

MODULE 4

Introduction to the assessment based national dialogue exercise

Duration: 2 hours

Prerequisites: Module 2



Key questions:

1. What are the objectives of the ABND exercise?
2. What are the main steps of the ABND process?
3. How do we ensure that all stakeholders are involved from the outset?
4. How do we overcome the challenges of data limitations in some countries?
5. How do we move from a technical validation of the report to a political endorsement?



Objectives:

This module explains the objectives and process of the assessment based national dialogue exercise. The importance of the ABND as a participatory approach is highlighted. This session covers the three steps of the ABND, i.e. building the assessment matrix, costing recommendations and having the finalized report endorsed technically and politically. Some of the limitations and challenges of conducting the ABND exercise are shared with the participants. The ABND process is illustrated through examples on how the exercise was carried out in Indonesia and Thailand.



Overview:

What are the objectives of the ABND exercise?

The ABND is a way to take stock of existing social protection realities in order to understand what elements of national SPFs are in place, where “holes” in floors exist, and to move towards the achievement of a nationally defined social protection floor. The ABND exercise is the first step towards the implementation of a nationally defined social protection floor.

The social protection floor targets a situation where:

- all residents have access to affordable essential health care, including maternity care;
- all children receive basic income security and have access to nutrition, education, care, and any other necessary goods and services;
- all persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability, receive basic income security; and
- all residents in old age receive basic income security either through pensions or transfers in kind.

Different countries have different social security situations. Even countries that have completed the SPF for health care – such as Thailand – may need to extend social protection coverage for the other guarantees.

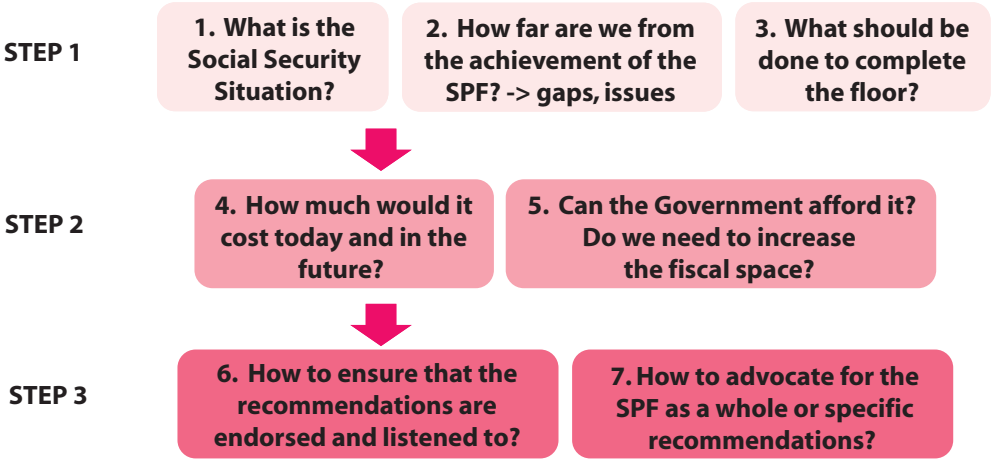
What are the main steps of the ABND process?

The ABND exercise assesses whether the SPF is a reality for the whole population in the respective countries and how it could be extended to all members of society. Policy gaps and implementation issues are identified and recommendations made for further design and implementation of social protection provisions that would guarantee an SPF for all residents and all children. The studies also seek to estimate the projected financial commitment needed in each country to implement proposed policies for closing “holes” in the SPF. As part of the social protection assessments, the ILO RAP model is used in each country to estimate the cost and affordability of implementing social protection recommendations.

To conduct the assessment based national dialogue, there are three steps involved:

- Step 1: Building the assessment matrix;
- Step 2: Costing policy options using the RAP model; and
- Step 3: Finalization and endorsement.

Figure 6. Steps of the assessment based national dialogue exercise



In Thailand the exercise was carried out from June 2011 to March 2013. In Indonesia it was carried out from April 2011 to November 2012.

How do we ensure that all stakeholders are involved from the outset?

The assessment based national dialogue is a participatory approach to identifying priority policy options for the successful and coordinated development of nationally defined social protection floors. Therefore, all relevant stakeholders, including line ministries, local government bodies, workers’ and employers’ organizations, civil society organizations, academicians, and development partners, should be involved from the outset.

This process takes over one year and entails bilateral consultations, tripartite workshops, and technical seminars to progressively devise a shared vision for the social security situation, the identification of policy gaps and implementation issues, and to draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in line with international labour standards. The participatory approach adopted throughout the ABND exercise raises awareness among line ministries, workers' and employers' representatives, civil society organizations, and UN agencies regarding the social protection floor concept, its relevance for the country, and the importance of a coordinated, holistic approach to social protection development.

In Thailand, the assessment was conducted jointly by the Royal Thai Government (RTG)/UN team on social protection under the shared leadership of the Ministry of Social Development and Human Security and the ILO. The process also involved civil society organizations, workers' and employers' representatives, and academicians. The report was launched on 10 May 2013 at the Government House in the presence of the Minister attached to the Prime Minister's Office, the Minister of Labour, and the Minister of Social Development and Human Security.

In Indonesia, the assessment was conducted by the United Nations Partnership for Development Framework (UNPDF) sub-working group on the social protection floor under the leadership of the ILO. Several UN agencies contributed to all the steps of the process. Consultations with relevant ministries, government agencies, workers' and employers' organizations, and civil society were conducted at the national and provincial levels (in three provinces to reflect decentralized viewpoints). The Ministry of Planning and Development, Bappenas, progressively took over the coordination of the process on the government side. The Vice Minister of Bappenas and the ILO country Director jointly launched the report on 6 December 2012.

Working with stakeholders who have sufficient political power and technical expertise is critical to avoid future blockages in the process.

STEP 1 – Building the assessment matrix

The assessment matrix lists and describes the existing social security schemes for each of the four SPF guarantees, identifies policy gaps and implementation issues, and provides policy recommendations to further design and implement social protection provisions with the aim of guaranteeing, at a minimum, the SPF to all residents and children.

STEP 1 answers the following questions:

- What is the social security situation in the country for each of the four SPF guarantees (access to health care, income security for children, income security for the working age, and income security for the elderly)?
- For each guarantee, what are the different schemes? What are the planned schemes?
- For each scheme, what is the population covered? What are the types of transfers (in cash, in kind, access to services)? What are the levels of benefits?
- Are some parts of the population excluded by law (policy gaps)?
- Are some parts of the population excluded in practice (implementation issues related to inclusion and exclusion errors, budgetary constraints, or mismanagement)?
- What could be recommended to close the policy gaps and solve implementation issues?

Figure 7. The assessment matrix

	SPF objectives	Existing SP provisions	Planned SP provisions (strategy)	Policy gaps	Implementation issues	Recommendations
Health	Four SPF guarantees	Identifying existing situation in the country		Identifying policy gaps and implementation issues, addressing which would complete the SPF		Priority policy options, to be decided through national dialogue
Children						
Working age						
Elderly						

Building the assessment matrix cannot be done through bilateral consultations only. Rather, it requires the organization of workshops involving all relevant stakeholders.

From STEP 1 to STEP 2

Recommendations may be of two types:

First type – recommendations related to the expansion of the social protection floor:

- cover more people;
- increase levels of benefits of existing non-contributory schemes;
- introduce new non-contributory benefits or programmes.

The cost of implementing such recommendations can be assessed using the ILO RAP model

Second type – other recommendations:

- new or expanded mandatory or voluntary social insurance (e.g. establish an unemployment insurance system);
- recommendations related to the operations and coordination between schemes (e.g. improve targeting mechanisms);
- qualitative recommendations (e.g. improve the education system).

The cost of implementing such recommendations requires in-depth studies (beyond the ABND exercise)

The ILO RAP model is only suitable to assess the cost of introducing the recommendations of the first type.

To facilitate the cost calculation process, it is important to translate the broad policy recommendations into specific policy options or scenarios. For instance, to calculate the cost of establishing a child allowance, we need to choose a number of parameters:

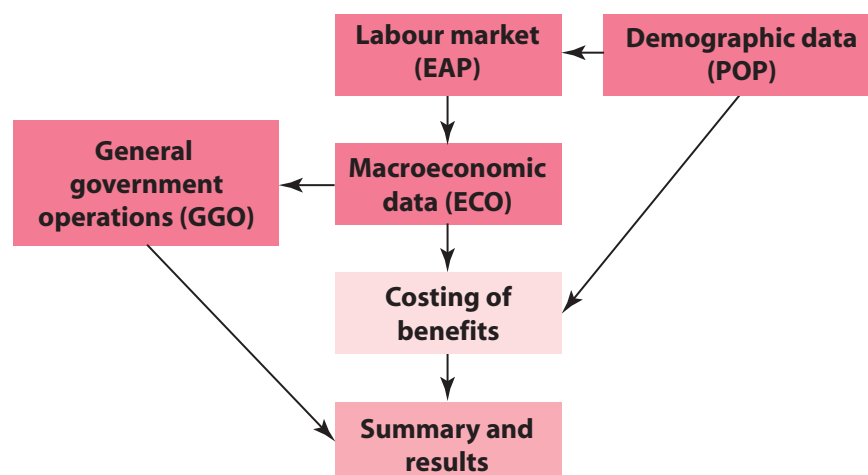
- Is it a universal or targeted child allowance?
- If targeted, will it cover poor children, very poor children, or other specific groups?
- Which age groups are eligible (for example, 0 to 3 years of age, 0 to 6, 6 to 11, and so on)?
- What is the monthly amount of the grant (total amount in the case of introducing a new benefit or additional amount in the case of increasing an existing benefit)?
- Is the allowance limited to a number of children per household?
- What is the indexation method applied to determine the level of benefits in future years?
- Other considerations.

STEP 2 – Costing policy options using the RAP model

Once the recommendations have been transformed into scenarios, the costs of the proposed social protection provisions are then estimated and projected over a ten-year period using the ILO RAP model. This costing exercise can serve as a basis for discussions on the fiscal space and government budget reallocations. In turn, the results of the costing exercise can help prioritize between possible social protection policy options.

The ILO RAP model is an Excel tool including three types of worksheets.

Figure 8. The ILO RAP model



The first type of worksheet (blue sheets) contains the following input data:

1. Demographic framework (POP worksheet) – Population data per single age and sex are inputted together with population projections.
2. Labour participation rates (LPR worksheet) or activity rates (AR worksheet) – Male and female labour participation rates are entered per age group together with projections.

3. Economically active population (EAP worksheet) – The worksheet contains the result of data from the POP worksheet multiplied with data from LPR/AR worksheet.
4. Macroeconomic framework (ECO worksheet) – Various economic indicators are recorded and projected, including the inflation rate, average monthly wage, minimum wage, poverty line(s), poverty rate(s), gross domestic product (GDP) growth rate, GDP at constant price, GDP at current price, GDP deflator, labour productivity, unemployment rate, and so on. These indicators will be used to calculate and project the cost of social protection provisions and to express these cost estimates as a percentage of GDP.
5. General government operations (GGO worksheet) – The worksheet provides information on the government's revenues (tax and non-tax) and expenditures. This information will be used to express the cost estimates of proposed policy options as a percentage of the government's expenditures.

The second type of worksheet (green sheets) requires participants to describe each policy option, choose detailed parameters, and use the blue sheets to calculate the cost of introducing the policy options. Participants shall create at least one sheet per SPF guarantee.

The case study attached to this guide includes six sheets corresponding to:

- health care guarantee;
- children guarantee;
- working age guarantee;
- old age guarantee;
- maternity guarantee;
- human immunodeficiency virus (HIV) guarantee.

In most countries, trying to find reliable data is a challenge. It is important to partner with institutions such as the Institute of Statistics in Indonesia, or research institutes such as Health Insurance System Research Office (HISRO) and Thailand Development Research Institute (TDRI) in Thailand that can provide comprehensive and coherent datasets together with sound macroeconomic projections. Data from national sources should be given priority, including household surveys for age distribution, determination of specific parameters, quantification of beneficiaries, and persons covered by existing schemes. Existing international data sources may also be used, notably for projections. These include the UN Population Prospects, the ILO's labour force estimates and projections, the IMF's government finance statistics and projections, among others. Additionally, technical experts may have to be consulted to decide on the parameters for calculating the cost of the scenarios. In Indonesia, for instance, the Joint United Nations Programme on HIV/AIDS (UNAIDS) supported the development of the scenarios related to HIV/AIDS.

The third type of worksheet (red sheet) presents the final results of the RAP model. Participants can propose several combined benefit packages and present for each the results of the cost calculations and projections. The results are expressed in national currency, as a percentage of GDP, and as a percentage of government expenditures. Low and high combined benefit packages can be proposed in order to give several options to the government. Graphs depicting the cost calculations and projections can be generated in Excel.

The cost of introducing the combined benefit package is then added to government expenditures, resulting in most cases in an unbalanced budget. This means that additional fiscal space needs to be created by increasing revenues or reallocating expenditures.

STEP 3 – Finalization and endorsement

The recommendations are shared with government representatives, workers and employers, and civil society organizations with a view to validate the report technically and have it endorsed politically.

The technical validation includes the confirmation of the description of the social security situation, the endorsement of the proposed scenarios, and the validation of the parameters and assumptions used in the cost calculations. The technical validation process can be quite lengthy and time consuming given the number of relevant actors (and particularly the number of relevant ministries: health, education, labour, social affairs, planning, finance, and so on). Using a national coordination mechanism helps to accelerate and ease the process. In Thailand, for instance, the Subcommittee on Policy and Planning of the National Commission on Social Welfare – which includes all relevant line ministries – coordinated and compiled all technical comments on the draft ABND report.

In addition to the technical validation, a political endorsement of at least some of the policy recommendations proposed in the report needs to be reached. This can only be achieved by communicating and advocating for the recommendations at the ministerial level. Finding a champion that will advocate for these recommendations at the highest level may be an efficient strategy. In Indonesia, the Ministry of Planning (Bappenas) has taken over the role of advocating for the recommendations of the assessment report. In Thailand, the National Economic and Social Development Board (NESDB) is supporting some of the recommendations of the report, such as the development of a comprehensive long-term care system and a child support grant.

To advocate for and promote some specific policy options from the ABND exercise, one can bring evidence from other countries, develop models that demonstrate the impact of those policy options on the sustainable reduction of poverty, increase in employment, economic growth and other indicators, develop rate of return models, and use marketing and communications to inform the general public, civil society networks, workers' and employers' representatives, the parliament, and the government.



Takeaway message:

The assessment based national dialogue exercise is a methodology developed by the ILO to support ILO Member States in further developing nationally defined social protection floors. The joint development of an assessment matrix aims to diagnose the social security situation in a country, identify policy gaps and implementation issues, and propose new or expanded SPF provisions. Based on the ILO RAP model's calculations, the cost of introducing these provisions is assessed and projected over a number of years. The shared diagnosis of the social security situation and results of the RAP model feed a national dialogue on future national social protection priorities for action.














textbook



e-box

Resources:

	Master module 4 – Introduction to the assessment based national dialogue exercise		
	Presentation – Introduction to the assessment based national dialogue exercise		
	Presentation – The experience of conducting the ABND exercise in Indonesia		
	Introduction to the assessment based national dialogue exercise		
	Part 1 – ABND process towards achieving the SPF		
	Part 2 – Conducting the ABND exercise in Indonesia		
	Part 3 – Questions and opinions		

e-box available at: <http://www.social-protection.org/gimi/pages/abnd/>