such critical design topics as types of safety net interventions, targeting, and setting benefit levels. For resources, links, and more information on the latest news, events, publications, and training announcements, please visit www.worldbank.org/safetynets.

Safety Nets How To is a living product. Feedback and suggestions are welcome so that the content can be enriched and an enhanced version 2 developed in the future. In particular, please advise of any information gaps on key topics. Send information and feedback to socialprotection@worldbank.org.

Acknowledgments

Safety Nets How To was authored by Colin Andrews, Lucy Bassett, Tarsicio Castaneda, Maria Concepcion Steta Gandara, Margaret Grosh, Julia Loureiro, and Rodrigo Quintana. Helpful comments and inputs were received from Arup Banerji, Raiden Dillard, John Elder, Polly Jones, Mirey Ovadiya, Lucian Pop, Bassam Ramadan, and Ruslan Yemtsov. Design and editing were provided by Jhoram Moya and Nita Congress. **Safety Nets How To** was produced with the support of the Global Expert Team on Safety Nets and Human Development Network Social Protection Unit.

For more safety net “how to” information, go to worldbank.org/safetynets/howto.

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SAFETY NETS HOW TO



KEY PROGRAM PROCESSES

BENEFICIARY OUTREACH

OVERVIEW

Outreach involves the communication of program information to potential beneficiaries, stakeholders, and the general public. It aims to convey information about key program features and objectives and to explain benefits, rights, and obligations to program participants. Outreach is critical at the beginning of program implementation to help beneficiaries through the process of program enrollment.

Although fundamental, beneficiary outreach in safety net programs is often overlooked. Proper outreach maximizes targeting efficiency, helps reach the poorest groups (including the most vulnerable, such as the illiterate and indigenous), and improves program transparency and accountability. A sound outreach strategy may empower potential beneficiaries by providing comprehensive information on their entitlements and responsibilities in relation to the country's array of social programs.



AT A GLANCE

Beneficiary outreach is important in every phase of project implementation in order to provide information about program participation, grievances, and graduation. Specific objectives for particular phases include the following:

- **Sensitization.** Inform all potential beneficiaries of the objective and rationale of a new program, its main target groups, and what the program will and will not offer.
- **Targeting and enrollment.** Inform potential beneficiaries of the targeting process, eligibility criteria, and how to participate in the enrollment process.
- **Payment.** Provide beneficiaries with a clear understanding of payment mechanisms, payment timing, and benefit levels.
- **Grievances.** Inform beneficiaries about complaints processes and mechanisms for transparency and accountability purposes.
- **Eligibility.** Inform beneficiaries about the circumstances under which they could lose eligibility (e.g., they are no longer considered poor or have children over the program's age limit).



Government flyer explaining to Bolsa Familia beneficiaries the need to keep their social and economic information updated and how to do so

In some programs, outreach is **part of regular implementation processes**. For example, information can be transmitted via program staff during enrollment interviews, at payment points, while monitoring conditionalities, or through special program hotlines.

Other programs promote **specific media campaigns**, which can include sending mobile teams to villages to register families and answer questions, as well as disseminating information through radio and television programs, newspapers, flyers, etc.

Many programs also often use the **Internet** for ongoing information sharing. Some programs design Web sites specifically for beneficiaries where they can access their payment history and learn about opportunities to participate in other programs. Some programs use cell phones to share program information with beneficiaries.

In lower-income and limited-capacity contexts, some programs convey information using **community structures** (community leaders, women's networks or groups) or **nongovernmental organizations (NGOs)** that pass on information through community radio, flyers, posters, and so on.



KEY CONSIDERATIONS

- It is important to take literacy levels, cultural and ethnic differences, and accessibility to remote areas into account when designing outreach approaches.
- Budgetary constraints for outreach are common since safety net programs rarely have a separate budget dedicated to outreach activities, despite their importance to successful program implementation.

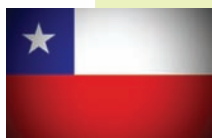


- Beneficiary outreach should be included as part of the ongoing program budget.
- Outreach activities are likely to vary in terms of costs and impact on direct program outcomes (e.g., targeting accuracy, program participation, expressing grievances). For example, in some contexts, general outreach activities via press and radio are expected to have less impact on participation than more direct activities such as registration campaigns in villages.
- Regular evaluation and spot checks of the efficiency and effectiveness of outreach activities should be encouraged to improve messages and delivery mechanisms. Such monitoring can also contribute to reducing costs.



EXAMPLES OF BENEFICIARY OUTREACH IN SAFETY NET PROGRAMS

Chile: Management information system and psycho-social workers



Description

The Chilean Ministry of Planning has developed a comprehensive registry of social information which gives beneficiaries access to detailed information on their current participation in social programs and eligibility for other programs. The database gathers information from municipal governments and other organizations that administer the federal government's safety net programs. It contains integrated data from all programs in the country's Integrated Social Protection System (Chile Solidario Programs Puente, Personas en Situacion de Calle, Programa Vinculos, Chile Crece Contigo). Beneficiaries can access the online database to check which programs they are eligible for and see a summary of the benefits they currently receive.

A distinctive feature of Chile Solidario is the use of regular visits by psycho-social workers to beneficiary households. The social workers follow families' progress and connect them with existing programs. Program objectives include connecting beneficiaries to the network of public services available to them, restoring confidence, and promoting investments in human capital.

Dominican Republic: National hotline



Description

The Solidaridad conditional cash transfer program has arranged with the Presidential Office for Information Technology to use its hotline to provide program information to current and potential beneficiaries. The hotline provides information on various public services such as public works, social services, the national mail service, and government agencies.

Two months after the hotline began to include information on Solidaridad (in January 2008), 55 percent of the 12,000 calls received were queries about the program. Moreover, the total number of calls received increased by 50 percent after three months. Most of the calls related to Solidaridad were requests for information on the beneficiary database, enrollment procedures, eligibility requirements, and program components. Only a small fraction of the calls were related to complaints about the program.

Cambodia: Information posters and verbal announcements



Description

Cambodia's Scholarships Program aims to reduce the costs of lower secondary education for poor households through the provision of targeted cash scholarships. The program's long-term objectives are to increase the enrollment, retention, and progression of students from poor families in secondary education.

To adequately target students from the poorest families, outreach efforts aim to spread information on the scholarship program as widely as possible and raise awareness about the value of education. The awareness-raising materials used are posters highlighting the program; posters detailing who is eligible for the program, how students can apply, etc; and verbal announcements by teachers or community leaders in public meetings or gatherings, which include the information provided in the posters.

Dissemination is decentralized. The provincial team of the Cambodia Education Sector Support Project is responsible for training local management committees in each province and giving out awareness materials. Local management committees then distribute posters; and verbal announcements in primary and secondary schools, commune councils, local health centers, and markets are made.



Kenya: Awareness sessions and home visits

Description

Kenya's Orphans and Vulnerable Children Program has awareness sessions which aim to help households deal with health and family issues. The sessions cover topics such as nutrition, child and maternal health, social health, and prevention and treatment of chronic illness such as malaria, HIV/AIDS, and sexually transmitted diseases.

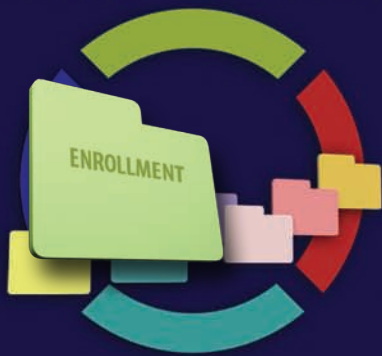
The program—which as of 2007 covered 10,500 beneficiaries—features visits to beneficiary households by a volunteer approximately every four months. During this visit, the volunteer orients the members of the household on program aspects related to compliance with conditionalities, collection of benefits, and possible claims or issues they may have. The visit also helps in identifying potential problems affecting a given household, which may require specialized assistance.



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SAFETY NETS HOW TO



KEY PROGRAM PROCESSES

ENROLLMENT

OVERVIEW



Once beneficiaries have been identified, they must be enrolled in the program so they can begin to participate in safety net program activities and receive benefits. Enrollment processes vary by program and country, but generally take the form of a survey or on-demand model, or a combination of the two. Whichever model is used, a complementary outreach campaign is needed to provide program information and convey participant rights and responsibilities. Additional support may be necessary to attract the most disadvantaged beneficiaries.



AT A GLANCE

The **census-style survey approach** first identifies areas where a large number of eligible people may be located (e.g., areas with high poverty levels) and then sends program staff or trained interviewers to interview and register all households in a particular area. Eligibility is determined based on survey results. In contrast, the **on-demand approach** requires that potential beneficiaries visit a designated site to apply for program benefits directly. The survey and on-demand enrollment approaches can be complementary; they can be appropriate at different stages of program development or can be used simultaneously.

Some programs—including those in Brazil, Chile, Colombia, and Mexico—use a **mixed approach**, either employing both approaches concurrently or using different approaches for urban and rural areas. The following table presents the distinct advantages and disadvantages of each approach, as well as conditions when each is most appropriate.

Approach	Advantages	Disadvantages	Ideal conditions for use
Survey	<ul style="list-style-type: none"> • Can reach the poorest, who often lack information and resources and live farthest from program offices • Low cost per each additional person surveyed, since surveys economize on travel and time costs • Systematic surveys can provide better quality data and reduce the risk of information manipulation • Massive enrollment campaigns can be organized 	<ul style="list-style-type: none"> • Periodic surveys lead to static/inflexible participation lists, making it hard to serve people whose circumstances change • Members of eligible households may not be home or respond when the survey is conducted • Can be costly in areas with many non-eligible households or where households are very dispersed 	<ul style="list-style-type: none"> • Homogenous areas with high poverty rates • Places with low education levels and poor access to information • Program is new or not yet well known
On demand	<ul style="list-style-type: none"> • Open, dynamic process allows anyone to apply at any time • Costs can be lower if nonpoor choose not to apply • Institutionalized nature provides permanence, which can help build and maintain institutional structures 	<ul style="list-style-type: none"> • Poor may not participate because they lack information and live farthest from program offices • Costs can be higher if social workers must verify (via home visits) information provided by beneficiaries • Can be a slow process, involving long lines and/or requiring a large number of staff 	<ul style="list-style-type: none"> • Heterogeneous areas with moderate or low poverty rates • Places with moderate to high education levels and good access to information • Program is well known
Mixed	<ul style="list-style-type: none"> • Meets diverse needs faced by a program over different stages of development • Can better reach the poorest by adapting to different conditions (e.g., rural/urban, higher/lower concentrations of poverty) • Costs could be lower if each approach is implemented under appropriate conditions 	<ul style="list-style-type: none"> • Strong administrative capacity needed to monitor mixed approach • Costs could be higher, especially at the outset, when designing and implementing two separate approaches (in terms of staff needs, monitoring, communication, etc.) 	<ul style="list-style-type: none"> • Program operating in areas with different characteristics (e.g., poverty level, education, access to information) • Programs that evolve over time (e.g., from pilots to comprehensive and institutionalized programs)

KEY CONSIDERATIONS

- It may be necessary to provide additional support to achieve satisfactory enrollment rates—for example, by supplementing general announcements about enrollment with information to community-based organizations working with the same target group or by giving information sessions in neighborhoods.
- The survey approach is often useful at the early stages of program implementation, when information about the program is limited. A program can later shift to the on-demand approach when beneficiaries know more about it and would be willing to apply for benefits.
- The program's targeting system should be considered when determining a registration approach. Thus, programs that target through self-selection (e.g., public works) will generally use the on-demand approach, which allows beneficiaries to decide if they will apply.
- The time frame for enrolling beneficiaries can also determine the enrollment approach. If rapid implementation is critical, the survey approach is preferable. Massive enrollment campaigns can be organized in assemblies in schools, municipal halls, etc.
- Information campaigns should be tailored to the specific enrollment approach: to motivate potential beneficiaries to register (on-demand approach) or to receive enumerators (survey approach). These campaigns should also provide information to potential beneficiaries about their rights and obligations under the program and the documents they may need for enrollment.



- The frequency and sequencing options for survey approaches can have important implications. Conducting frequent surveys can be expensive, but doing it rarely can prevent new beneficiaries from joining the program regularly. As for sequencing, a program could start the survey either in a few municipalities with the highest number of poor families or in all municipalities, even if they have few poor households. These decisions depend on budget, coverage objectives, and political considerations.
- The on-demand approach can facilitate access to other social services, such as “one-stop” referral centers that provide information about other social programs; this is the case for Chile Solidario and Brazil’s Centers for Reference for Social Assistance.
- When using the on-demand approach, careful consideration must be given to ensuring that prospective beneficiaries are not enrolled in multiple areas, as there may be incentives to enroll in more than one place to collect additional benefits. A central database is essential to control for duplicate entries and fraud.

EXAMPLES OF ENROLLMENT IN SAFETY NET PROGRAMS

India: Registration in the National Rural Employment Guarantee Scheme



Description

The National Rural Employment Guarantee Scheme is open to all rural households in areas designated by the central government. All adult members of the household who register may apply for work. Registrants must be local residents, be willing to do unskilled manual work, and apply as a household at the local program office. An individual may appear personally and make an oral request for registration. A door-to-door survey may also be undertaken to identify persons willing to register. To allow maximum opportunities for families that may migrate, registration is open throughout the year.

Immediately after verification, each registered household receives a job card, which contains pertinent information about the household (its registration number, and the age and gender of each member), employment information, and a photo.

An annual updating exercise is conducted, in the same manner as registration, taking into account the work and migration season of the local workforce.

Zambia: Targeting and enrollment using a survey approach



Description

In Zambia, targeting is intricately linked to the enrollment process for the Social Cash Transfer Scheme, an unconditional cash transfer provided to households that are critically poor (suffer from chronic hunger, undernutrition, and beg for survival) and incapacitated (breadwinners have died or are critically ill, household has no able-bodied members of working age). Both the targeting and approval processes are conducted by a series of committees under the Public Welfare Assistance Scheme, which was in place before the cash transfer began. The committees are organized at village, area, and district levels and work on a voluntary basis.

The village-level community welfare assistance committees, which cover 200–400 households, interview potential candidates for the cash transfer program and record their household structure and degree of poverty. Households are then ranked, and the ranking validated in a community meeting. Applications for the top 10 percent worst-off households are sent to the district social welfare officer. The district welfare assistance committee is responsible for final approval, and the village-level committee informs beneficiaries of their participation.

This survey-style approach reaches the very poorest and incapacitated beneficiaries, who would likely not be able to reach an on-demand application site. After enrollment, registration is closed until the next enrollment period. Data quality is ensured by the multistage targeting and enrollment process.



Albania: On-demand enrollment

Description



Albania's Ndihme Ekonomike (NE) conditional cash transfer program, like most social assistance programs in Eastern and Central Europe, uses an on-demand approach for enrolling beneficiaries. The condition imposed by the program to receive the benefit is that able-bodied beneficiaries work one day per week.

Every month, the household head must go to the NE office—usually located within the commune or municipal administration building—and ask for NE benefits (full or partial amount), explaining why his/her family needs such support. A social administrator then conducts application interviews and helps the applicant fill out an application. The applicant must provide several documents or declarations to prove that his/her family has no other income/benefit or does not possess vehicles and other specified assets.

In cases where the head of household or other adult members cannot show up every month to the NE office to claim the benefit (e.g., for health reasons), the social administrator visits the household heads in their houses to check the documentation to prove that there is no other income source and to provide the program payment.

Mexico: Enrollment using a mixed approach

Description



Mexico's conditional cash transfer program, Oportunidades, uses a mixed approach to enroll beneficiaries; the approach is adapted to different poverty profiles in rural and urban areas. In small rural cities (up to 2,500 inhabitants), a door-to-door census evaluates households' socioeconomic status, primarily utilizing household assets, but also considering education and household composition. Once this information is collected, verified, and processed, staff members return to eligible households to invite them to enroll in the program.

In urban cities, a combination approach is used. In areas with a high concentration of poor households, a door-to-door census is conducted to determine program eligibility and enroll beneficiaries. In areas with a lower concentration of poor households, where it is considered too costly to conduct a door-to-door census, people need to apply for the program before an evaluation of their eligibility takes place. Mass media are used to advertise the program, invite families to visit the program recruitment office in the community, and solicit their economic evaluation. Based on an initial screening in the program office, applicants are informed of their possible eligibility. A program official then visits each household that is deemed eligible to validate the socioeconomic data. Applicants subsequently have to return to the program office to confirm eligibility and register for the program.

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SAFETY NETS HOW TO



KEY PROGRAM PROCESSES

BENEFICIARY IDENTIFICATION

OVERVIEW

When implementing safety net programs, it is important to develop a system of beneficiary identification (ID) so as to distinguish program beneficiaries from nonbeneficiaries.

A functioning identification system enables adequate tracking of beneficiaries throughout key program processes, including registration, payment, verification and control, recertification, and graduation. This promotes efficiency within a program, and improves program governance by reducing duplication errors, fraud, and overlapping benefits.



AT A GLANCE

Beneficiary identification can be accomplished using either a nationwide ID card or a program-specific ID card.

- **National IDs.** Where a well-set-up national ID system is in place, program officials may choose to adopt it. This approach has the advantage of reducing the duplication of information-gathering efforts across programs, as well as facilitating data cross-checks and information accuracy. A key challenge for programs to address is the degree to which potential beneficiaries have access to national ID systems. Typically, target groups may face a number of barriers in accessing IDs, including vulnerability factors, remoteness, or transaction costs associated with obtaining birth certificates or other legal documents. In such cases, programs may need to make special arrangements in order to work with national institutions to enroll excluded populations (see Nicaragua example below).



An added benefit to ensuring access to a nationwide ID is the potential for empowering vulnerable or excluded groups, such as indigenous populations or women (see the Pakistan example below). By securing nationwide IDs, these groups can access previously restricted public and private entitlements such as social assistance benefits, electoral registration, and financial services.

- **Program-specific IDs.** In the absence of a nationwide ID system, a program-specific ID is necessary. The sophistication of this ID system will vary depending on program duration, payment frequency, and type of transfer involved. IDs may also need to be tailored to take into account low literacy levels of the target population. Establishing program-specific ID cards may entail high set-up costs, but will provide ongoing benefits in terms of beneficiary inclusion and program administration; see the India example below.



Generally, the implementation process involved in establishing an ID system includes

- identification of an ID/registration agency or team to work in conjunction with targeting and management information system staff and payment entities;
- training personnel in charge of receiving applications, entering data, and managing cases;
- registering beneficiary information;
- validating data with existing ID systems (if any) or on the ground;
- establishing error correction and information updating mechanisms; and
- issuing ID cards.

KEY CONSIDERATIONS

- IDs must be unique to each beneficiary or household. They should generally contain personal details, including name, address, gender, date of birth, etc; the cardholder's signature, photograph, or fingerprint to verify ownership; and the seal and/or signature of an authorized registering officer to certify authentication and reduce falsification. Also, a code can be imbedded in the ID number linking the cardholder to the geographic location of his/her residence to facilitate tracking.
- Programs with program-specific IDs need strong management information systems to operate efficiently and transparently—for example, in tracking and recording changes in beneficiary status.
- Appropriate control measures should be put in place to reduce error, fraud, and corruption among ID issuers and cardholders.
- Information technology plays an important role in enabling decentralized updating, tracking, and cross-checking. Automated record retrieval from IDs enhances service delivery in remote areas by reducing administrative costs and time.
- Legislation must be developed to enable inter- and intra-agency data exchange and privacy control.
- ID-issuing agencies must have some level of access to targeted areas, and back-end administration must be capable of managing large-scale data flows.



- IDs must be compatible with the type of transfer and payment mechanism being used. For example, in some conditional cash transfer programs, ID verification takes place at program registration since transfers are wired to beneficiary bank accounts. For in-kind transfers, ID verification needs to take place each time a transfer is made in person.
- Appropriate communication strategies should be developed to bridge the gap between administrative and user understanding of IDs.

EXAMPLES OF BENEFICIARY IDENTIFICATION IN SAFETY NET PROGRAMS

Nicaragua: Dealing with beneficiaries without national IDs

Description



Nicaragua's Social Protection Network (SPN) issued conditional cash transfer payments to beneficiaries holding a national identification number. At the onset of the implementation phase, the delivery of transfers was well controlled. Information about transfers was contained in a list with each beneficiary's name, the amount to be transferred, and the national ID number. Officials verified the beneficiary's ID by comparing his/her signature or digital fingerprint against his/her national ID. While the program seemed promising, it soon ran into some unexpected difficulties.

Since benefits were issued with reference to a beneficiary's national ID, each beneficiary had to have such an ID. When the program looked to expand to more remote areas, it was quickly discovered that potential beneficiaries were unlikely to hold national IDs. To address this issue and to prevent errors of exclusion, the SPN began issuing temporary program-specific IDs containing a barcode to identify beneficiaries. Additionally, SPN officials worked with local authorities and lawyers to help beneficiaries enroll in the civil registry so they could receive permanent national ID cards at a subsidized price.

Provisional IDs proved to be easy and relatively inexpensive to make, as they were created using a camera, computer, and plastic laminating machine. They also proved to be a convenient solution to an unforeseen problem.

India: Program-specific identification—the NREGA job card

Description



The objective of India's National Rural Employment Guarantee Act (NREGA) is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a year to individuals willing to do unskilled work. To identify its participants, NREGA issues a job card to every beneficiary. Besides being an important tool to help track days worked and make payments, the card also enables tracking of household mobility (change of residence or migration) and personal data modifications. The card is tailored to meet local needs, including those of illiterate beneficiaries. Key features of the NREGA job card include the following:

- After households are registered and their information verified, local governments issue the job card two weeks after the date of application.
- The job card includes a photograph and signature or fingerprint of the cardholder as well as the beneficiary's name and personal data (address, gender, age, etc.).
- The job card contains a unique identification number which includes codes identifying the state, district, local government, and village where the household resides. This unique number protects laborers against corruption and fraud (e.g., duplicate or ghost beneficiaries).
- All of the information on the card is authenticated by the seal and signature of an authorized registering officer. This ensures the legality of the card and reduces falsification.
- The job card is valid for a period of five years. The validity period of the card and date of registration must be indicated on the card.



Pakistan: Ensuring women have access to national IDs

Description



Pakistan established the National Database and Registration Authority (NADRA) in 1999 to enhance the efficiency of its Registration Department. As a first step, NADRA set out to replace the old ID card and to develop a national database with the issuance of brand-new identification cards, which include a unique identifier for every citizen.

In 2008, NADRA decided to improve the levels of registration and identification of Pakistani women. Although the identity card coverage only reaches 64 percent of the female population, women as a percentage of all registrants grew 5 to 15 percentage points after July 2008 in almost all regions—in some of which they now represent 45 percent of all registrants. Moreover, in Islamabad and Azad Kashmir, identity coverage for both men and women is 100 percent.

Armenia: Using a social security card for beneficiary identification

Description



In 1999, the Armenian government introduced a social security card and a personal identification number (PIN) to improve citizen access to government services. The card is a laminated paper card with limited personal information.

All citizens need a social security card to apply for and be paid by social protection programs (poverty family benefit, unemployment benefits, old age and disability pensions) or to open an account, pay taxes, obtain licenses, and so on. The card number quickly became the sole number linking all principal databases (civil registry, banks, employment) in Armenia.

All money transfers obtained by a family member—including wages, social benefits, and/or remittances—can now be tracked by the Armenian government. This helps to ensure that beneficiaries are receiving appropriate payments and that payments in excess of eligibility are automatically removed according to each program's cut-off point.

Citizens can visit various local government offices to obtain their cards.

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SAFETY NETS HOW TO



KEY PROGRAM PROCESSES

MAKING PAYMENTS

OVERVIEW



Payment mechanisms ensure that designated benefits get to entitled beneficiaries on time. In safety net programs, effective payment mechanisms are seen as critical to the timeliness and reliability of transfers, as well as to the smooth functioning of the overall program. In recent years, program operators, financial institutions, and information technology innovators have developed a wide range of strategies for delivering transfers effectively.



AT A GLANCE

At the outset of a program, two key decisions must be made: the **type of delivery instrument** and the **distributing agency for making payments**. The type of delivery instrument (direct cash payment, voucher, electronic transfer) depends on a variety of factors including program approach (cash or near-cash), program duration, available technology infrastructure, local capacity, and cost—the higher the cost, the less money available for beneficiaries.

Often **direct cash** is preferred at the beginning of a program when transfers need to be disbursed quickly, and there is little time to set up electronic payment systems. In recent years, the number of programs introducing **electronic delivery** mechanisms has expanded rapidly (see the Brazil example below), even in low-income contexts (see the Kenya example below). For some programs, the preferred option is a combination of electronic and direct payment methods, as in the Bangladesh example below.

Innovative technology has greatly improved delivery instruments in cash transfer programs. Growing evidence shows that automated systems can reduce fraud and achieve wider coverage. Transfer programs are reaching a larger number of beneficiaries through the adoption of smart cards, point-of-sale (POS) devices, and cell phones.

It is important to note that the best approach does not necessarily depend on advanced technology, but instead successfully balances the above-mentioned factors.



Brazil's Bolsa Familia payment mechanism

KEY CONSIDERATIONS

- Studies may be needed before deciding on a payment system in order to review—among other items—options, technologies, cost, timing, and legal implications including procurement.
- The scheduling and frequency of payments will influence the choice of delivery instrument and agency employed. While approaches may be quite simple for one-off payments such as scholarships or food transfers, more sophisticated approaches might be required for payments of greater frequency and variability. The payment method selected will also depend on the local capacity of distributing agencies.
- Automated transfers may be costly and difficult to set up if a delivery infrastructure is not in place.
- Limited education and exposure to banking may impede beneficiaries' understanding of payment mechanisms. When payments are made through the banking sector, it is helpful to include a financial education component for beneficiaries in the program design.
- The use of more than one distributing agency can improve client service, lower costs, and avoid monopolistic capture.
- Independent organizations with some degree of experience can be effective in delivering cash transfers, particularly to remote areas.
- Payments should be reconciled by reviewing and adjusting balance sheets to match beneficiary payments with the financial statements of distributing agencies. This is a key element of internal control and fundamental to sound business.
- Payment mechanisms should be designed to minimize the time and cost for beneficiaries to collect their payments. In rural areas with few experienced institutions, mobile methods of cash delivery (e.g., via cell phones) may be effective.
- Cash delivery should meet transparency and audit standards. Programs should establish cost-effective control procedures including spot checks.

EXAMPLES OF MAKING PAYMENTS IN SAFETY NET PROGRAMS

Bangladesh: Making cash payments at local banks and branchless banks

Description

The Primary Education Stipend Project (PESP) uses Bangladesh's national bank network to disburse stipends on a quarterly basis to program beneficiaries. PESP aims to improve the educational participation—enrollment, attendance, and performance—of primary school-aged children by providing cash payments to targeted poor households. Designated national banks disburse stipends on a quarterly basis to authorized individuals on a predetermined date at local bank branches or temporary branchless posts.

The PESP delivery mechanism works as follows. The school management committee and local education officials compile a list of needy students and send it to the subdistrict officer, who approves the list and forwards it to the project implementation monitoring unit for its approval. Once the unit assesses the demand for a stipend, it processes the payment with the bank head office. The bank transfers the funds to its divisional headquarters at local public bank branches or branchless banks. PESP monitoring officers and bank officers schedule and inform schools of the time and place for disbursement. Finally, parents of beneficiary students collect cash payments from the bank upon verification of a photo card account.

Bangladesh intends to introduce mobile banking for making government transfers. Mobile banking has the potential to accelerate payment transactions to beneficiaries and to facilitate the expansion of safety net programs.



India: Potential use of smart cards for making payments

Description



India's Public Distribution System (PDS) uses a network of fair price shops (FPS) to provide food rations and nonfood items at subsidized rates to poor and vulnerable population groups. PDS schemes and supply chains are fraught with problems, including the diversion of commodities from ration shops to open markets, flawed lists of consumers, and poor quality of items supplied. A study was recently undertaken to determine how the use of smart cards could alleviate at least some of these pervasive problems.

As piloted, sales at FPS are carried out when beneficiaries present smart cards authenticated with their fingerprints for each transaction. Sales summaries are transferred to the PDS administrative entity in charge of recordkeeping. Based on records, the entity calculates the entitlement of food grains needed for each FPS and the money required to be deposited by each FPS to purchase food rations. The information regarding the amount of money needed is handed off to the bank, and the stock entitlement to the relevant warehouse. FPS owners then deposit the appropriate amount in the bank, and the bank issues a receipt so that FPS owners can collect rations from warehouses and sell them at their shops.

Receptivity to the introduction of a smart card-based PDS was good. FPS, beneficiaries, and both private and public food firms indicated their preference for a smart card-based PDS, but expressed a concern about the lack of a well-established technology network. The study thus analyzed the feasibility of implementing a smart card-based system where an information network was not well established; it concluded that stakeholders did not need to be connected to an information network, as data flow could take place off line through smart cards.

Brazil: ATMs as a means of making payments

Description



Bolsa Familia, Brazil's well-known conditional cash transfer program, uses Caixa, Brazil's second largest bank, to pay beneficiary families. Transfers are provided on a monthly basis using an electronic benefit card. The benefit can be withdrawn within 90 days from one of 16,281 automated teller machines (ATMs). The program disseminates payment calendars so families can plan for savings and expenditures. The maximum distance to an ATM is 2–3 kilometers.

The program has proved that upgrading payment mechanisms can substantially reduce program costs accruing to government. Switching from manual to electronic delivery of grants helped achieve a dramatic drop in administrative costs—from 14.7 percent of the grant value disbursed in 2001 to 2.6 percent in 2006.

Kenya: Making payments via mobile banking

Description



The mobile communications giant Vodafone, working with Kenya's mobile network operator Safaricom, launched M-PESA, an initiative aimed at making financial services more accessible in Kenya. Originally cofunded by the United Kingdom's Department for International Development, M-PESA was designed to allow customers without access to conventional banking and with a prepaid phone to move money between accounts.

All customers need to register at an authorized M-PESA agent (e.g., gas stations, supermarkets, Safaricom stores) by providing a Safaricom mobile number and their identification card. The agent activates the account on the handset, which enables customers to deposit and withdraw cash at any M-PESA outlet. Targeted households are clustered into groups of 10 or less, and one literate person is nominated as cluster leader. Although the equipment is shared by all cluster members, each beneficiary receives his/her own card to register for M-PESA to reduce the risk of fraud among cluster members.



DELIVERY INSTRUMENTS

Cash distribution is most common in low-income countries. The only requirement for the cash provider to process payments is a list of beneficiaries or a muster roll. The beneficiaries present some form of identification and a checkbook for recording transactions, sign an official paper, and receive the transfer. Payments can take place in a variety of settings, including banks, public offices, and worksites; security measures might be required, depending on the location. Cash may be preferred at the beginning of a program when transfers need to be disbursed quickly, and there is little time to set up electronic payment systems.

Checks and vouchers are typically pieces of paper that can be exchanged for cash or goods. Use of this method is more common in middle-income countries, as checks and vouchers require a good system of banks and/or post offices through which to process the payments. Checks and vouchers are easily transportable. However, they cannot be transferred electronically and tend to be expensive and cumbersome due to printing and distribution costs, as well as costs associated with falsification. There are further costs associated with competitive bidding for printers and distributors and arrangements with banks and merchants for redemption.

Electronic cash transfers are an effective way to deal with security issues. Their ability to accommodate small, more frequent disbursements helps make beneficiaries less of a target for theft after they collect their benefits. This type of transfer also eliminates intermediaries, delays in payment, and rent-seeking behavior. Nonetheless, costs may be high, as banks usually charge fees for service provision. Establishing an electronic payment system takes time, good databases, and excellent partnership arrangements with providers.

- **Debit cards** have a magnetic strip that contains information about a beneficiary's bank account. A debit card can be used to withdraw cash from ATMs or to process purchases using POS devices. Each time a debit card is used, the magnetic strip produces the banking information required by the bank, which then automatically approves the transaction and deducts the stipulated amount from the corresponding account. The drawback of debit cards is that they may not provide adequate geographic coverage, as they rely on the use of ATMs or POS devices with telephone lines directly connected to bank systems.
- Similarly, **smart cards** are disposable cards that contain an electronic chip that can hold a large amount of user information. Unlike debit cards, smart cards do not require a bank account, since the beneficiary information is embedded in the card. Therefore, transactions can take place via remote POS devices and ATMs not connected to bank systems.
- **Cell phones** containing an embedded smart card can be easily connected to branchless banks, other telephones, or POS devices. Customers must visit an authorized agent to withdraw cash from, or deposit cash into, their accounts. The cell phone then records the transaction. A disadvantage of this approach is that the amount of money cell phones are allowed to "carry" is restricted.



Kenya's M-PESA initiative is Africa's first mobile banking system; it is based on electronic cash transfers via cell phone.





DISTRIBUTING AGENCIES

State or public banks can be used to issue cash to beneficiaries or to exchange checks and vouchers. They can also maintain beneficiary accounts to which programs can wire money. The main advantage of banks is their considerable expertise in handling cash. However, bank branches might not be available in remote locations.

Post offices offer a good alternative to banks. They can provide payment and in-kind transfers based on a list of beneficiaries. They also generally have wide geographical coverage with an established network of delivery routes. However, post offices lack the financial expertise that banks offer.

State banks or post offices may be most suitable in the early phase of a program because they offer an existing system of public transfers and have considerable coverage. Moreover, a competitive bidding process to contract out payments may take some time.



Payment distribution in Bangladesh at mobile banks

Branchless (mobile) banks require bank employees to travel with cash to areas where there are no bank branches, thus reducing transportation costs to beneficiaries who would otherwise have to travel to get to a bank. This service is more costly for banks—which might pass the cost on to other programs and customers.

ATMs are computerized devices that provide customers of banking institutions access to financial transactions in a public space without the need for a bank teller. ATMs tend to have low operating costs and high coverage. Factors that determine the suitability of ATMs include infrastructure (especially electricity), security considerations, and costs.

Beneficiaries may also receive in-kind transfers in **retail stores** upon presenting vouchers, passbooks, identity cards, or electronic cards. The stores are responsible for managing stocks of food and financial transactions; this entails providing records of transactions to government officials for commodities received or passing the vouchers on to banks for reimbursement purposes.





Public agencies can also be used as a place where benefits are distributed. Appropriate agencies would be those experienced in making cash payments. **Nongovernmental organizations (NGOs)** may be a good alternative to banks or post offices if they have more extensive networks in a region. Other possible payment locations include **worksites** for public works projects, **lottery ticket vendors**, and **schools**. **Armored trucks** can also deliver cash at centralized locations.

Point-of-sale devices are computerized retail payment systems that replace cash or human registers. A POS device has a personal computer with barcode readers, optical scanners, and magnetic stripe readers for capturing and recording retail stores' transactions. They collect sales and payment information electronically only after the beneficiary smart or debit cards are presented and authenticated. Payment information is then passed on to the financial institution for reimbursement purposes. POS systems are generally used when programs distribute in-kind transfers. They can work off line and ensure that retail stores do not overcharge for authorized commodities. Costs of POS systems are significant if beneficiaries are scattered, as in rural areas where only relatively few beneficiaries may use the system. In urban areas where beneficiaries may be more concentrated, the costs of a POS system can be significantly reduced.

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SAFETY NETS HOW TO



KEY PROGRAM PROCESSES

AUDIT & CONTROL

OVERVIEW

Control mechanisms are vital to smooth program operation and contribute to improved program governance, transparency, and accountability. Effective control measures can be implemented at the program level (“top-down controls”), such as audits and operational assessments; or at the beneficiary level (“bottom-up controls” or “social controls”), such as social audits or citizen committees. Program- and beneficiary-level approaches represent distinct ways of reviewing the complete operational cycle—from planning and targeting to enrollment and benefit delivery—and of supervising the stakeholders involved in each of these processes. Program- and beneficiary-level controls are complementary, and it is best to use them in combination to ensure effective control.



AT A GLANCE

Program-level controls include financial and administrative audits that aim to ensure the appropriate use of financial resources and improve program management. These are conducted either in-house or by external audit institutions, generally without any significant involvement of intended beneficiaries. In several safety net programs, audits are complemented by process evaluations—as in the Jamaica example below—and other mechanisms, including the following:

- **Spot-checks.** Program procedures are monitored in a sample of randomly selected localities to assess whether the program is being implemented as intended. (See the Colombia example below.)
- **Database cross-checks.** These comparisons determine whether the program database is consistent with other public databases (tax records, civil registries, etc.).
- **Public disclosure of information.** Beneficiary lists are posted in public places at the local level, such as municipal halls, churches, and health centers, and/or published on the Internet for the public to see and contest.
- **Concurrent audits.** Continuous program-level audits (monthly or bimonthly) provide up-to-date information on program processes, which can be acted on in the short run.
- **System audits.** These audits assess the effectiveness and security of a program’s information system, including data confidentiality, information processing, access to information, and adequate system documentation.



Beneficiary-level control, or **social control**, engages beneficiaries and the general population in the process of monitoring program operations and can improve program transparency and accountability toward society. Ideally, social control is an ongoing process, involving potential beneficiaries and stakeholders from the planning stage through program implementation, monitoring, and evaluation. This ongoing participation can create a sense of empowerment and ownership. Social control can be carried out via the following:

- **Social audit.** Beneficiaries, communities, or the general population review program services and records to assess program performance and suggest improvements.
- **Citizen oversight committees.** Civil society, local authorities, beneficiaries, and/or the general public verify various program functions.
- **Beneficiary surveys and focus group discussions.** Beneficiaries express opinions on program functioning.
- **Grievance redress mechanisms.** Beneficiaries and the general public make complaints about program functioning and report irregularities. Complaints may uncover poor targeting, delayed payments, and fraud. Examples of grievance redress mechanisms include assemblies; citizen report cards/community scorecards; and direct feedback via hotlines, ombudsmen, text messages, or the Internet.

KEY CONSIDERATIONS

- Not all of the audit mechanisms discussed above are appropriate in all contexts. To effectively audit and control a safety net program, there should be a mix of both program-level and beneficiary-level approaches that takes into account the cost-effectiveness of each mechanism in a given context.
- Controls and/or audits should be applied at the level of each program stakeholder to ensure that they comply with agreed-upon program rules. Stakeholders include beneficiaries; program staff; payment agencies; program offices or contracted entities that provide specific services such as targeting (when done outside the program); and others, such as education and/or health providers in conditional cash transfer programs.
- Program audits can be conducted by government audit institutions or by institutions not directly linked to the program such as consultant firms, universities, and think tanks.
- Each control mechanism has its own inherent incentives and disincentives, which can affect the quality of information gathered. For example, anonymous grievance redress mechanisms may provide more of an incentive for people to express their true opinions on the program than face-to-face mechanisms such as assemblies.
- Grievance redress mechanisms must be objective and transparent. They must also be linked to systems that ensure that complaints are addressed in a timely manner and contribute to improvements in program implementation. Grievance redress mechanisms should include appeal processes so that people can contest program decisions, if necessary.
- Safety net programs—and their control mechanisms—are not isolated within their respective countries' social policies, but instead reflect the character of overall governance at the national level.



EXAMPLES OF AUDIT & CONTROL IN SAFETY NET PROGRAMS

Jamaica: Operational audits with internal and external auditors



Description

Jamaica's conditional cash transfer program, the Programme of Advancement Through Health and Education (PATH) provides cash grants to the country's most needy and vulnerable. Both internal and external auditors audit the program on an annual basis. The team of internal auditors ensures that PATH and its operations conform to the Financial Administration and Audit Act; adequate systems and procedures are in place for quality control and the prevention of irregularities; and operational procedures are efficient. External audits facilitate in-depth assessment of PATH's financial accounts and internal operating systems. These auditors are part of the Auditor General's Department, which reports directly to the parliament.

Colombia: Spot checks in randomly selected municipalities



Description

Colombia's Familias en Acción program uses spot checks, or sample-based site monitoring, to review program operations in different localities. Interviews are conducted in a randomly selected sample of 20 municipalities. Program staff interview participants, program officials, and local government staff 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 are working 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 both in collecting information and in using that information to improve program results. For example, spot checks have revealed problems with long wait times for payments. In response, program managers worked with banks to reduce wait times. Spot checks have also detected areas in which staff needed more training, such as in communicating program information to beneficiaries and municipalities; this training was subsequently provided.

India: Social audit forum and ombudsman program to assist with grievances



Description

Social audits are an important feature of India's National Rural Employment Guarantee Act (NREGA), contributing to improved accountability and transparency. NREGA mandates regular social audits for all aspects of the scheme to review official records and determine whether state-reported expenditures align with money spent on the ground.

An important innovation in this process has been the *jansunwai* or public hearing, in which the auditor reads out the details of the official records and findings to assembled villagers. Everyone who wants to speak can be heard, so local residents who are victims of fraudulent practices can give testimony, and government officials and local politicians are given an opportunity to publicly defend their actions. This forum is meant to create direct accountability of officials to citizens.

The Indian government has initiated a plan to further address accountability through an ombudsman program of "independent monitoring by eminent citizens." Each year, a panel of 100 ombudsmen will be selected from civil society to monitor 100 districts across India. Qualified individuals will undergo a 30-day public screening prior to their official appointment. Each ombudsman will make a six-day visit to his/her designated district once a year to assess NREGA implementation quality. During this time, the ombudsman may interview or request information from any of the NREGA authorities.



Malawi: Community scorecards

Description



Malawi's public works program, Social Action Fund Project 3, uses a comprehensive community scorecard method to ensure services work for the poor and facilitate responsiveness from public agencies. The process gives communities a central role in assessing the performance of services and public agencies, and promotes citizen feedback to service providers on their performance.

Communities discuss and agree on a score (say, 50 out of a maximum of 100) based on how they perceive a service to be performing. Concurrently, the service provider or agency being assessed performs a self-assessment and scores its performance based on staff perceptions. Representatives of the service provider and of the community then meet to discuss common concerns and agree upon a joint action plan for reform or performance improvement.

The methodology enables

- monitoring of the quality of services/projects,
- comparison of performance across facilities or districts,
- tracking of inputs or expenditures (e.g., availability of drugs),
- generation of benchmark performance criteria based on community/user perceptions which can be used in budget decisions,
- implementation of a direct feedback mechanism between service providers and users/communities, and
- strengthening of citizen voice and community empowerment.

Malawi's community scorecard process has also helped identify ghost worker and payment problems (e.g., some workers getting paid no wages or lower wages than promised).

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SAFETY NETS HOW TO



KEY PROGRAM PROCESSES

PROGRAM EXIT

OVERVIEW

Most safety net programs have some kind of exit strategy in place by which beneficiaries end their participation in the program. Exit policies generally cover both involuntary program exit (e.g., because an individual or household no longer meets the eligibility criteria as established by the program) and voluntary withdrawal from the program, which can occur when socio-economic circumstances improve for beneficiaries so they accomplish program objectives and no longer need program benefits. The latter is closely related to the concept of “program graduation,” in which households achieve economic independence from the program.

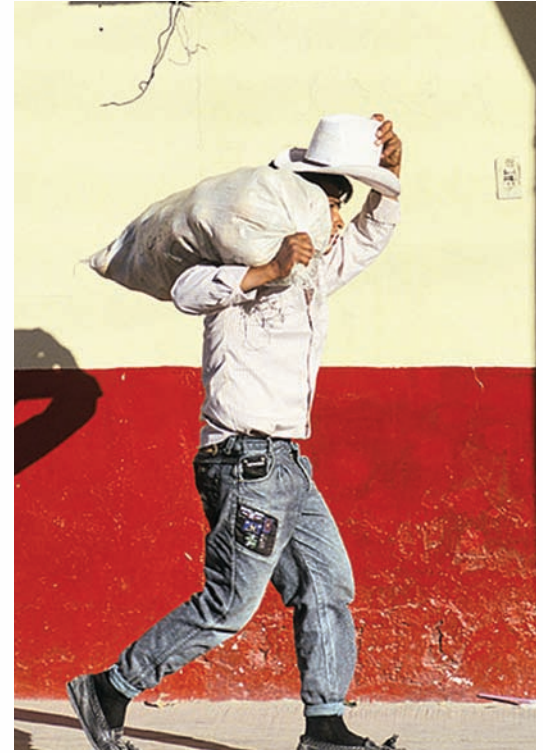


AT A GLANCE

Recertification is a process used to reassess characteristics of existing beneficiaries/households to determine whether their eligibility (often in terms of socioeconomic status) has changed and, therefore, whether they should continue participating in the program. Recertification can occur in two ways: either beneficiaries can notify program officials of a change in their qualification for the program (e.g., change in material welfare, birth or death of a family member), or the program can run a periodic rescreening process for all beneficiaries. A variety of **exit policies** can be employed to ensure that beneficiaries leave the program:

- **Age limits.** In programs that have age limits for eligibility (e.g., child grants covering specific age groups), beneficiaries exit through natural attrition. As each age cohort moves out of the program, another can enter. In Colombia’s conditional cash transfer program Familias en Accion, households automatically stop receiving the nutrition subsidy when children turn 7 years old and the education benefit when children turn 18, but a system is being planned by which families that remain in extreme poverty can continue to benefit from the program through a recertification process.
- **Benefits for temporary conditions.** Programs that target groups with a temporary condition (e.g., pregnant women, temporarily disabled individuals) have built-in exit strategies. When beneficiaries cease to fit the categories included in the program, they automatically exit and others in that category can join.

- **Time limits.** Some programs set time limits to ensure that benefits do not cause dependency or introduce perverse incentives (e.g., disincentive to work). For example, many public works programs limit participation to a specified number of days or to a season that has few work opportunities.
- **Declining benefit levels.** Reductions in benefit levels over time often accompany time limits and can help families prepare to become self-sufficient upon their exit from the program. Benefit reductions can be standardized (the same for all beneficiaries) or tailored to individual families based on formulas that adjust benefits as households increase their earned income. Chile's conditional cash transfer program Chile Solidario (see example below) provides beneficiaries with direct cash transfers at a decreasing rate for a maximum of two years.
- **Benchmarks.** The achievement of benchmarks, or specified outcomes associated with program goals, can also serve as signs of readiness for program exit. Benchmarks are usually defined based on the vulnerability criteria used by the program (income level, behavioral change, infrastructure built, etc.). In Ethiopia (see example below), the benchmark used to end a household's participation in the Productive Safety Net Program is its being able to meet its food needs for 12 months and withstand modest shocks. Such a household is then considered food secure and must withdraw from the program.



KEY CONSIDERATIONS

- Not all programs need to have explicit exit strategies. For example, safety nets aiming to protect vulnerable people (the elderly poor, disabled persons, etc.) throughout their lives do not need to include ways for beneficiaries to stop benefiting from the program.
- Exit strategies address budget limitation issues: programs cover a fixed number of beneficiaries in a given time period and, as these beneficiaries exit, more people in need enter and benefit from the program. This is especially relevant in low-income countries, where there are significant budgetary constraints and large needy populations.
- The frequency of recertification depends on how rapidly households move in and out of poverty, how sensitive the targeting systems are to these changes, the costs of recertification, and changes in country and program context (economic growth, changes in the social protection system, etc.). In places with little change in poverty dynamics, recertification on a regular basis might not be necessary.
- Recertification and exit require data (correct age of beneficiaries, disability status, date of enrollment, etc.) and systems, such as a management information system, to process the data.
- Rules about recertification and exit should be clearly defined from program onset and explained to beneficiaries when they enroll.
- Incentive-distorting mechanisms, such as reducing benefits based on income level, risk creating poverty traps by reducing beneficiary motivation to engage in productive activities. To mitigate this problem, programs can provide temporary support for beneficiaries who have recently exited the program.



- Exit from safety net programs involves the controversial issue of long-term welfare improvement. It is important to consider the sustainability of improvement after beneficiaries exit programs, and whether structural social and economic conditions might cause them to fall back into poverty. In Mexico (see example below), a study has tried to assess how these context-specific conditions may affect sustainability of improvement in beneficiaries' welfare.

EXAMPLES OF PROGRAM EXIT IN SAFETY NET PROGRAMS

Chile: Gradual reduction in benefit level



Description The Chile Solidario program provides a personalized support system whereby the poorest families receive psychological and social services, guaranteed subsidies, and preferential access to public social programs. A local social worker follows beneficiary families for two years. During this period, households receive direct cash transfers while the social worker assesses their needs, assists them in developing a “family contract” outlining ways the family can improve its living conditions, and connects them to various social programs.

The direct cash transfers are provided at a decreasing rate over 24 months, in order to avoid beneficiary dependency on the program and to gradually prepare families to no longer receive benefits. The transfer is paid on a monthly basis, and the value decreases every six months from \$23 for the first six months to \$11 for the fourth. In total, each beneficiary household receives six payments of each value specified for a total of \$381 over the two years of program participation.

Ethiopia: Benchmarks used for exit from the Productive Safety Net Program



Description The Productive Safety Net Program in Ethiopia aims to reduce household vulnerability and build productive community assets through public works. Households are eligible for the program if they have faced continuous food shortages (usually a three-month or more food gap) in the previous three years and have received food assistance; have suddenly become more food insecure as a result of a severe loss of assets and are unable to support themselves (within the last one to two years); or have no family support or other means of social protection and support. Beneficiaries may participate in the program for multiple years until their livelihoods reach the food sufficiency threshold defined by the program. When households can meet their food needs for 12 months continuously and withstand modest shocks, they are considered food sufficient and exit the program.

Each year, food security task forces formed by members of the community assess whether beneficiary households should stay in the program. To do so, they review the status of household assets (land holdings, livestock holdings, food stocks, etc.), using regional benchmarks defined by the program.

Kyrgyz Republic: Recertification in the Unified Monthly Benefit Program



Description The Unified Monthly Benefit Program uses different standards of recertification to reduce the administrative burden and transaction costs for clients in different circumstances. Families in urban areas usually receive benefits for only three months, after which they must be recertified; those in rural areas receive benefits for one year and undergo recertification annually, based on the assumption that the circumstances of rural residents change less frequently (in that they have less access to new jobs). Also, changes in welfare in rural areas are more likely to be noticed by other village members, better enabling the social worker to detect any lapse in required notification of change in circumstances.

Information must be updated on any condition that would cause benefit payment cessation (death, change of residence, etc.) or change of family economic or demographic circumstances (increase/decrease of family income, change of status of family members, etc.). Beneficiaries are responsible for their recertification and must notify the Social Protection Department or the social worker of any changes. Social assistance workers have some discretion in assigning the recertification period for specific households.



Mexico: Recertification and intermediate program before complete exit from Oportunidades

Description The Mexican government has been experimenting with a gradual exit strategy to help Oportunidades beneficiaries transition out of the program. In 2003, a small number of households were transferred from Oportunidades to an intermediate program called Differential Support Scheme (EDA in Spanish). Under EDA, beneficiaries still have to comply with health and education conditionalities, and benefit levels are gradually reduced over the course of three years.



The selection of households that should move from Oportunidades into EDA and out of EDA after three years is done during the regular Oportunidades recertification process. Some benchmarks are defined based on households' socioeconomic status, and "better-off" households are transferred to EDA and then exit from government support.

A study on the socioeconomic levels of households that were transferred from Oportunidades to EDA found that rural households adapted more easily to the change in transfer amounts than urban households, in part because rural families had larger and more diversified income sources, as well as more women's labor participation in household income. Moreover, the majority of rural households had their own property (land and house), whereas urban households faced greater changes in living locations. The study also found that a few households experienced lower socioeconomic levels after they left Oportunidades and entered EDA. Therefore, the study recommended that household welfare should be assessed after three years of participation in EDA, and those with worsened socioeconomic status should be reinstated in the Oportunidades program.

One important conclusion of the study was that context can have an important impact on the sustainability of improvement in socioeconomic status. For improvements in the welfare of beneficiary households to be sustainable in the long run, overall social and economic conditions in the country/region must be improved—including more and better social services, employment opportunities, and social networks.

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SAFETY NETS HOW TO



KEY PROGRAM PROCESSES

GRADUATION

OVERVIEW



Graduation strategies aim to increase households' income, skills, and human capital to promote better long-term welfare and poverty reduction. Safety net programs are increasingly introducing graduation components, but the concept of graduation remains a topic under debate. As of yet, there is little evidence of the longer-term impacts of graduation strategies, and some graduation objectives are seen as overly ambitious. The information below presents key issues to date and the outlook on further policy and implementation debates.



AT A GLANCE

Not all programs have graduation strategies. Of those that do, some have deferred implementation of graduation strategies to a later stage of the project cycle, only after the regular program functions are working well. Graduation strategies may involve the following:

- **Incentive structures.** Some programs include incentive structures which may improve beneficiaries' human capital and, in turn, promote graduation. Incentive structures can be built into program design from the outset or included at a later stage. For example, conditional cash transfers provide incentives for households to invest in their children's human capital through conditionalities that require the use of health and education services. Other instruments that use incentive structures for graduation include school food programs, which aim to improve children's school attendance and learning; and public works, which may aim to build community assets.
- **Labor activation.** An increasingly common strategy involves linking safety nets to other types of interventions that aim to reinstate economically active beneficiaries of transfer programs into the economy. Some of these interventions include employment services, literacy, training, second chance education or life-long learning, and microenterprise development. Argentina's Head of Household Transition Project shifted from a focus on transfers to linking beneficiaries with employment through school completion, training, and transient employment services. In Bulgaria, the cash transfer is complemented by the From Social Assistance to Employment Program, which



provides job placement for the unemployed poor in common good areas and activities leading to enhancement of skills and qualifications.

- **Linkages to other social programs.** Safety nets can also be linked to other social programs or help beneficiaries enroll in sector-specific benefits for which they may be eligible. Some examples include links to housing subsidies, utility allowances, fee waivers for health and education services, extension programs for small farmers, social care services, or support in accessing identification and basic legal documents. These services may help beneficiaries achieve greater independence by increasing their income and improving their nonmonetary welfare and quality of life. In Armenia, for example, all beneficiaries of the cash transfer Family Poverty Benefits Program are eligible for health care fee waivers. Chile Solidario connects its cash transfer beneficiary households to various social assistance programs tailored to meet their specific needs (see example below).
- **Financial inclusion.** Another strategy is to provide safety net beneficiaries with financial services such as bank accounts and improved financial literacy, or to link programs to microfinance services (e.g., savings, micro-credit). Providing financially inclusive accounts to low-income recipients of transfers can be done through branchless banking channels such as mobile phones, smart cards, or even deposit collectors who gather savings from beneficiaries. Rwanda's upcoming public works program will open bank accounts for beneficiaries to deposit their wages in order to allow them to save if they wish. In Bangladesh, beneficiaries receive business training and microfinance along with a food transfer (see example below).



KEY CONSIDERATIONS

- Graduation strategies are very context-specific, as they depend on technical and administrative capacity as well as on the possibilities of social and economic progress within the specific country conditions. In many low-income countries—particularly in rural areas—graduation strategies would have to employ a creative mix of approaches to strengthen the livelihoods of people who are receiving transfers, because employment opportunities are few, social services may be weak, and institutions may have limited coverage.
- Achieving graduation in terms of improving the welfare status of beneficiaries is linked to overall improvements in socioeconomic and poverty levels in the country. An important tool for reducing poverty and inequality in some countries has been the effective implementation of comprehensive social protection systems. In Chile, Chile Solidario is part of a network of social protection programs covering different vulnerable groups and their specific vulnerabilities (e.g., extremely poor families, vulnerable children).
- Graduation strategies may involve high costs. Therefore, they may be considered less of a priority when competing with basic design features such as targeting, payment methods, and information systems.
- There is as yet little evidence on the impact of graduation strategies. More research is needed on the characteristics of beneficiaries that graduate from such programs, their pathways during and after the program, and the sustainability of improvement in their social and economic conditions.



EXAMPLES OF GRADUATION IN SAFETY NET PROGRAMS

Ethiopia: Graduation through linking to intermediate services



Description The Productive Safety Nets Program (PSNP) is a component of the government's Food Security Program, a series of complementary interventions aimed at helping rural citizens achieve sustainable food security. While the PSNP seeks to reduce household vulnerability and build productive community assets through public works, a sister program, the Household Asset Building Program (HABP), looks to diversify income sources and increase productive assets. Other elements of the Food Security Program invest in the enabling environment.

The PSNP targets the rural population, whose livelihoods tend to be predominantly agricultural. There are few opportunities for formal employment, and informal employment tends to be seasonal. Government services are limited, as is the reach of the private sector. In this context, the HABP strategy is to increase access to microfinance in a manner tailored to the interests and capacities of households (e.g., poorer households get smaller loans, and successive loans are progressively larger); and to strengthen the agricultural extension system to provide better technical and business advice to households to enable them to devise "business plans" that will guide their investments and yield a positive result. Added to this are activities to improve input sources, marketing, and off-farm activities.

Households may participate in the PSNP for multiple years until their livelihoods reach the graduation threshold defined by the program (they are able to meet their food needs for 12 months and withstand modest shocks). Over time, the PSNP—in conjunction with other facets of the Food Security Program—should enable beneficiary households to become food secure and consequently graduate first from the PSNP and then from the HABP and other Food Security Program interventions.

Chile: Graduation through tailored interventions



Description The Chile Solidario program presents two main axes of intervention:

- The first component of the program reaches households in extreme poverty (through a proxy means test) and provides them with a two-year period of psycho-social support through a local social worker. During this period, the social worker interacts with the household to assess its needs and help it devise a strategy to exit extreme poverty in the short run, by providing direct cash transfers at a decreasing rate over two years and by connecting the household to various social programs. Unlike other conditional cash transfer programs in Latin America, which have income support as the main objective, Chile Solidario transfers a comparatively small amount of money. The program's main goal is to help households progressively sustain their exit from extreme poverty by improving their human capital assets, housing, and income-generation capacity.
- The second component works on the supply side by ensuring coordination among different programs. The rationale comes from the recognition that an approach with isolated and sectoral programs is not able to address the multiple and interrelated causes of extreme poverty. The long-term objective is to move away from an approach based on single programs toward a system of social protection in which bundles of programs are tailored to meet the specific needs of households that are hard to reach.



Bangladesh: Graduation through links with training and microfinance

Description The Income Generation for Vulnerable Groups Development (IGVGD) Program links food distribution to destitute women with a series of activities, including training in income-generating activities such as livestock raising and fisheries, basic literacy and numeracy training, and health and nutrition awareness. Beneficiaries are organized into groups to administer a revolving savings plan and finally graduate to become microfinance clients, building new livelihoods based on microassets.



A critical premise of the program is that participation will enable the hard-core poor to graduate to regular microcredit programs, thus putting them on the road to poverty alleviation. IGVGD's success could therefore be measured in part by the number of women who move on to become regular members of microfinance programs. IGVGD has achieved a successful graduation of two-thirds of the women to regular microfinance programs.

As for its impacts, about 45 percent of IGVGD beneficiaries are directly involved in income-generating activities, compared to 28 percent before joining the program.

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SAFETY NETS HOW TO



CROSS-CUTTING ISSUES

INSTITUTIONAL ASPECTS

OVERVIEW

Safety net programs depend on effective institutional arrangements to address the challenge of working across multiple actors and sectors for effective implementation. For example, some safety net programs are implemented by a combination of national and municipal governments; some contract with private agencies; and some link to other programs and sectors to ensure the availability of services to beneficiaries. Many safety net programs rely on effective intersectoral coordination—such as between health and education ministries for conditional cash transfers (CCTs) and education and labor ministries for employment programs—and institutional coordination (e.g. across federal, state, and municipal government agencies, as well as community structures). There are different types and degrees of coordination depending on program set-up.

AT A GLANCE

Because many programs rely on multiple actors (ministries, agencies, companies, etc.) for implementation, timely and high-quality execution of program activities by each actor and coordination of processes is critical to efficient program operation. Key issues to address when coordinating multiple actors for safety net program implementation include the following:

- **Roles and responsibilities.** Each stakeholder involved in program implementation must have clearly defined activities, timelines, and quality standards. For example, budget decisions may take place at the national level, targeting at the state level, and program monitoring at the local level (see the Tanzania example below). Ideally, each participating actor should be treated as a contractor with specific indicators to measure performance.
- **Incentives and accountability.** Incentive structures are needed to ensure that actors are motivated to play their part in program operation and to define accountability for program outcomes. Political and economic incentives will help ensure that institutions and stakeholders are motivated to take part in program operation. Some programs, like Brazil's, use their budget to pay for activities that contribute to good coordination. Effective coordination leading to good program implementation can also confer political benefits to national, state, and municipal governments (see the Brazil example below).



- **Legal basis and ownership.** Safety net programs must define who has the right to make decisions about program functions and who owns program information (in program databases, management information systems, etc.).
 - **Legal frameworks.** Different legal structures have different program implications. For example, programs that are designed by law are generally more stable (less vulnerable to political changes), but less flexible. Even a small program change at the benefit level may require changing a law. Programs designed by decree or executive order are often more vulnerable to political shifts, but are more flexible. For these programs, a small program change can occur via a modification in an operations manual, rather than in a new law.
 - **Contracts.** Different models for contracting agencies can also have important implications. For example, long-term contracts can give the selected agency security and a willingness to invest up-front costs. However, for many countries, multiyear contracts are not possible because government budgets are established on an annual basis. Memorandums of understanding or intergovernment arrangements can be used as an alternative to formal contract bids. While these instruments can save time in the coordination and contracting process, it is essential that the arrangements made ensure low-cost and efficient services.
- **Program linkages.** Often, program results depend on having complementary services, benefits, and/or programs available to program participants (e.g., health and education services in a CCT) and ensuring that these services are of good quality. In the Dominican Republic (see example below), the CCT program provides funding for education and health services and supports the coordination of their supply.
- **Coordination of processes.** Inter-institutional and intersectoral coordination involves some very practical actions to ensure that multiple actors are in sync on program processes. For example, timelines, reporting requirements (frequency, indicators, etc.), and budget decisions must be harmonized to facilitate working across agencies. Operational rules can help coordinate processes by establishing responsibilities for each sector at each level of government, key indicators, and the timing of program activities.

KEY CONSIDERATIONS

- Coordination is time consuming and requires adequate resources and staffing to be successful.
- Political will is critical. Some safety net programs fall under the presidency, which means there is political will for intersectoral coordination. However, it is important to institutionalize this coordination through laws, decrees, budget rules, etc., to ensure ongoing political support across actors.
- Coordination and incentives are especially important when there are many actors with a range of diverse interests involved in program implementation.
- Determining appropriate institutional arrangements is often an evolving process based on lessons learned, changing program needs, stakeholder participation, and government leadership.
- Safety net programs may have centralized or decentralized implementation. The appropriateness of each approach will depend on a range of factors in both federal-level agencies and state and municipal governments, including capacity of staff, available budget, and record of implementation of previous programs.
- Existing institutional capacity should be taken into account when determining institutional arrangements. Countries with limited institutional capacity may rely on private sector and nongovernment providers (though with government regulation). Strengthening capacity for institutions and staff involved in program implementation is critical for all implementation processes to work well.



EXAMPLES OF INSTITUTIONAL ASPECTS IN SAFETY NET PROGRAMS

Brazil: Economic and political incentives



Description

In Brazil, the decentralized Bolsa Familia CCT program uses a system of formal performance-based financial incentives for municipalities to promote quality implementation. Municipalities receive financial incentives according to a performance score, called the Decentralized Management Index, which captures the quality of their completion of key program functions such as keeping the beneficiary registry updated and monitoring beneficiary compliance with conditionalities. Resources are transferred from the federal government to municipalities in accordance with the index and the number of beneficiary families covered.

Municipalities can gain political benefits from having a well-implemented CCT in their territory. A study of the Bolsa Escola CCT program (which preceded Bolsa Familia) found that the greater the number of children in the municipality who benefited from the program, the more likely the incumbent mayor would gain reelection. This positive association appeared despite the fact that Bolsa Escola was a federal program. Thus, decentralized program implementation allowed local mayors to gain political rewards when they were perceived as effective intermediaries for potential beneficiaries in the municipality. The study also found that mayors who did not target the program properly, or failed to provide civil society with a forum for feedback and appeals, experienced a significant political cost. This demonstrates the effectiveness of political accountability through electoral rewards and punishments.

Tanzania: Defining roles and responsibilities for safety net implementation



Description

The Tanzania Social Action Fund implements decentralized public works programs. Its operational manuals describe detailed roles and responsibilities of each participating agency at the national, local, and village levels.

At the national level,

- the national steering committee provides overall policy guidance, endorses community subprojects verified by sector experts, and discusses progress reports;
- the sector expert team ensures that supported subprojects conform with sector norms and standards; and
- the management unit is responsible for day-to-day activities.

At the local level,

- the local government authority manages the project and approves and oversees subprojects, and its finance committee is responsible for approving community subprojects; and
- the council management team is responsible for reviewing subproject interest forms, targeting communities for participatory appraisal, providing technical support, monitoring subprojects during implementation, and overseeing program operation and maintenance.

At the community level,

- the village assembly is responsible for endorsing beneficiary expressions of interest, electing a community management committee, and receiving and discussing subproject progress reports;
- the village council is responsible for ratifying the community management committee elected by the village assembly and for supervising subprojects; and
- the community management committee is responsible for implementing subprojects in accordance with guidance from the community subproject management handbook.



Dominican Republic: Ensuring complementary services



Description

The government of the Dominican Republic created a new institutional framework for the Solidaridad CCT program to ensure inter-institutional and intersectoral decision making and to remedy the fragmentation of previous social policy. Under the new framework, two important committees were formed: the Interagency CCT Committee, comprised of the agencies in charge of targeting, operations, and payment of transfers; and the Intersectoral CCT Committee, comprised of representatives from the Solidaridad program and the Health, Education, Planning and Finance Ministries to discuss planning and budgeting issues. The redesigned CCT Solidaridad has consequently become a collaborative effort and is achieving concrete coordination outcomes.

The Intersectoral Committee has made improvements in programming and budgeting to close supply gaps in education and health to ensure a reliable supply of services for Solidaridad beneficiaries. Improved budget management has resulted from an estimation of existing supply gaps and anticipated supply constraints due to the increased demand for services by program beneficiaries. The Social Cabinet and the Ministries of Finance and Economy allocated the funds needed to cover these supply gaps in the 2010 National Budget Law. The CCT Intersectoral Committee has facilitated communication across ministries to monitor the timely disbursement of the funds.

The committee also has facilitated the training of regional and/or district directors of the Ministries of Education and Health and the Solidaridad program, focusing on the program's new operations manual.



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THE WORLD BANK



SAFETY NETS HOW TO



CROSS-CUTTING ISSUES

COMMUNICATIONS

OVERVIEW

Communications is a means of providing key program information to external and internal audiences through formal and informal channels. A well-planned and -executed communications strategy can help identify program obstacles and opportunities for program success, and promote an enabling environment to broaden program understanding.

As safety net systems develop and programs expand in coverage, the role of effective communications has become increasingly important. This material explores the issues involved in developing strategic program communications.



AT A GLANCE

More than merely providing information, communications facilitates public dialogue and social awareness, and provides a mechanism to enhance program implementation. This applies to a variety of contexts:

- **As programs are introduced**, there may be a variety of communications requirements depending on the nature of the program, as in the Pakistan example below.
- **As programs scale up**, increased visibility implies a need for a clear public relations strategy to share pertinent information that may not otherwise be accessible, to respond transparently to press/public queries, and to ensure the program is always executed in the public's best interest.
- Communications strategies may facilitate challenging **policy reforms**, as in the Indonesia example below.

Target audiences and key messages. Communications messages must be separately tailored to external and internal audiences. **External audiences** cover a diverse spectrum, but typically include program beneficiaries, decision makers at all political levels, academia, the media, and civil society. Public opinion is especially important during changes in government. **Internal stakeholders** include partner organizations that fund and help implement the program, nongovernmental organizations (NGOs) that contribute to program

accountability, and program staff at various levels. Ensuring internal coherence is critical, as shown in the Colombia example below, and internal stakeholders such as the national congress are especially relevant during budget negotiations.

Mechanisms. Messages targeting different audiences should be relayed using a variety of formal and informal channels. These channels include **interpersonal mechanisms** (word of mouth, face-to-face interactions, meetings), **mass media** (print and electronic public documents, Web sites and social media, radio, television, and dissemination of printed materials), and **specialized strategies** (specialized training, seminars, conferences, selective dissemination of meeting notes, internal newsletters, etc.).

Getting started and staying on track. The first step in effective communications planning is developing a needs assessment to identify current perceptions of the program, information gaps, and desired communications objectives (see the Pakistan example below). Based on the identified needs, programs can then design their own strategic communications plan that includes messages, channels to reach target audiences, a communications time frame, and estimated costs. Sometimes, however, strategies are not program-specific but are influenced by the implementing agency or overall government communications strategy. Appropriate mechanisms must be made available to monitor and evaluate actions to periodically enhance the communications strategy.

KEY CONSIDERATIONS

- Often, communications plans are the least prioritized of program processes. Programs often allocate communications roles and responsibilities to nonspecialized program staff as opposed to communications specialists (e.g., a media coordinator or a stakeholder outreach coordinator), thus risking program success.
- Adequate communications activities should be incorporated into project design from the outset and should take into account the local context (e.g., remoteness and lack of formal media access) and existing communications.
- Programs should use ongoing mechanisms to gather stakeholder feedback to measure the impact of the communications strategy and improve this if necessary. These devices can include direct feedback from stakeholder meetings, media monitoring, and tools such as focus groups and opinion research to monitor public opinion.
- More communication does not automatically translate into better outcomes. A communications strategy must be well planned. In certain situations, communication dynamics may even hinder development efforts. For example, an exclusive focus on new social media may not reach the very poor.
- A consistent communications strategy should be used by all stakeholders. The delivery of different information by different sources can result in confusing messages.
- A communications strategy should be able to create a brand name and a unique identity for the program. Recognizable slogans and logos have the capacity to capture the attention of target audiences. In the Latin American context, the importance of

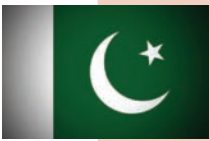


“branding” has been critical in terms of creating a social policy trademark that is visible and recognizable to the general public—and the media.

- In many cases, there are possibilities for introducing new means of communication—such as Webinars, blogs, and social networks—provided they meet identified business needs.

EXAMPLES OF COMMUNICATIONS IN SAFETY NET PROGRAMS

Pakistan: Undertaking a communications needs assessment at the outset of a program



Description During the second half of 2008, the government of Pakistan launched the Benazir Income Support Program (BISP) as its main national social safety net program. A detailed communications needs assessment was undertaken in connection with the new program, which identified an urgent need to define social protection and to introduce the program in the context of establishing an effective safety net system in the country. The review also identified a need to clarify the difference between BISP and other welfare programs. The media required sensitization and in-depth interaction with program management to better understand BISP.

The review determined several specific messages to convey via the communications strategy, including the following:

- Safety net programs are new initiatives to explore and draw upon.
- BISP is transparent, legitimate, and credible.
- BISP is working at the community level to ensure that poor and vulnerable people can benefit from the program.
- BISP is an initiative to improve the status of women and empower them by making them important and responsible members of the family.
- BISP is not a safety ladder but a safety net.

Colombia: Scaling up communications channels as programs evolve



Description When Colombia's Familias en Acción conditional cash transfer program was launched, its communications strategy simply consisted of reaching target beneficiaries. When the program was scaled up a few years later, the program's decision makers agreed to expand its communications scope to a broader audience. The call for a far-reaching communications plan was the result of a need to avoid misinterpretation on the part of the media, which could harm the program's image during its expansion stage.

To convey an accurate image of the program, several communications channels were brought together to share the latest information on program progress and obtain continuous feedback on its execution.

- A Spanish-language **Web site** provides updates on news, events, and recent publications including meeting notes and transfer delivery reports. It also provides general information on partner organizations and beneficiaries as well as transparent procurement bidding process documents, frequently asked questions, and videos, among other items.
- **Internal meetings** were scheduled periodically with mayors and service providers to discuss accountability aspects and program progress. Reports were drafted based on these meetings to highlight and provide evidence of the need for timely adjustments for program success.
- **Radio and TV programs** were launched with nationwide coverage.
- **Periodic bulletins** were published and distributed to the media and to assorted mailing lists of interested stakeholders.

A communications manual was devised by the communications unit of the government social protection agency, Acción Social; it outlines the steps to be taken regarding each of the above-mentioned channels.



Indonesia: Subsidy reform and public information



Description In 2005, the Indonesian government announced the launch of a fuel subsidy reform and the development of a cash transfer program to compensate those most affected. To sensitize the public and keep society apprised about the need for reform, the government simultaneously launched a communications campaign.

A central part of the communications strategy rested on clear internal messaging and strategic leverage of media. The importance of communicating evidence-based policy decision making was constantly underscored, and research on the impact of subsidies and potential poverty benefits of compensatory transfers produced.

Strategic messages were enforced at the highest level of government. The president stressed the need to have beneficiary information for the unconditional cash transfer ready before the second price increase. Several government officials were trained to answer frequently asked questions for TV and radio shows and to communicate using effective body language; they were provided with other tips as well to improve their communication skills.

The use of different communications channels proved critical. The Ministry of Information and Communication provided a brochure detailing the selection criteria for transfer beneficiaries. The government also developed a Web site where the public could access the latest news and events and updates of transfer disbursement. Open workshops and consultation meetings were conducted; these proved helpful in responding to widespread media critique on the feasibility of introducing a cash transfer operation.

Rwanda: VUP's communications strategy



Description Rwanda's Ministry of Local Government, along with local government officials, is responsible for sharing and explaining the Vision 2020 Umurenge Programme (VUP)—which provides public works, cash transfers, and linkages to financial services—to all the communities under their mandate, including nonrecipient households. To this end, they have jointly prepared communications activities to share program information (e.g., objectives, policy, and procedures). The activities employed so far include live radio and television shows, workshops, leaflets, a Web site, and newspaper articles and newsletters. Activities planned for the future to consolidate the communications strategy include sensitization and training targeted to sector opinion leaders to broaden the dissemination of messages about the VUP. More live interactive shows on regional community radio stations are also planned.

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SAFETY NETS HOW TO



CROSS-CUTTING ISSUES

MONITORING & EVALUATION

OVERVIEW

Monitoring and evaluation (M&E) are essential strategic components of safety net program management. Information produced by M&E is vital in providing feedback to enhance program effectiveness, making projects accountable to the public, and helping government better allocate budget resources. Monitoring and evaluation are separate yet complementary. **Monitoring** is a continuous process of collecting and analyzing information to better understand how well a program is operating against expected outputs. **Evaluation** is an objective assessment of program effectiveness that uses specialized methods to determine whether a program meets its objectives, to estimate its net results or impact, and/or to identify whether the benefits the program generates outweigh its costs. Programs with strong M&E systems benefit from feedback that allows for improvement in program productivity, effectiveness, and impact. In recent years, a growing number of programs have been devised around results-based M&E systems. However, there is often little understanding of what it takes to design and implement robust M&E tools.



AT A GLANCE

Stakeholders and processes. An M&E strategy is often the result of a participatory planning process, orchestrated by an autonomous M&E unit composed of specialized staff, in which the inputs (indicators, institutional arrangements, data collection strategies, etc.) of key stakeholders, including end users, are gathered to ensure consensus and agreement. Key issues that will determine the scope and complexity of M&E systems include the technical and managerial skills of the M&E unit, existing national and local data systems and information accessibility, technology availability, and fiscal resources. Monitoring is usually conducted by internal staff, and evaluations by external entities—such as universities, nongovernmental organizations (NGOs), think tanks, or international organizations—that can guarantee the impartiality of evaluation findings.

M&E arrangements. The best way to define program goals, objectives, and strategies is to develop a logical framework. For this, a useful planning tool is the **results chain** which outlines the intended results of the program (program outputs), how the intended results will be achieved (program inputs), and how program staff will know the program has achieved the intended impact of the results (detailed in final outcomes). (See the Jamaica and Ethiopia examples below.)



Key methodological issues. Outcomes, outputs, and inputs should be expressed and reported using specific indicators so that progress and results can be tracked. Data collection methods depend on the type of information needed, who will be responsible for collecting the data, and how frequently the data will be collected and reported. Central to these determinations are the data sources and harmonization with the program's management information system (MIS). All M&E tools and approaches should be clearly defined and tailored to existing capacity and expertise.

Using information. M&E findings are vital in improving program implementation and outcomes. Information gathered from M&E can help inform evidence-based decision making and even set the stage for program reform. To this end, M&E results must be effectively communicated to program stakeholders and follow-up actions established to take results into account in program implementation.



KEY CONSIDERATIONS



- Devise a customized MIS that automatically produces disaggregated information presented in user-friendly ways to facilitate the understanding of findings.
- Effective M&E systems require a strategic focus and management support more than they require costly investments in information technology.
- Avoid temporary M&E systems decoupled from each other with different reporting requirements without a sufficient in-house support structure and without being linked to a program's strategic plan. Keep in mind potential synergies in scaling up program-wide M&E systems to sector and national levels.
- Ensure the M&E unit is independent and has sufficient authority and access to upper management. An M&E unit should also be shielded from political influence.
- Coordination and communication are critical, particularly for complex programs. Hold periodic follow-up meetings to ensure program goals are in sight. Data collectors and processors should work within an enabling environment and have enough incentives to manage data effectively.



EXAMPLES OF MONITORING & EVALUATION IN SAFETY NET PROGRAMS

Jamaica: Best practice in devising a results framework and monitoring mechanisms

Description



The Jamaica Social Protection Project has a comprehensive M&E system. It includes the rationale and description of components and methodologies for all the M&E instruments, highlighting the complementarities among them. The M&E system encompasses an enhanced MIS; process evaluations to examine the quality of service delivery, develop a proposal of service standards, and inform the design of an internal system of spot checks; an impact evaluation to assess the effect of program redesign, including the introduction of increased benefits, differentiated benefits for secondary school, and higher benefits for boys; assessment of program targeting accuracy; and strengthened internal audit capacity. Annual independent audits conducted by the auditor general will also provide useful information on project implementation progress.

Ethiopia: Evolving M&E tools in a low-capacity setting

Description



Ethiopia exemplifies the difficulties of running an M&E system in a low-capacity, low-income country and the need for continuous adaptation and simplification. Its Productive Safety Nets Program (PSNP) has a good M&E system, designed to track progress on a range of inputs, activities, and outputs for accountability purposes as well as to allow prompt corrective action as bottlenecks are identified. The system aimed for simplicity to account for the low capacity of the program's frontline units.

However, implementation of the monitoring plan encountered numerous logistical obstacles, with only 40 of 232 districts reporting (with delays) during the first year of program operation—and the remainder not reporting at all. The major stumbling blocks included the lack of local staff, the poor qualifications and high turnover of existing staff, and the poor infrastructure in some districts (for example, about 20 percent lacked electricity).

To generate a minimum amount of monitoring data, a number of additional systems were put in place. First, to assess the program with respect to the number of beneficiaries and actual disbursements, the program instituted a sample-based emergency response system, where information was collected via telephone from around 80 districts on a twice-weekly basis. Second, four- to six-person rapid response teams were formed to perform spot checks (four times a year at the federal level and eight times a year at the regional level). Third, the Food Security Coordination Bureau instituted a system of roving audits to investigate compliance with financial rules, disbursements and payments, and appeals and complaints to provide more timely information on compliance than the normal annual auditing system. Finally, some 80 PSNP public works projects were reviewed twice a year to investigate the quality of planning and implementation. In the meantime, the program further simplified its monitoring system through such steps as halving the length of the M&E manual and invested more resources in training staff involved in M&E activities.

The simplification of the M&E system and the development of a less ambitious emergency response system were appropriate responses to low capacity. Even though the formal monitoring system is now starting to show some improvement and provide more reliable data on basic program operations, the additional monitoring instruments have been kept in place, as they provide more in-depth and often more qualitative information on overall program performance.

Brazil: Sample indicator specification sheet for conditional cash transfer programs

Description



Many programs use a template or indicator specification sheet similar to that used in Brazil's Bolsa Familia program to specify how the data will be collected, analyzed, and reported. Information on the specification sheet also includes the formula for calculating the indicator, its expected (or threshold) value, the source of the information needed to compute the indicator, the frequency with which it will be calculated, the levels of disaggregation, and the main users and uses of the indicator.



Mexico: Impact evaluation and evidence-based decision making

Description



A change in government can be a serious threat for the survival of social programs. To prevent such risks, Mexico's conditional cash transfer program PROGRESA invested in a credible impact evaluation and a transparent dissemination strategy. To ensure the credibility of the results, PROGRESA opted for a randomized evaluation undertaken by an external evaluator. The result was a series of evaluation reports. The impact evaluation showed that the program was cost-effective; that it selected its target population appropriately; and that it had a positive impact on education, health, nutrition, and diet. The results of the evaluation, including the survey data collected, were placed in the public domain via the Internet and were broadly disseminated. Special efforts were made to ensure that the congress had complete information on the program's objectives, methodology, and results. Care was taken not to associate PROGRESA with a particular political party.

In 2000, when the Zedillo administration left office, the incoming Fox administration could make a decision about the continuation of the program based on hard evidence. Given its demonstrated success, the program was continued and expanded from rural to urban areas. Only the name did not survive the change in government: the program is now known as Oportunidades. The program gained such credibility that in the 2006 elections, all major candidates supported it and it survived another electoral cycle.

SCOPE AND DISTINCTIONS

M&E systems are the hallmark of good program management. A new wave of results-oriented programs—such as conditional cash transfer programs in Latin America and workfare programs in Argentina and Ethiopia—have developed and use integrated M&E systems, which in turn have generated robust evidence that the programs are well implemented and are achieving intended results. These programs demonstrate that strong monitoring systems support credible evaluations and that both provide feedback for improvement in productivity, effectiveness, and impact. Although integration of M&E is critical, it is also important to distinguish monitoring from evaluation.

Program monitoring is an essential management tool that regularly helps managers supervise the execution of program activities and detect irregularities and setbacks so they can take timely action to improve implementation and better achieve program goals. Monitoring is a continuous process that tracks both program implementation (inputs, activities, outputs) and results (outcomes and goals). A good monitoring system is comprehensive and actively used. Effective monitoring systems require a strategic focus and institutional support more than they require costly investments in information technology. They require adequate skills, management attention, and funding; they take time to develop and mature.

Program evaluation refers to an external assessment of program effectiveness that uses specialized methods to ascertain whether a program meets its objectives, to estimate its net results or impact, and/or to identify whether the benefits the program generates outweigh its costs. Evaluations help identify factors that hinder or help the achievement of desired outcomes to determine whether actual implementation and results diverge from what is planned.

The most frequently used **types of evaluation** in safety net programs are assessment of targeting accuracy, process evaluation, and impact evaluation. The value added of program evaluation is substantial, but until recently, evaluations of safety net programs have been relatively scarce in developing countries. During the last 10 years, at least minimal assessments of targeting accuracy have become increasingly available, and assessments of program impacts have become frequent for conditional cash transfer and workfare programs, although they are still rare for other types of programs.



- **Assessment of targeting accuracy** helps reveal whether program benefits reach the poor. This type of evaluation is relatively cheap and can be carried out fairly frequently, but it is a less precise alternative than an impact evaluation for evaluating impact on poverty reduction. Targeting assessment seeks to quantify the coverage and errors of inclusion, thereby determining why program benefits, proven or not, may or may not be having a strong impact. If benefits do not reach the poor, the program cannot have an impact on the poor. When impact evaluations are not possible or sufficient, targeting assessment may complement them.
- **Process evaluation** assesses and explains particular program operations and processes. It can be used throughout the life of a program, from start-up to maturity, and whenever program operations change thereby requiring adjustments of the program. During program start-up, process evaluation is used to monitor initial program implementation so bottlenecks can be addressed speedily and good practice documented for future applications. After a program stabilizes and matures, a process evaluation can be used to provide ongoing feedback to management. Unlike impact evaluation, process evaluation cannot establish causality with a known margin of error. Process evaluation can only uncover plausible reasons why a program is working or not. Its findings are behind many of the improvements in effectiveness and efficiency of safety net programs.
- **Impact evaluation** estimates a program's causal effect on the outcomes it seeks to influence—that is, it measures the changes in participants' well-being that can be attributed to specific elements of a program. Impacts are determined by comparing the outcomes for program participants with the outcomes other individuals experience in the absence of the program. Armed with evidence on the factors that explain program outcomes, policy makers can decide whether to expand, modify, or eliminate a particular program. Specific techniques (experimental randomized, quasi-experimental, or nonexperimental) for estimating impacts vary according to the setting, but the fundamental conceptual exercise remains the same.
- **Cost-benefit analysis** compares the value of a program's net impacts on final outcomes, expressed in monetary terms, with extra costs associated with implementing the program, also expressed in monetary terms.
- **Cost-effectiveness analysis** estimates the costs in monetary terms required to obtain a change in final outcomes expressed in quantitative nonmonetary terms—for example, the cost of lowering the poverty gap by 1 point. Such analysis is used in lieu of cost-benefit analysis when outcomes cannot be valued well in monetary terms.



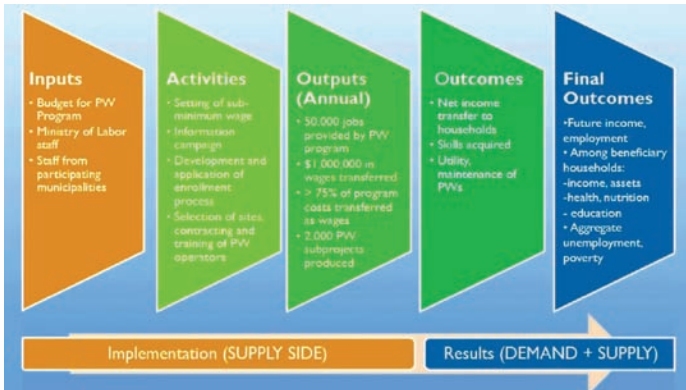


DATA SOURCES FOR M&E

- Most safety net programs routinely collect and process **administrative data**, especially on inputs, processes, and outputs. Human resource departments manage information about program staff and accounting, and financial departments track financial flows including administrative costs and the value of program benefits. Other systems track information about the different activities performed by the program, such as eligibility determination, recertification, payments, and verification of compliance with program rules (for both staff and clients).
- **Formal household surveys** can be used to collect standardized information on a relatively large number of people in a particular target group from a carefully selected sample. Examples include household living standard measurement surveys, demographic and health surveys, and core welfare indicator questionnaires. Household surveys generate estimates that are representative of a particular population of interest with known precision, cost significantly less than a census of that population, and provide data about a wide range of beneficiary characteristics.
- **Beneficiary or client satisfaction surveys** capture beneficiary perspectives about a program. These relatively simple tools are used to obtain timely feedback from people participating in the program. They are an important source of information about service quality, outcomes, constraints in accessing public services, and responsiveness of government officials.
- **Qualitative data** collection techniques are often a useful complement to surveys and at times the only method that can be used to gain insight about a program's operations and performance. The most widely used techniques are key informant interviews, direct observation, and focus (or community) group discussions. Qualitative information is collected through intensive, often repeated, interviews with individuals; these are typically more in-depth than precoded questionnaires and explore how people think and act regarding the program.
- **Quantitative service delivery surveys** examine service providers to determine their incentives and various dimensions of service delivery. They collect data on inputs, outputs, quality, pricing, and oversight, among others. These surveys are relatively costly and time-intensive compared to some of the alternatives.
- **Grievance redress mechanisms** are a channel for beneficiaries and the general population to make complaints about program functioning and report on irregularities. They are important tools for monitoring key aspects of program implementation at the local level. Complaints may uncover bad targeting, delayed payments, and fraud. Examples of these mechanisms include assemblies; citizen report cards/community scorecards; and direct feedback via hotlines, ombudsmen, text messages, or the Internet.
- **Spot checks** monitor program procedures in a sample of randomly selected localities to determine whether the program is being implemented as intended.



RESULTS CHAIN



Results chain: Example from a public works program

The **logical framework (logframe)** helps clarify the objectives of a project, program, or policy. It identifies the expected causal links (the program logic) through a results chain consisting of inputs, activities, outputs, outcomes, and impact (final outcomes). Examining the causal links facilitates the identification of performance **indicators** at each link in the chain, as well as risks that might impede attainment of the objectives. The logframe is also a useful tool for engaging partners in clarifying objectives and designing activities, reviewing progress, and taking corrective action.

The inputs, outputs, and expected outcomes in the logframe are expressed and reported using specific indicators so that progress and results can be tracked. Effective indicators must be SMART—specific, **m**easurable, **a**ttributable, **r**ealistic, and **t**argeted.

The following table provides a simplified schematic charting key results chain processes and generic examples of indicators based on a public works program. Also see the Jamaica example above.

Key links in results chain	Definition	Examples of indicators for public works
Inputs	Resources used to support the primary activities of the program/project	<ul style="list-style-type: none"> • Budget expenditures for salaries, intermediate tools, and administration • Number of program staff by level
Activities	Actions taken to convert specific inputs into outputs	Implementation and project-related activities, including setting up targeting, payment, MIS, and worksite arrangements
Outputs	The delivery of foods and services to the target population (supply side)	<ul style="list-style-type: none"> • Number of projects by type, by region, by month • Kilometers of road created • Number of days worked per beneficiary • Wages paid to workers/food distributed to workers
Outcomes	Intermediate effects resulting directly from project outputs that may be necessary to achieve desired impact (demand side)	<ul style="list-style-type: none"> • Net improvement in household food consumption • Percentage of program beneficiaries who report 12 months of food access • Percentage of households reporting satisfaction from community assets developed
Impact	More meaningful changes in beneficiary conditions, reflecting primary objectives of project	x million households attain food security within 3–5 years

Note that from a managerial perspective, monitoring systems that only track information on inputs, outputs, and outcomes are operating well below potential. The same information can be used to develop performance monitoring indicators—indicators that capture the program’s overall cost-effectiveness or the efficiency of a subset of program operations. These key performance indicators are referred to by different labels, such as efficiency, effectiveness, or productivity indicators.



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SAFETY NETS HOW TO



CROSS-CUTTING ISSUES

MANAGEMENT INFORMATION SYSTEMS

OVERVIEW

A management information system (MIS)—often considered the backbone of a safety net program—is a tool that facilitates the collection, processing, management, and dissemination of data essential for program operations, accountability, and policy making. For social safety nets, an MIS can ensure the accurate and timely management of high-volume data, often across multiple sites and levels of program implementation. An effective MIS also helps minimize error, fraud, and corruption by warning end users when data discrepancies or violations of use occur.

AT A GLANCE

An MIS aims to streamline the flow of data from collection to dissemination as digestible information.



- **Data collection.** Selecting appropriate data to “feed” the MIS is essential to facilitating decision making and program improvement. Key types of data to collect include those that identify beneficiaries (name, gender, birth date, address, etc.), reflect desired program results (family income, nutritional status, school attendance, etc.), and capture processes expected to lead to the desired results (verification of compliance with responsibilities).
- **Data processing.** Data must be transformed into indicators, which reflect program implementation and outcomes and which provide valuable information about the program to decision makers. To ensure the value of the MIS, data must be verified, validated, and updated regularly.
- **Information management.** Once data have been transformed into useful indicators, the information can be used for program supervision, accountability and control, and monitoring and evaluation. Systems are needed to ensure quality (accuracy, completeness, timeliness) and security of information flow. Appropriate access privileges must be put in place so relevant staff can use the information.
- **Dissemination.** Data are disseminated in various formats and for different audiences (e.g., monthly financial statements, periodic reports for the media and the public). Generally, managers need summary information on a large number of items; program executors need detailed information on limited, task-specific items.

An effective MIS also has a number of cross-cutting requirements:

- **Governance and institutional coordination**—institutional arrangements and procedures that indicate clear roles and responsibilities for program staff and institutions to ensure solid oversight
- **Infrastructure and human resources**—hardware and software equipment as well as human resource requirements to develop, operate, update, and maintain the MIS
- **Application management**—tools such as a user’s manual, training sessions, and user-friendly interfaces that facilitate the intuitive application of the MIS

KEY CONSIDERATIONS



- An MIS should clearly reflect the program's operations manual, which describes all program processes and procedures. This must be the starting point for designing an effective MIS.
- End users should be involved in the design of the MIS—e.g., by assessing the information needed by all stakeholders (content, form, and timing). The sophistication of MIS design must be consistent with the capacity and interest of users.
- An MIS should take into account local information technology capacities including software and hardware in order to design a realistic and context-appropriate MIS.
- A lack of Internet connectivity in some areas may hinder the development of a program-wide automated MIS. In such cases, countries can combine automated systems with off-line, paper-based approaches and careful tracking and oversight.
- Programs should ensure coherence between the design and implementation stages of the MIS. Specialists (in house or external) must remain in close contact throughout the process to ensure a smooth transition between the two stages.
- Development of a good MIS takes several years. A solid MIS is usually developed gradually in a modular fashion starting with the most important modules of the project cycle, and then incorporating additional modules.
- An MIS should be ready when the project begins, otherwise start-up can be delayed or essential information lost.
- If the MIS is not flexible enough (able to add additional or modify current modules quickly), it can become a constraint for rapid changes in program design.
- All program information should be integrated into a single system with a unique central database where information can be shared easily among institutions and private service providers.
- MIS start-up processes and improvements, as well as updates and maintenance, can be costly. However, long-term gains can outweigh short-term costs depending on program duration, adoption by other social programs, frequency of use, and economies of scales, as in the Jamaica example below.
- No MIS is immune to errors during its development stages. Tests and pilots should be programmed before launch to identify potential errors, and maintenance should be provided to guarantee high-quality execution. Evaluations and updates should be scheduled to ensure that the MIS does not become obsolete.



EXAMPLES OF MANAGEMENT INFORMATION SYSTEMS IN SAFETY NET PROGRAMS

South Africa: MIS supporting effective payment mechanisms

Description



In South Africa, provincial governments have a key responsibility in the distribution of social grants. In the past, due in part to a poor MIS, these involved costly and difficult-to-manage cash disbursements. Absa, a leading financial institute in South Africa, worked with the government to create a new payment mechanism—Absa Sekulula (“It’s easier”) card—employing an efficient MIS. This card is used in four South African provinces to distribute benefit payments electronically and allows recipients to access funds without receiving the disbursement as cash.

When cardholders register, their personal data, photograph, and fingerprints are captured. The MIS produces a personal card and a protected personal identification number (PIN), and beneficiary names become part of an electronic payment list. On the first working day of each month, the MIS automatically credits cardholder accounts with the appropriate grant amount. Cardholders can then use their cards at merchants that process transactions electronically or withdraw cash at ATMs. Thus, the elderly, parents, and people with disabilities no longer have to wait in line for cash nor worry about keeping their payments safe. The more efficient MIS minimizes the cost of time-consuming, paper-based administration.

Chile: Integrated system of social information

Description



The Chilean MIS is one of the most robust systems in the social protection arena. It consists of a nationwide computational platform designed to register, store, and process information needed in the allocation of social protection services. This platform brings together information from various institutions operating social protection programs—pensions, subsidies, cash transfers, and more—into a unique, well-integrated database.

The information flow of the MIS was designed to facilitate the online management of high-volume data from multiple institutions and levels of government. Once the design stage was finalized, the MIS was gradually developed in a modular fashion on a trial-and-error basis. When the MIS was initiated, annual maintenance was guaranteed to enable operators to modify components and applications according to evolving needs. The daily administration of the MIS is decentralized. Data recording is done directly online by data collectors in the municipalities. Regional, municipal, and community commissions are equipped with interconnected software to manage the data.

Institutions are legally mandated to share data on program beneficiaries and operations online. For example, the civil registry transfers demographic information on potential or existing beneficiaries in the MIS.

Data are available online to all stakeholders with differentiated levels of access. For instance, beneficiaries can review their profiles, and institutions cross-check and validate beneficiary information. This saves time and money for beneficiaries and institutions, which otherwise would, respectively, have to travel to public offices to make inquiries or request data from other entities. Families that wish to benefit from social protection transfers can apply at public offices to enter a specific program. The application is processed online; when approved, program officials assess the household’s socioeconomic profile through surveys. Surveyors collect and enter data in the MIS. The system then automatically produces an index indicating whether the household is eligible depending on program eligibility requirements. The MIS can produce statistics desegregated by municipalities and categories useful for diagnostics, targeting, and program design.



Jamaica: MIS requirements

Description



After several years of program implementation, Jamaica's Programme of Advancement Through Health and Education (PATH) decided to update and correct flaws in its MIS and build on its strengths. Based on staff discussions, it was agreed that the new MIS should address the following requirements, among others:

- Information should be available when requested/needed.
- Data must be clean and free of error, and data structures adequate for efficient management.
- Data entry should be decentralized.
- The MIS should be Web-based, to enable remote database updating and online information queries to the central database from authorized users from any location.

The revised MIS will enable data collection for targeting, enrollment, recertification, and verification to be decentralized to all administrative states. Data will also be available in real time, thus improving response time for all data-related operations. Information maintenance will be greatly reduced; and technical support will include data backups, generation of new system functions, development of management reports, and updating of the system operational software.

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