Institutions and the Challenges of Horizontal and Vertical Coordination

Social Safety Nets & Delivery Systems
Core Course
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A tale of two villages

Kailashpur. Buffaloes working in rice paddies. Indians from other areas were amazed at this sight: ploughing by buffalo is rare.

Maheshpur. The village square. The day before, a girl had died of malnutrition in a house behind the trees.

Kailashpur. The village primary school. Schools in neighbouring villages have the same paintings of Mickey Mouse, Donald Duck and the rainbow.

Maheshpur.

Source: The Economist
Ambrogio Lorenzetti: Allegory of Good & Bad Government (14\textsuperscript{th} century)

‘Governance is about the institutional capacity of public organizations to provide the public and other goods demanded by a country’s citizens or their representatives in an effective, transparent, impartial and accountable manner.’ World Bank 2000
A bit of history...

• Traditional Weberian view of the public sector - principles of hierarchy, neutrality, career civil servants

• Post WWII, as the role of State expanded to deliver more services in education, health, social assistance, social insurance, led to increased public budgets and increased taxation.

• While spending seen as legitimate, public sector organization, responsiveness, efficiency in service delivery showed weaknesses in the traditional model. For example, social workers accountable not only to superiors in government, but also to beneficiaries and clients.
Public Management reforms...

**Managerialism** (issues – direct transfer without context)

**Privatization**, i.e., selling or transferring public sector enterprises to private ownership, or contracting out etc. (issues – corruption, patronage etc.). Case in point, Britain, to extent that local govt. was bypassed

**Agencification**, i.e., semi-autonomous agencies for operational management, isolating agency from political pressures

**Competition**, through quasi-markets. For example providing vouchers that beneficiaries can use to choose freely among suppliers of services

**Decentralization**, transferring functions and powers from central government to lower levels that are closer to citizens and have knowledge of real problems and preferences. Central government is coordinator, and sets policies and priorities. For example, provision of childcare.

- **Deconcentration** – Policy making at central level, policy implementation decentralized
- **Devolution** – All authority decentralized, local government accountable to local population through elections.

**Citizen empowerment** – Improving quality of service delivery through citizens holding public officials accountable. Case in point – Brazil.
Fragmentation of social benefits & services

Cash Transfers (CCTs or UCTs)
- Food Stamps
- Birth, Child Allowances
- Maternity Benefits
- Nutrition Supplements
- School Feeding, Supplies, Transport
- Scholarships
- Care-Giver Allowance
- Wage Subsidies
- Public Works

Health Benefits

Transport Subsidies

Intermediation, Referral, Counseling, Psycho-Social Support Services
- Family Services
- Parenting Services
- Emergency Services
- Child Care Services
- ECD & Nutrition
- Child Protective Services
- Legal services
- ALMP / Activation Services
- Training & Skills
- Financial & Productive Inclusion Services
- Services for At-Risk Youth
- Social & Long-Term Care Services
- Disability Services
- Active Aging Services
Challenge of coordination to deliver multiple programs
One solution is to harmonize the delivery of programs through information systems and institutional coordination.
En Masse Registration for Social Registries: Diverse Institutional arrangements

- **Contracted Field Teams**
  - Philippines Listahanan 2015, Colombia SISBEN, Dominican Republic SIUBEN 2017-19, Yemen SWF

- **Communities & Field Teams**
  - Djibouti RSU, Mali RSU, Senegal RNU, Sierra Leone SPRINT

- **Outsourced to Firms or NGOs**
  - Pakistan NSER, Dominican Republic SIUBEN (past)

- **Statistics Office**
  - Indonesia UDB

Source: Leite et. al. (2017)
On-Demand Applications for Social Registries: Diverse Institutional Arrangements

Deconcentrated Local Offices
Georgia TSA Registry, Macedonia CBMIS, Mauritius SRM, Montenegro SWIS, Turkey ISAS

Municipal Government Offices
Brazil Cadastro Unico, Chile RSH, China Dibao Registry

Common Application via Programs
Mexico SIFODE (e.g., via Prospera and other programs)

Temporary Desks (On-Demand Pilot)
Pakistan NSER

Online Application (Digital Window)
Azerbaijan VEMTAS, Chile RSH, Turkey ISAS

In many countries, inadequate network for Citizen Interface is a key constraint to on-demand applications

Source: Leite et. al. (2017)
Photocredits: DSWD Philippines & MDSA Brazil
Social Registries as *Information Systems*: Diverse arrangements for managing & operating Social Registries

- **Managed & Operated by Central Social Agency**
  - Azerbaijan VEMTAS, Chile RSH, Djibouti RSU, Georgia TSA Registry, Macedonia CBMIS, Mauritius SRM, Mexico SIFODE, Philippines Listahanan, Senegal RNU, Sierra Leone SPRINT, Turkey ISAS, Yemen SWF

- **Managed by Central Social Agency with Separate Operating Agent**
  - Brazil Cadastro Unico, Mali RSU, Montenegro SWIS

- **Managed & Operated by Other Central Agency**
  - Colombia SISBEN, Dominican Republic SIUBEN, Indonesia UDB

- **Managed & Operated by Specific Program, (also serving other programs)**
  - Pakistan NSER (hosted, managed & operated by BISP)
# Central-Local Service Delivery Arrangements

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<th>Program Design</th>
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## Centralized Approach

## Decentralized Approach

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## Devolution Approach

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Countries have different models of institutional coordination*

- Stronger local govt. capacity AND/OR inter-governmental cooperation arrangements

- Limited local govt. capacity AND/OR lack of inter-governmental cooperation arrangements

- Limited national govt. presence at local level
  - Federal
  - Unitary

- Strong national government presence at local level

* Federal * Unitary

**Interim illustration
Paradox of centralization and fragmentation

Tension between flexibility and control

Several interdependent actors involved in delivering services, and exchange resources.

When governments ignore inter-organizational networks, limits ability to implement policies, & may fail
Horizontal & Vertical Coordination in Indonesia

Women at a community meeting discuss the reconstruction of their village. Yogyakarta, Indonesia.

© World Bank
Indonesia

- Population lives on some 6000 inhabited islands, nearly 6000 kilometers, 300 distinct ethnic groups, and over 700 languages and dialects
- Significant gains in poverty reduction and human development since the Asian financial crisis, however...
  - poverty reduction has begun to stagnate and inequality has been rising
  - one third of income inequality can be traced to inequality of opportunity in access to health, education, and basic infrastructure such as sanitation
- Decentralization in 2000 has led to significant devolution of responsibilities and resources and subnational spending
  - accounts for almost half of total government expenditure in 2016 (even more for health, education, and capital spending)
  - 2014 Village Law has further empowered villages to carry out community level development works.
- Central, provincial, district, and village government must work together to deliver services. However, capacity and accountability become weaker when moving to lower level of government.

- 34 provinces
- 514 regencies & cities
- 6534 sub-districts
- 75244 villages
National Level Social Assistance Policy Cycle

Policy Design

Policy Implementation

Policy Evaluation

Policy Monitoring

Ministry of Social Affairs
Central Bureau of Statistics
Ministry of Health
Ministry of Social Affairs
Ministry of Education and Culture
Ministry of Religious Affairs
Ministry of Finance

Coordinating Ministry of Human Development and Cultural Affairs

Ministry of Social Affairs
Ministry of Education and Culture
Ministry of Health
Ministry of Religious Affairs

BPJS Kesehatan

TNP2K

WORLD BANK GROUP

Social Protection & Jobs
Actors and Roles in Policy Design

- BAPPENAS frequently arranges for pilot test of policy options before handing over designs for scaling up and implementation by line ministries
- TN2PK provides technical advice and analysis for BAPPENAS on poverty reduction and social assistance generally
- Policy and program instrument design and preparation is mainly responsibility of the National Planning Agency (BAPPENAS) in collaboration with the respective line ministries and TNP2K (social development, poverty)
- The Coordinating Ministry of Human Development and Cultural Affairs (PMK) has the legal mandate to approve program and policy design
- Ministry of Finance very strong collaboration with BAPPENAS for the preparation of the national budget
- Line ministries (MOSA, Health, Education) provide BAPPENAS with an estimated figure of resources needed

Central role of BAPPENAS in policy design
Cross-sector coordination is needed at each level of government.

To formulate PKH policies, assess implementation, and provide cross-sector coordination:

NCT consists of related Echelon 1 officials from PMK, MoSA, MoEC, MoRA, MoH, Bappenas, Ministry of Women’s Empowerment and Child Protection, CBS, & Ministry of Communication and Information Technology.

NTCT consists of related Echelon 1I officials representing related ministries and agencies.

PKH is a Conditional Cash Transfer program, which is now supporting 10 million beneficiary families.
SLRT is an integrated referral system being rolled out in Indonesia. It provides a single window service interface to citizens for government and even non-government services (e.g. health, education, social protection).
Policy & Program Monitoring and Evaluation

- BAPPENAS oversees the implementation of national social protection programs and poverty reduction.
- It relies on data provided by the implementing line-ministries and ad-hoc studies by TNP2K.
- Monitoring capacity is limited and still evolving.

Monitoring and evaluation of social assistance programs is embryonic.

- Regular evaluation of social assistance programs is not institutionalized (eg.: ad-hoc studies and spot-checks)
- Recent evaluations are mostly sponsored and implemented by development partners, jointly with TNP2K and Bappenas.
Social Safety Nets delivery in Pakistan’s federal structure
Pakistan: An overview

Population: over 200 million
Federation with:
- 4 Provinces (Balochistan, Sindh, Punjab, Khyber Pakhtunkhwa (KP))
- 1 Capital territory (Islamabad)
- 1 Federally Administered Tribal Area (FATA)
- 2 Autonomous areas – Gilgit Baltistan (GB) and Azad Jammu & Kashmir (AJK)

Poverty Head Count: 29.5% (2013-14)
GNI Per Capita: $5,580 (PPP)

Strong autonomy at the sub-national level
Typical federal structure has three levels of Government (e.g. Brazil, Mexico)

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<th>FEDERAL</th>
<th>STATES</th>
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<td>National Education</td>
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<td>Social Security</td>
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**CONCURRENT ROLES:** Healthcare, Sanitation, Poverty Eradication, Disability Assistance

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<td>Water Supply &amp; Sanitation</td>
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<td>Social Development</td>
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<td>Public Lighting</td>
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<td>Education</td>
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<td>Parks &amp; Recreation</td>
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<td>Industry</td>
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**BRAZIL**

**MEXICO**
Social Protection in Pakistan’s federal structure

• 2007: National Social Protection Strategy to organize disparate existing programs
• 2008: Launch of the Benazir Income Support Program (BISP)
• 2009: The 7th National Finance Commission (NFC) Award to increase the provincial share of revenue sharing
• 2010: Passing of the 18th amendment to the constitutions and devolve various functions to the provinces
• National – Subnational division of Roles and Responsibilities

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<td>Inter-Provincial Matters &amp; Coordination</td>
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<td>Provincial Pensions</td>
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<td>National Planning &amp; Economic Coordination</td>
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Division of Roles and Responsibilities in Social Protection: Mexico

- Centralized Administration: Mexico’s old age pension
  - Program Design
  - Funding
  - Targeting/Identification
  - Service Delivery

- Centralized Administration with Partial Delegation of Responsibilities: Mexico’s PROSPERA
  - Program design
  - Funding
  - Targeting/Identification
  - Service Delivery
  - Compliance verification

- Decentralized Administration with Federal Oversight
- Complete Local Autonomy

Figure 1. State and Municipal Governments’ Role in Social Protection in Mexico: 4 Participation Schemes
Division of Roles and Responsibilities in Social Protection: Pakistan

- Centralized Administration: BISP Unconditional Transfer
  - Program Design
  - Funding
  - Targeting/Identification
  - Service Delivery
  - Logistical support

- Centralized Administration with Partial Delegation of Responsibilities: BISP’s WeT
  - Program design
  - Funding
  - Targeting/Identification
  - Service Delivery
  - ? Compliance verification
Consequences....
FRAGMENTATION

PROGRAM 1
Assess Potential Eligibility
Decide
Implement

PROGRAM 2
Assess Potential Eligibility
Decide
Implement

PROGRAM 3
Assess Potential Eligibility
Decide
Implement
Solutions....

HARMONIZATION

Common platform (Registry)

Assess
Potential Eligibility

Program 1
Decide
 Implement

Program 2
Decide
 Implement

Program 3
Decide
 Implement

Common payment and M&E systems

Outreach, Intake & Registration, Assess Needs & Conditions

World Bank Group
Social Protection & Jobs
VISION: An Integrated Service Delivery Platform through federal-provincial collaboration

**SOCIAL REGISTRY & BASIC INCOME SUPPORT**

- **NADRA**
  - National Identification Database

- **BISP**
  - National Socio Economic Registry (NSER) + Basic Income Support

**PAYMENT CONVERGENCE**

- Payment service providers

**BENEFICIARY ENROLLMENT & PROGRAM PROCESS MANAGEMENT**

- Lifecycle approach
- Human capital investment
- Partnership with key departments
- One window for citizen engagement, case management, and GRM.

**Federal government**

**Provincial coordinating body**
(Punjab SP authority; Sindh SP unit)

**PSPs with local presence**

MIS

Health dept
- Young mothers with children
- Brick kiln

Labour dept
- Primary school children

BISP
- Brick kiln

PDMA
- Disaster relief

Bait-u-maal Services & housing

PSDF/PPAF/Agriculture
- Girls Edu
- Youth Livelihood

Women develop’t dept housing
- Health dept Old/Disabled

Edu dept
- Secondary

Federal government

Provincial coordinating body (Punjab SP authority; Sindh SP unit)

PSPs with local presence
Conclusions

FEDERAL LEVEL

• Basic income support (BISP) – cover the core minimum
• Policy making to ensure X-provincial equity and no one left behind
• Take the lead in the national level infrastructure: registry (NSER updates), technology for authentication (through NADRA), and payment innovation (biometric payment).
• Invest in the evaluations
  • E.g., introduction of objective targeting mechanisms greatly reduced political favoritism in selecting the beneficiaries and improved targeting performance
• Facilitate X-province learning and knowledge exchanges

PROVINCIAL LEVEL

• Establish a coordinating body
• Policy making to ensure within provincial equity and intervene with complementary initiatives (e.g., early childhood health and nutrition; labor market interventions)
• Take advantage of the national level infrastructure (without reinventing the wheel).
• Strengthen the local presence and provide support for federal level initiatives.
• Invest in the evaluations
Horizontal and vertical coordination in Brazil’s Bolsa Familia program
Institutional Arrangements for Bolsa Familia & the Cadastro Unico

- Ministry of Social Development (MDS)
- Ministry of Education (MEC)
- Ministry of Health (MS)
- Caixa Economica Federal (Federal Bank)
- Municipalities (5570)
Brazil’s Bolsa Familia: Education Conditionalities

Source: wwp.org.br
# Brazil’s Bolsa Familia & Cadastro Unico (Social Registry)

## Performance-Based Management Tools

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<th>Management Tool &amp; Role</th>
<th>Applicability</th>
<th>Functions Covered</th>
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| **Joint Management Agreements** *(Termos de Adhesão)*  
• Establishes institutional framework for decentralized implementation (2005) | All Municipalities | Municipal responsibilities for: 
• Designating local BFP coordinator  
• Cadastro Unico registration  
• Monitoring conditionalities  
• Establishing social controls councils (SCCs) |
| **Decentralized Management Index** *(Indice de Gestão Decentralizada, IGD)* (2006) | All Municipalities | Performance Monitoring Tool Covering:  
• % of families with coherent & complex records (quality)  
• % of families with data < 2 years old  
• % of child recipients with complete education records  
• % of recipient families with complete health records |
| **Administrative Cost Subsidies**  
Performance-Based “Positive” Financial Incentives (started in 2006) | Financial Incentives depend on Municipal IGD Scores | Calculated based on IGD score:  
• Admin cost subsidies  
• Higher incentives for better quality  
• <40% score => no subsidy but technical Assistance to the municipality |
KEY TAKEAWAYS

• For policy design, implementation, monitoring and evaluation, there is no “unique model” and different countries have tried different institutional arrangements to support the definition and coordination of social policy.

• Central government typically leads in policy-setting and financing given its mandate for resilience, equity and opportunity for the country as a whole.

• For service delivery implementation, many social protection programs require shifting some degree of program implementation responsibility to local governments, to non-governmental public service providers, or to the private sector.

• Local governments are frequently called upon to fulfill specific functions during implementation, instrumental to make the most of their proximity to individual households, which can improve outreach, intake, registration, and so on, and responsiveness to citizens’ needs.
Takeaway from ‘Tale of Two Villages’: Citizen engagement, and Social accountability

Source: The Economist
Thank you
Example of donor coordination in East Asian country
Policymaking: Patterns of institutional arrangements

**Pattern 1:** A (strong) ministry with mandate for policy-making, delivery, M&E, and inter-institutional coordination (Brazil, Peru)

**Pattern 2:** Multiple ministries with separate policy mandates and program portfolios

- **2A:** With inter-institutional coordination body (Indonesia; Punjab-Pakistan)
- **2B:** Without a coordination body (Bangladesh, Costa Rica)

**Pattern 3:** Multi-sectoral planning agency (Nepal, Pakistan)
Service Delivery: Patterns of institutional arrangements

1. Central Ministry
   - Philippines CCT; Pakistan UCT; Mexico CCT

2. Central Ministry partnership with Local Government
   - Brazil CCT, Tanzania PSSN

3. Sub-national Government under central oversight
   - Mexico Seguro Popular, India centrally sponsored schemes

4. Fully decentralized

5. Outsourced
   - Australia Centrelink, South Africa SASSA
ORGANIZATIONAL DESIGN

Formal Structure

- Is the structure vertical or horizontal?

Organizational Culture

- Does it promote team work or is it individualistic?
- Is it democratic or authoritarian?

People

- Strategy minded people: Ideas
- Tactical minded people: Solutions
- Operational minded people: day to day implementation
ORGANIZATIONAL CAPACITY

i) Ability to design and implement an SSN effectively

ii) the ability to absorb a particular workload

ICT
Skills, Competencies, Knowledge
Finances

Operations management

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