

*Empowered lives.
Resilient nations.*

UNDP and Monitoring Social Safety Net Programmes

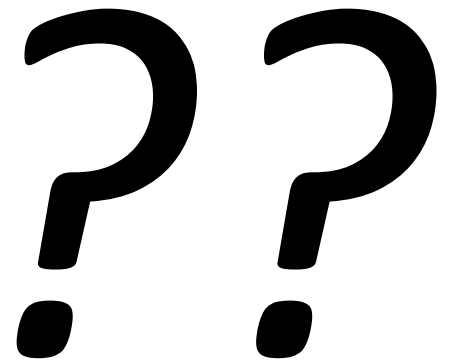
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Key questions

- What is UNDP?
- UNDP and social protection
- UNDP, project monitoring, for effectiveness, impact
- Project example
- Conclusions



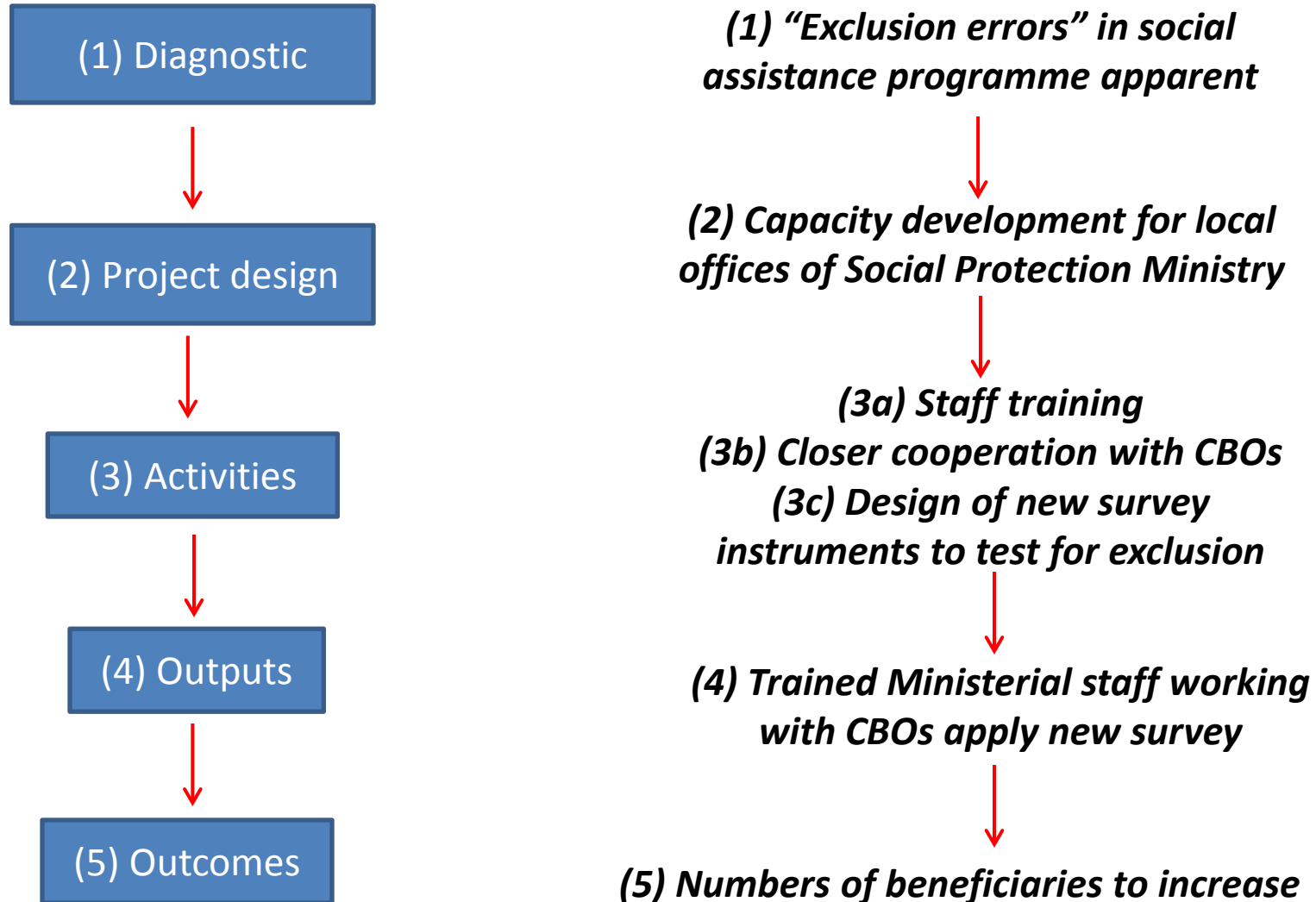
What is UNDP?

- Globally: UNDP functions as UN's global development network
- Nationally:
 - Governments' main development partner in UN system
 - Goals similar to World Bank, bilateral donors . . .
 - . . . But works on basis of partnerships, not conditionalities
 - Coordinates UN system at the country level
 - Cooperation with other UN agencies (UNICEF, ILO, WHO)
- Strong emphasis on generic project cycle management

UNDP and social protection

- UNDP is a co-signatory to the UN Social Protection Floor initiative
- UNDP works on social protection in three ways:
 - Designing and implementing social protection projects
 - Typically: Capacity development for social policy institutions:
 - State agencies (national, sub-national)
 - NGOs/CBOs
 - Coordinating social protection programming done by other UN agencies (UNICEF, ILO)
 - In crisis/post-crisis situations: direct provision of social protection/social services

Project cycle management: Results chain and social protection



Indicator design

- To monitor, assess project effectiveness, indicators at different levels of the results chain are needed
- Common approach: “SMART indicators”
 - Specific
 - Measurable
 - Achievable
 - Relevant
 - Timebound



Applying the indicator: Activity level

Project activity	Indicator	Comments
(3a) Staff training	Did staff undergo training, on time, on budget? (Yes/No)	<i>This may not tell us much about quality of training.</i>
(3b) Closer cooperation with CBOs	Were contracts (or MoUs) with CBOs concluded? Were they implemented? (Yes/No)	<i>It's easy to check whether contracts, MoUs were signed. It's much harder to tell whether, how well they were implemented.</i>
(3c) Design of new survey instrument to test for exclusion	Was a new survey instrument designed? (Yes/No)	<i>The quality of the new survey may not be apparent before its application.</i>

Activity monitoring: Pluses and minuses

- Good news: It's relatively easy for social protection (and other public) institutions to monitor their activities
- Bad news: Such monitoring doesn't tell us much about the results of the activities
 - *We do not know whether exclusion errors declined*
- Implication: We should *monitor results (outcomes), not activities*

Outcome monitoring: Pluses and minuses

- Advantages: Outcome monitoring can allow for direct monitoring of results
- Disadvantages:
 - Problems of attribution
 - Do reductions in numbers of excluded beneficiaries reflect:
 - Project effectiveness? Or
 - Beneficial changes outside scope of project—economic growth?
 - Do increases in numbers of excluded beneficiaries reflect:
 - Project ineffectiveness? Or
 - Changes outside scope of project—more poor people?
 - Outcome monitoring may tell us that the project is failing—but it won't tell us why

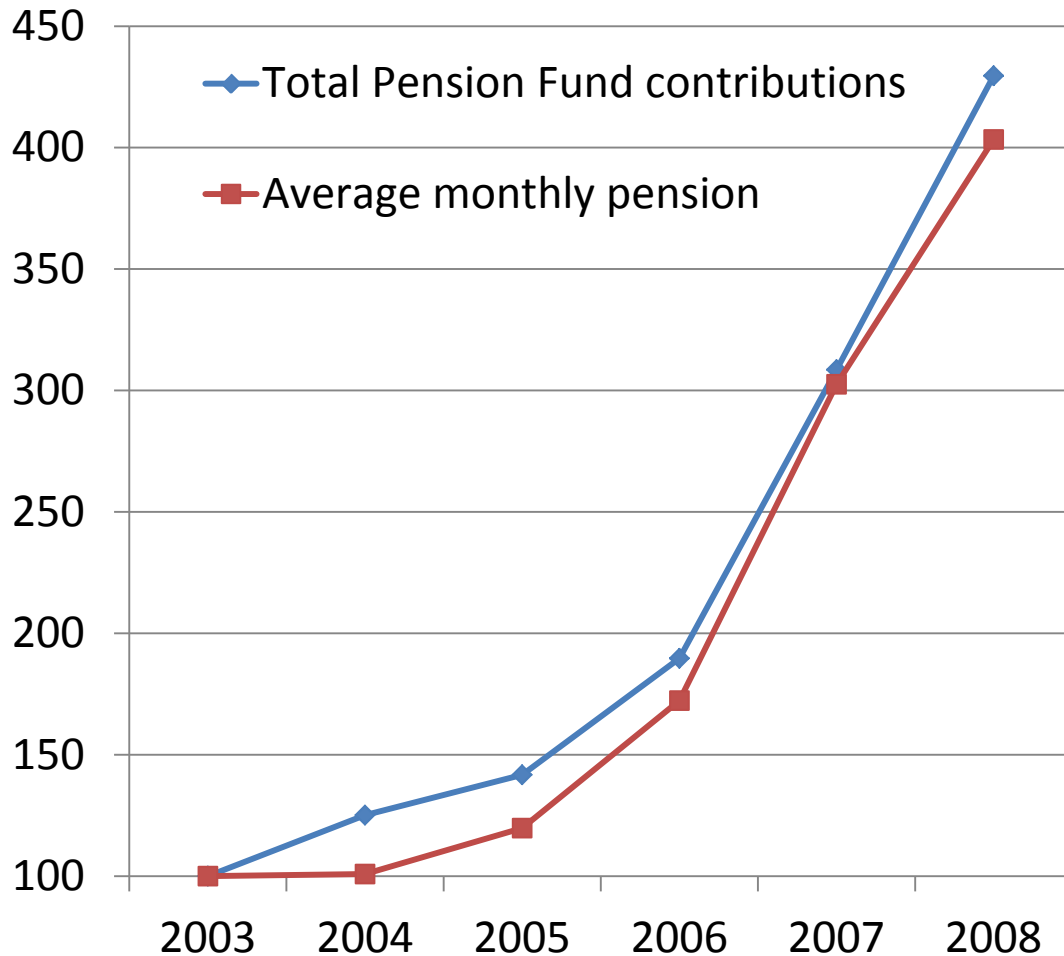
Example: Pension reform in Azerbaijan

- Pre-2001 pension system:
 - Complicated eligibility (many beneficiary classes)
 - Weak coordination of local offices
 - Average pension: \$10-\$15/month
 - Average arrears: 3-4 months
 - Widespread payroll tax evasion
 - Small take-up, many exclusion errors
- Research linked pension system to poverty, inequality, exclusion

Key reform elements

- Introduction of second (funded) pillar (supported by World Bank)
- Reorganization of State Pension Fund (supported by UNDP)
 - Functional reviews of State Pension Fund
 - E-governance:
 - Computerization of local offices (better coordination)
 - Inclusive finance: Pensions can be withdrawn from bankomats

Reform results: Very positive



Indexes based on nominal manats. UNDP calculations, based on State Pension Fund.

- Reforms introduced in 2001
- After 2003, large increases in:
 - Average monthly pensions
 - Total Pension Fund contributions
- Poverty among elderly largely eradicated

State Pension Fund office: Pre-reform

*Devechi branch
office, January 2004*



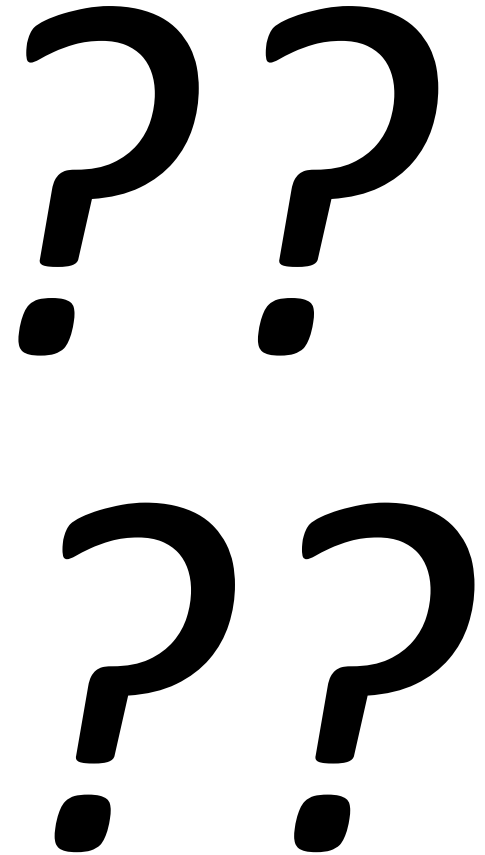
State Pension Fund office: Post-reform

*Agcebedi branch
office, June 2008*



Monitoring the effectiveness of this pension reform

- Activity indicators suggest that reform was very successful
- Outcome indicators—less clear
 - Attribution question: How much of the improvement in outcomes was due to rapid economic growth (which produced large increases in budget revenues)?
 - Coverage increased less than pension benefits per recipient
 - Was exclusion still an issue?



Conclusions



- UNDP’s approach combines:
 - Generic capacity building
 - Strong emphasis on project cycle management
- Impact assessment: “As much an art as a science”
 - Especially in social protection