

19TH MEETING OF THE COMCEC POVERTY ALLEVIATION WORKING GROUP

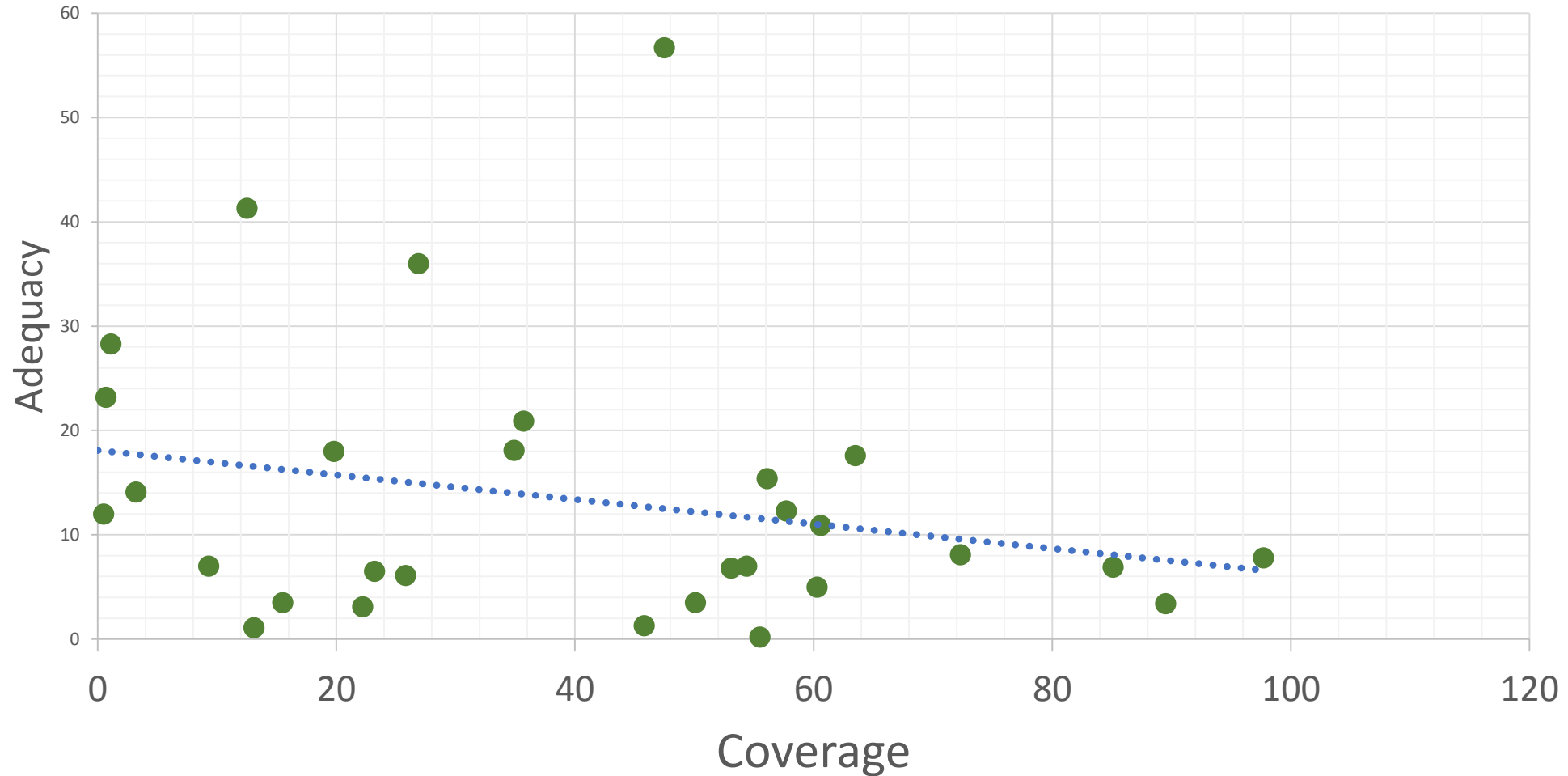
October 7th, 2022

Main Challenges and Success Factors concerning More Effective
Social Assistance Provision and Socioeconomic Empowerment in the
OIC Member Countries

Social assistance structure in OIC

- MENA and South Asia- low-income countries
- Predominantly cash transfers
- Little social insurance
- Low fiscal capacity, widespread poverty, low level of institutional capacity

Adequacy and social protection coverage in OIC countries



Source: World Bank Social Protection Dataset. The data points represent the most recent available data.

Covid-19 exposed significant gaps in social protection

- Average % of GDP spent on SP: 12.9% globally, vs only 2.5% in lower-income countries
- The financing gap between high and low-income countries increased by 30 percent during COVID-19 period
- Disproportionate effects of COVID and climate-change-related risks
 - Sectoral level
 - low-skilled vs. high skilled
 - Who can work from home, and those who cannot
 - Most vulnerable: Unemployed, women, informally employed, migrants
- Higher flexibility and speed are urgently needed

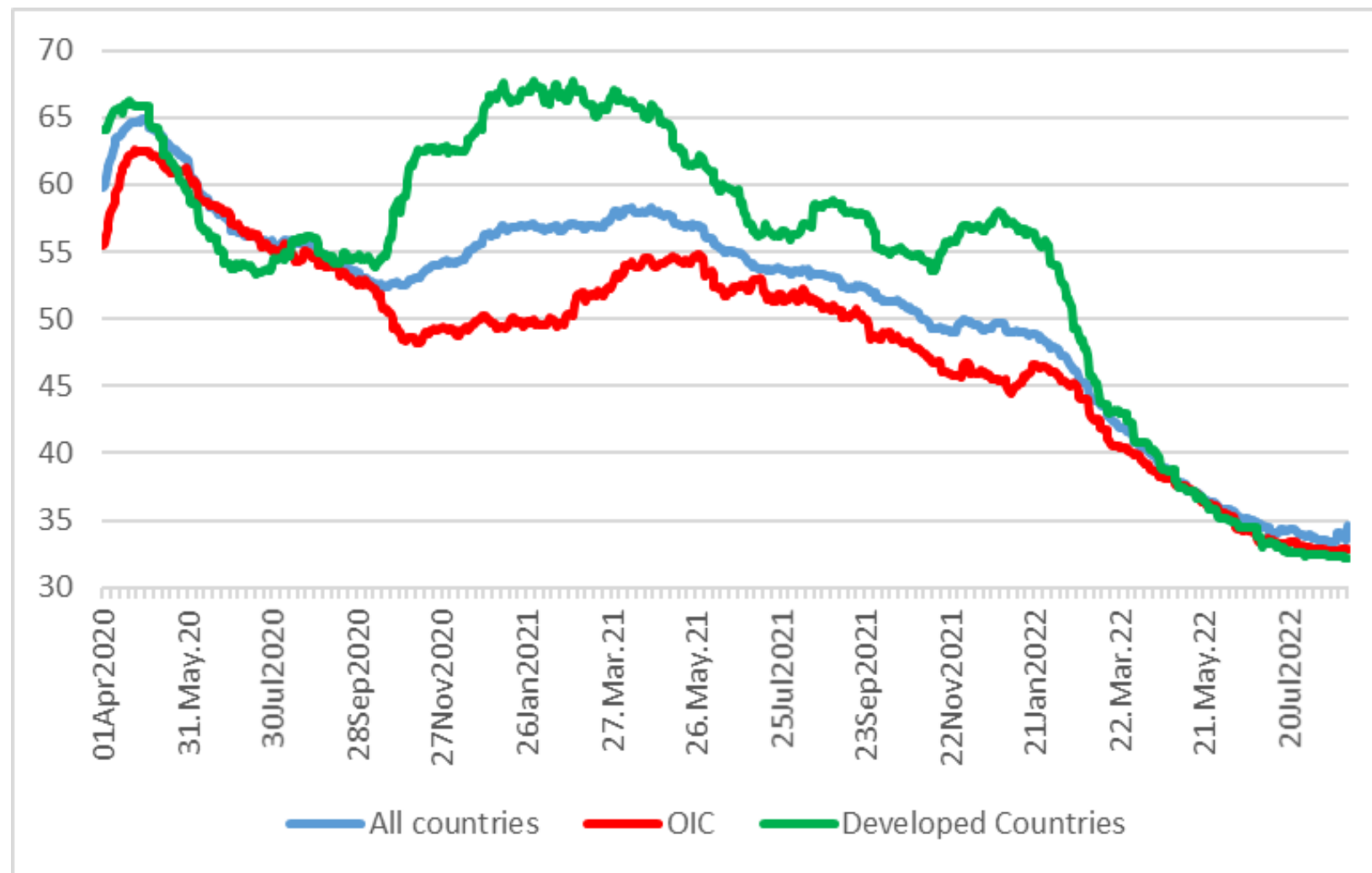
Unprecedented social policy response

- Protecting health, jobs and incomes
- OIC countries: labor market programs, cash transfers, in-kind help
- Less focus on public policy responses (such as in health)
- 17 OIC members implemented wage subsidies, 15 subsidized reduced work time, 29 countries: labor market adjustments

Covid-19 Government Policy Index

Measures the degree of government response:

- Containment policies
- Economic aid
- Health policies
- Vaccination

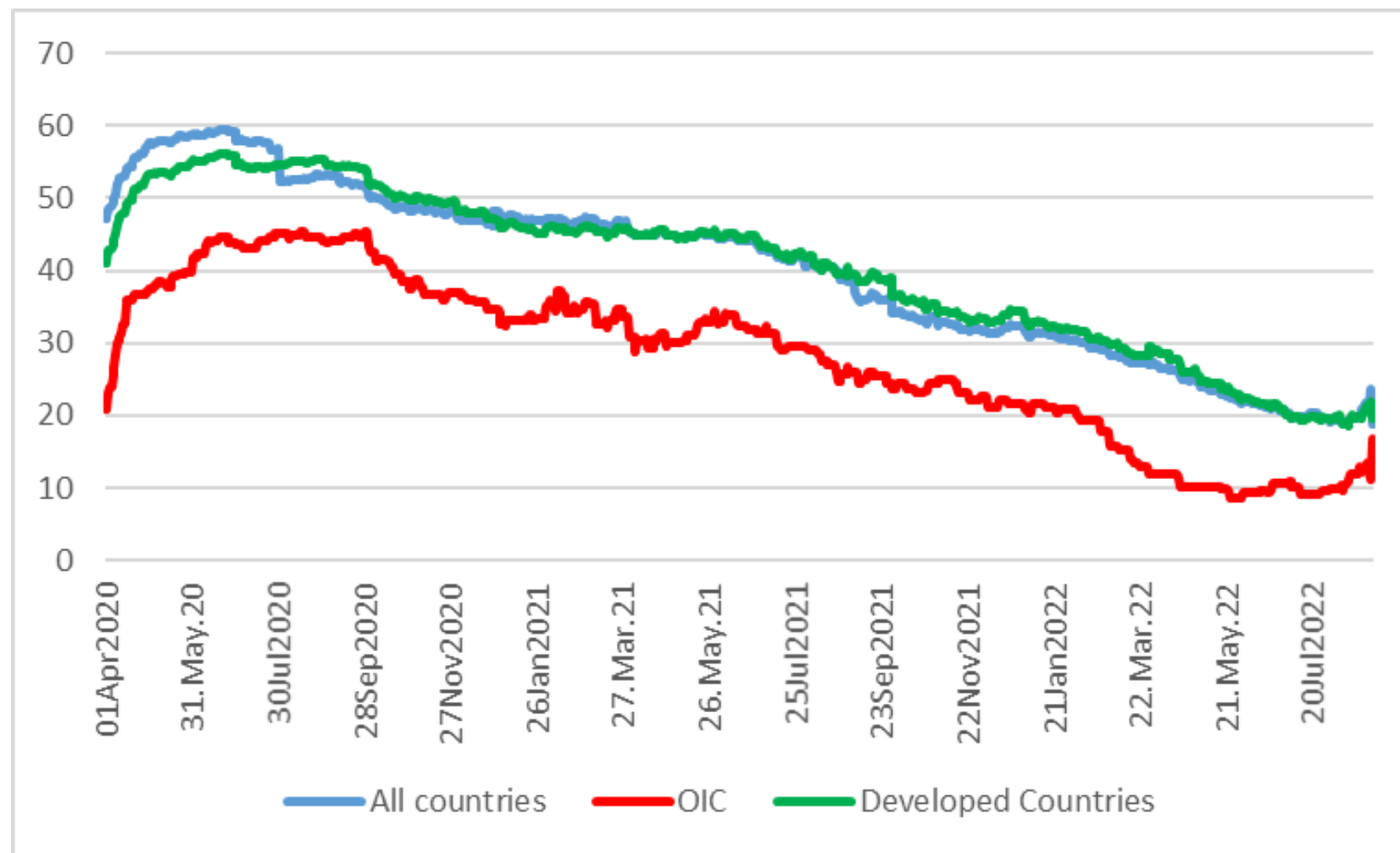


Source: Own calculations based on Oxford COVID-19 Government Response Tracker, Blavatnik School of Government, University of Oxford.

COVID-19 Economic Support index

Measures the degree of government response:

- Debt relief for households
- Income support measures.



Source: Own calculations based on Oxford COVID-19 Government Response Tracker, Blavatnik School of Government, University of Oxford.

Lessons from Covid-19

- Most vulnerable groups: migrants, urban poor, women, children
- Cannot ignore “invisible” employees in the informal economy
- SP policies should be aligned with labor market policies
- Short-term measures
 - Recovery will last long, so long-run strategies needed
- Inclusive social protection needed
 - Digital technologies help to integrate, yet, how about those who do not have access to banks, lack digital literacy or simply have phones?

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Integrated information systems in the OIC region

- We collected data on the levels of social protection integration for 28 OIC member countries for which information is available through online surveys and desk research
- 31 questions to evaluate the use of integrated information systems in social assistance under the broader classifications of:
 - integration as a policy priority
 - number of years since the policy actions on integration have been in place
 - The administrative structure of the social protection system
 - existence of a social registry (database of potential beneficiaries, vs a database of only existing beneficiaries)
 - whether the registration to the system is on-demand (initiated by people) or administrative-driven,
 - whether the social protection system is able to include beneficiaries dynamically
 - whether the inclusion increased during the COVID-19 pandemic
 - existence of management information systems in service provision
 - whether there is a single data platform bringing together multiple data sources of the protection services
 - data sharing sectors
 - existence of individual data privacy legislation
 - factors that hinder moving to a fully integrated system

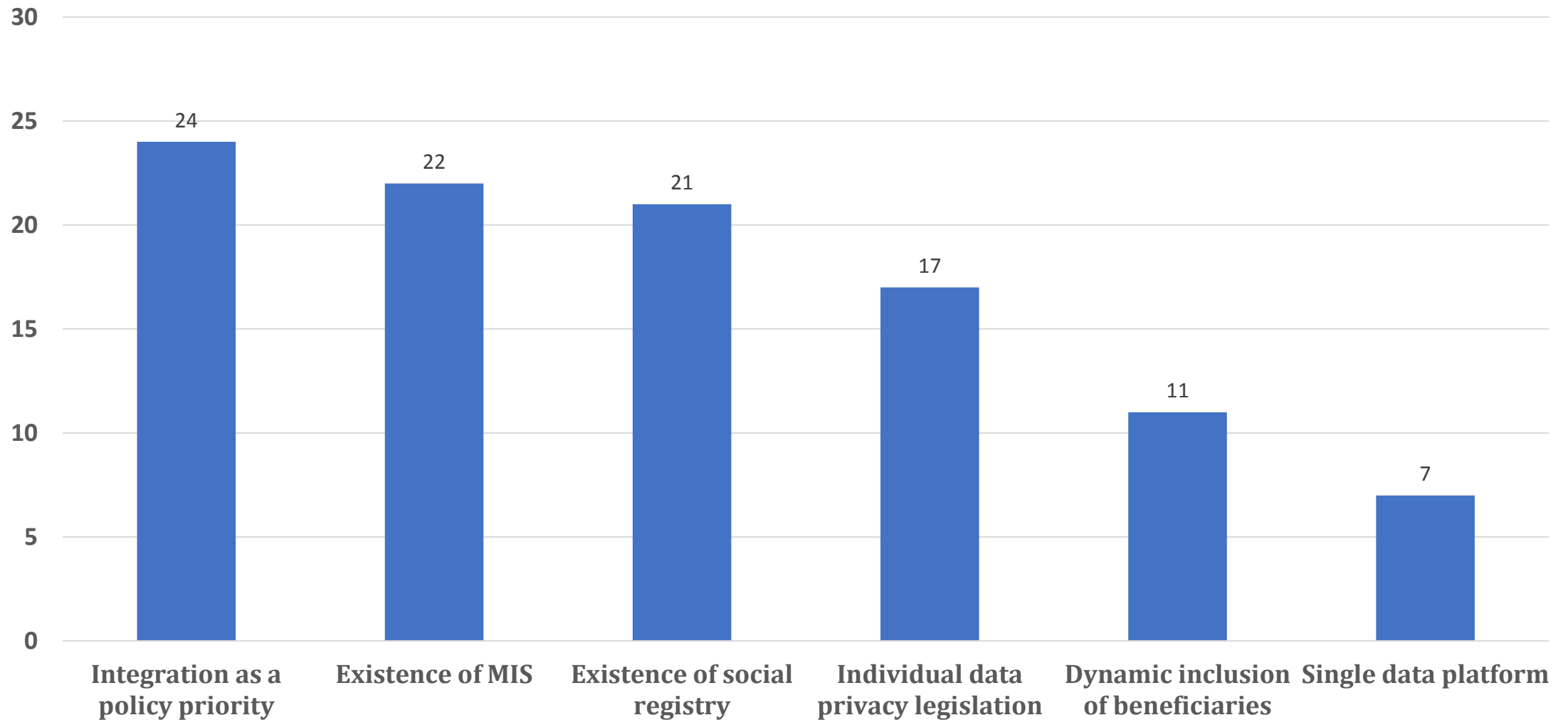
Integrated information systems in the OIC region

- Some member countries, such as Azerbaijan, Turkey, Uzbekistan, and Qatar, have very high integration and interoperability of social assistance delivery
- Countries such as the United Arab Emirates, Egypt, Indonesia, Malaysia, Albania, the Islamic Republic of Iran, and Tunisia also have high levels of interoperability but are not fully integrated
- Uganda, Kyrgyzstan, Saudi Arabia, Bangladesh, Somalia, Jordan, Bahrain, Iraq, Libya, Sudan, and Mali have moderate to low degree of integration.

Integrated information systems in the OIC region

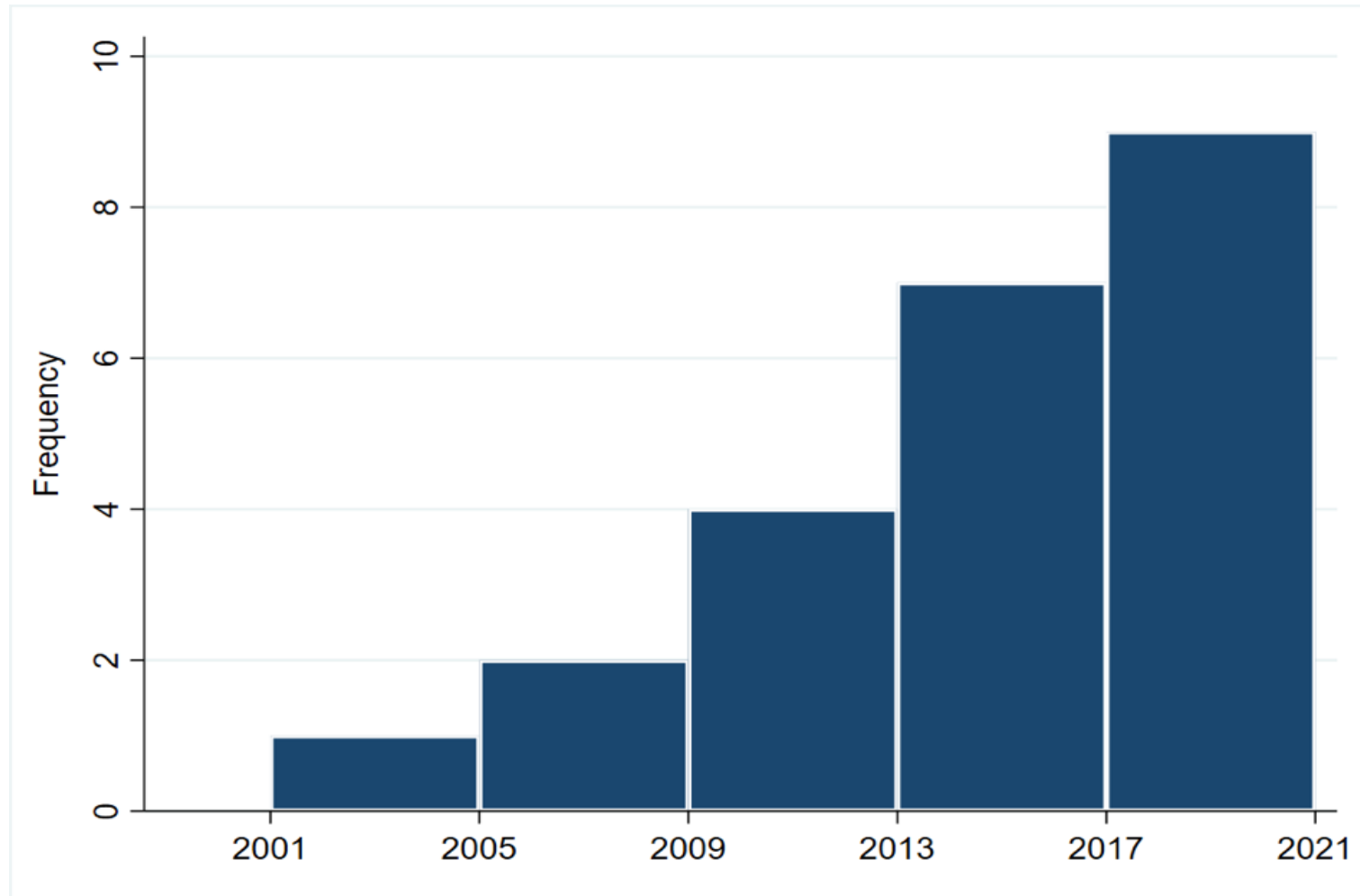
- For some other members, the information does not exist, which signifies that these countries might have low degrees of integration
- The integration level of social assistance programs correlates with income levels in the OIC region, but this trend is not specific to the OIC
- The degree of integration is also higher for wealthier members of the European Union in comparison to the EU member countries with less than average income per capita

Findings: OIC and integrated information systems



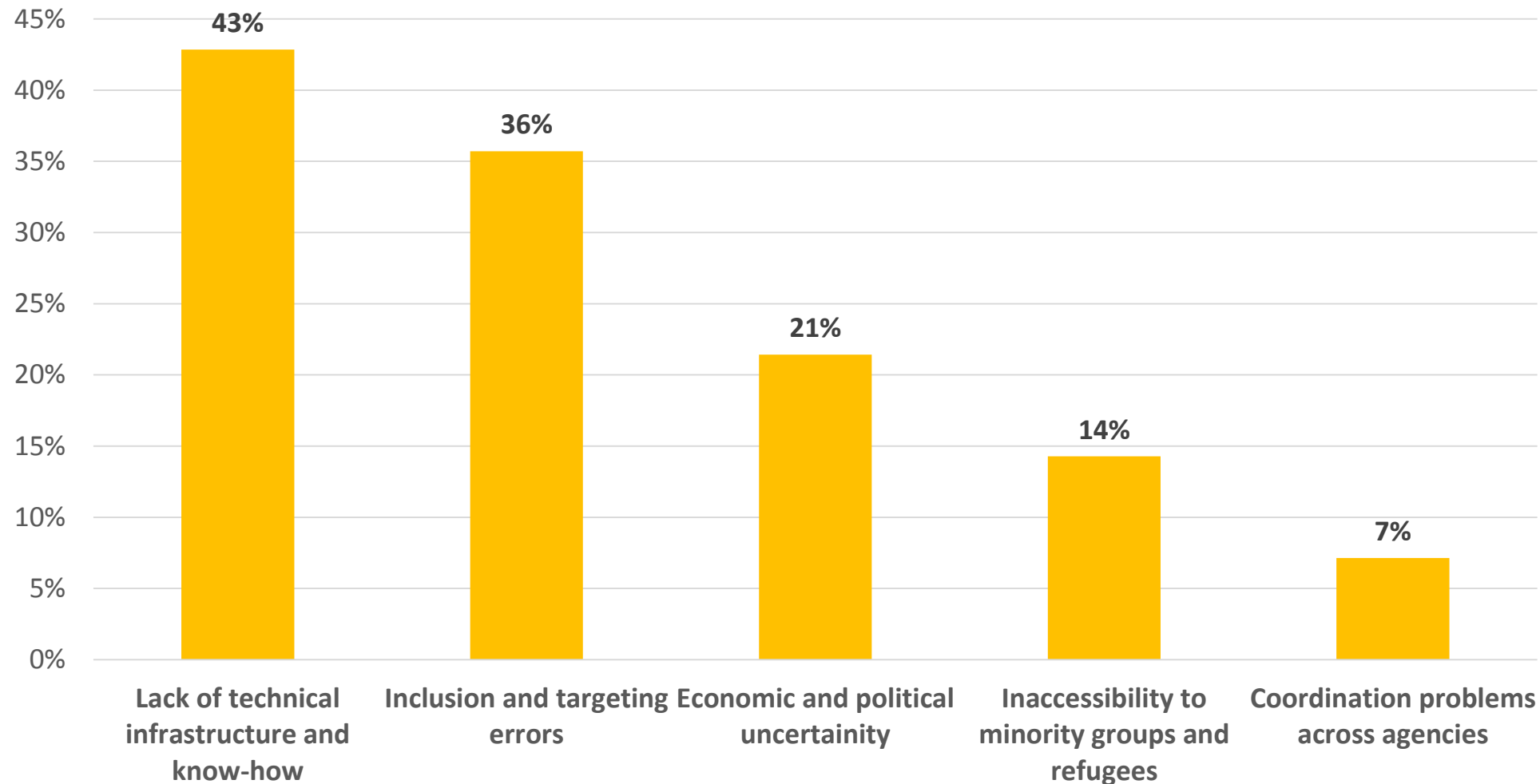
Source: MIS survey responses by the authorities and desk research.

Findings: When were the integrated systems first introduced?



Source: MIS survey responses by the authorities and desk research.

Findings: Main challenges for a transition into integrated social assistance systems



Source: MIS survey responses by the authorities and desk research.

Classification of OIC members in terms of integration in social assistance

| Level of Integration | Score cut-off | OIC Countries |
|---------------------------------|---------------|---|
| Very high levels of integration | 100-80 | Turkiye, Azerbaijan, Bahrain, Uzbekistan, Pakistan, Qatar |
| High levels of integration | 60-79 | Albania, Indonesia, Malaysia, United Arab Emirates, Egypt, Lebanon, Morocco, Islamic Republic of Iran, Nigeria, Tunisia |
| Low levels of integration | 40-59 | Uganda, Kyrgyzstan, Saudi Arabia, Oman, Bangladesh, Somalia, Jordan |
| Very low levels of integration | Below 40 | Iraq, Libya, Mali, Sudan, Algeria, Niger |

Source: MIS survey responses by the authorities and desk research.

Drivers of country success in MIS for Social Protection

| | |
|--------------------------|---|
| Policy objectives | <ul style="list-style-type: none">• Oversight of the multiple schemes• Efficient eligibility• Social protection as entitlement• Life-cycle vulnerabilities addressed or not• Policy towards integration |
| Existing set-up | <ul style="list-style-type: none">• Target or universal social protection• Conditional or unconditional• Managed by government or another entity• Level of centralization• On-demand data collection or censuses• Social registry or integrated registries• Level of coverage and adequacy• Ability to respond to shocks (prospect of vertical and horizontal integration) |
| Country context | <ul style="list-style-type: none">• Existence of funds to maintain and improve the system• Staff and financial capacity at administrative level• Prospect of technological innovation• Legal framework• Political will to focus on integration |

Lessons from case countries and literature on success factors

- Political leadership is a key factor
 - Faster transition into more efficient systems
 - Better coordination across different institutions
 - Fosters technical and institutional capacity to share information
- Existence of social registries and at the same time unique national citizenship IDs
 - Facilitates digitalization and matching of citizens across different databases
 - Platforms such as e-government services help to a great extent
- International support for technical assistance and financing
 - Integrated systems can be costly especially if the basic blocks are missing
 - Many OIC countries face resource constraints and aid for capacity building can facilitate the improvement of social assistance delivery

Recommendations for OIC member countries for improving the effectiveness of social assistance

- Incremental changes are usually better than starting from scratch
- Identifying the strengths and weaknesses of the existing programs are important
 - One-size-fits-all solutions are not viable
- Getting the interests of beneficiaries and organizations involved in social protection is critical
 - Better coordination and dynamic inclusion
- For OIC members with insufficient interoperability, improving the program level delivery should be prioritized
- Each delivery stage can be digitized, leading to digital databases
- The outreach strategies should be expanded, particularly with a shift from on-demand to administer-driven systems.
- Digitized databases can be interconnected by interoperable data platforms

Recommendations for OIC member countries for improving the effectiveness of social assistance

- For OIC members with functional interoperable systems, the main challenge is creating a fully integrated beneficiary system through social registries
- Thus, increasing the interconnectedness between social assistance programs and other relevant databases should be prioritized for these countries
- Policymakers should consider introducing all programs into a single registry and connecting social registries with other institutional databases
- A national ID system can be the basis of the social registry as it allows the identification of potential and existing beneficiaries.

Recommendations for OIC member countries for improving the effectiveness of social assistance

- The group of countries which already have integrated beneficiary systems should adjust the integration by:
 - designing tools to identify the under-covered parts of the population
 - creating an adaptive social system responding to unexpected shocks and risks
- Data security and maintaining the security of the system should be a priority
- Dynamic improvement of outreach and intake should be based on intelligent warning systems
- Alternative data sources such as geographical and climate information, socio-economic indicators, the measures of economic distress can be utilized to predict the needs of the poor and respond accordingly
- Intelligent data analytics approaches and Big Data tools can provide critical predictive algorithms.