
SOCIAL PROTECTION PAYMENTS

 INTRODUCTION



DELIVERY

Introduction

This work is part of the **Inter Agency Social Protection Assessments (ISPA)** initiative, a set of practical tools that help countries improve their social protection system by analyzing its strengths and weaknesses. Countries can apply ISPA tools periodically to track performance over time.

ISPA tools fall into 1 of 3 categories:



SYSTEM



PROGRAM



DELIVERY

This work is also part of the **Universal Financial Access by 2020** initiative which the World Bank Group and other agencies have committed to support. It is widely accepted that access to payment services is central to achieving financial inclusion. Enhancing access to payment services requires initiatives to strengthen the foundational elements and drivers. The foundational elements include political commitment, robust financial and ICT infrastructure, and an enabling legal and regulatory framework. The drivers include efficient payment services, wide coverage of access points, and a shift of large scale payment programs to electronic means.

Why are payment systems important?

Making reliable and timely payments to beneficiaries is a key element of a well functioning SP system. It can undermine the entire system if payments of specific schemes and programs do not reach the right people, at the right time, in the right place and in the right form and the correct amount. Conversely, a well implemented payments mechanism can provide important social protection support and also serve as an entry point for financial inclusion.

About The Tool

The **Social Protection Payments** tool provides a framework for assessing the payment delivery mechanism and the general payment environment for the delivery of cash or near cash social protection transfers, including those primarily targeted to poor and vulnerable populations in developing countries. It is designed for use by social protection policy makers and practitioners seeking to improve payment delivery in existing social protection programs and for those seeking to establish a payment mechanism for a new program. This tool does not touch on humanitarian relief that is typically for short-term emergencies and often delivered in-kind; nor does it explore labor and social insurance programs.

The assessment follows the standard ISPA framework:



"What Matters"
Guidance Note



Questionnaire



Assessment
Matrix



Country Report



Implementation
Guidelines

Outlines the process of application & implementation of ISPA tool from start to completion

The tool is not prescriptive and does not provide a specific implementation plan. It is a diagnostic tool that should be applied by a team of professionals with expertise in the subject matter as input to developing policy options and recommendations.



ABOUT THE "WHAT MATTERS" GUIDANCE NOTE

The **"What Matters" Guidance Note** provides background for those wishing to carry out or commission a country or program assessment for social protection payments. The set of criteria described in the "What Matters" Guidance Note lays down the conceptual foundation for the assessment on the basis of good practices and illustrations from real world experiences.

The Guidance Note is divided into four sections:



What Matters considers the importance of payment mechanisms for SP programs and describes the different actors involved, as well as defining the assessment criteria.



Country Payments Environment provides background on the regulatory context, the financial sector, and financial inclusion. There is also a description of the relevant national payments system infrastructure and types of providers involved.



Country SP System Environment highlights the importance of designing payment mechanisms in light of social protection policy and program structures and objectives.



SP Payments System Review briefly describes how to score a social protection payment mechanism against the criteria described and how to carry out the national payments environment and SP system environment assessments.

The quality of payments delivery is assessed using these criteria:

1 ACCESSIBILITY

Accessibility concerns how convenient the payment mechanisms are for beneficiaries with respect to cost of access.

An accessible payment system specifically considers its appropriateness with respect to the needs of target groups including the poor, elderly, illiterate, women, and disabled. To ensure respect for rights and dignity there should be sufficient training to ensure that recipients understand the payment process and how to raise any issues they face and make complaints about it. There also needs to be active and continuous communication with recipients to ensure they understand when payments will be delivered and any changes to the process. Being able to offer recipients privacy of transactions is also necessary.

2 ROBUSTNESS

Robustness concerns the reliability of payments.

Good governance of the payment process includes clearly defined roles and responsibilities, as well as timely and accurate reporting. Maintaining the integrity of the process through sound regulation and oversight is key to mitigating the risk of leakage. At the point of payment, the identity of recipients should be verified.

3 INTEGRATION

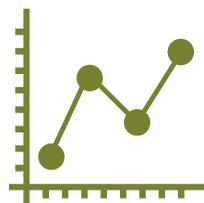
Integration concerns the coordination & interoperability of payment mechanisms to support the receipt of payments.

Integration can involve the coordination of payments from different payers within government across multiple ministries, agencies, and social protection programs. This also speaks to the issue of flexible payment delivery mechanisms that allow for changes in transfer values and for dynamic beneficiary registry lists to reflect program entry and exit. Integration concerns the ability of the payment mechanism to be used to facilitate financial inclusion and for other payment needs, such as making and receiving remittances and bill payments and more generally, to function as a full-fledged transaction account.



ABOUT THE QUESTIONNAIRE

The standardized **Questionnaire** provides a framework to collect key qualitative & quantitative information, which will facilitate the development of evidence-based options for countries to consider and act upon.



ABOUT THE ASSESSMENT

The **Assessment Matrix** is organized (from weak to strong on a scale of 1 to 4) by type of assessment (Environment, SP System, and Payment Mechanisms) using three performance criteria: Accessibility, Robustness, and Integration. This assessment approach helps to identify areas that may benefit from strengthening, in line with best practice, as well as ensuring that trade-offs between criteria are made explicit to policy makers.



ABOUT THE COUNTRY REPORT

The main deliverable is the **Country Report**, which will summarize the assessment and suggest policy options for strengthening SP Payment mechanisms. The primary aim of this work is to facilitate country dialogue in supporting the strengthening of social protection and labor systems.

HOW ARE ISPA TOOLS APPLIED?



The SP Payments assessment is done with data gathered through both desk research and information provided by stakeholders in the field. The time required for the application of the SP Payments Assessment tool will vary depending on the complexity and comprehensiveness of the SP Payment(s) being evaluated & the availability of relevant data. Focus on one or more SP programs will affect complexity in the application of the tool.

WHY USE ISPA?



Countries:

ISPA supports the building of cohesive social protection systems



Governments:

ISPA provides consistent, reliable & technically sound evidence on improving the effectiveness & efficiency of a social protection system



International Partners:

ISPA helps to coordinate advice & resources & facilitates the sharing of information among partners & countries



Household members

experience:

- More coordinated & integrated provision of government benefits & services
- Less barriers to accessing goods and services
- Improved adequacy of social protection benefits

HOW TO GET STARTED?

Countries looking to develop and improve their social protection payment systems should approach the relevant in-country development partners and request support to complete an ISPA assessment.

Countries can also contact the ISPA coordination desk:

 info@ISPA.org

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