Improving social protection financing through synergies with public finance management

December 2024

Summary

The brief presents concrete lessons learned and recommendations derived from the implementation of the European Union-funded Improving Synergies Between Social Protection and Public Finance Management (SP&PFM) Programme, to continue developing innovative options for reaching increased and sustained social protection coverage and financing and improving public finance management of social protection. The International Labour Organization (ILO), the United Nations Children's Fund (UNICEF) and the Global Coalition for Social Protection Floors (GCSPF) jointly implemented the Programme under the ILO's Global Flagship Programme on Building Social Protection Floors for All. The brief further highlights what has been learned and the good practices and innovations that have been used during the four years of implementation in 24 countries.

In its concept, the Programme was built around the idea of boosting and enhancing investment in social protection, notably through increased and progressive domestic resource mobilization and improved public finance management (**PFM**) that are informed by a rights-based approach and international social security standards.[1] This approach includes in its methodology, estimating costs of social protection needs; conducting fiscal space analysis and assessing different financing options; reviewing rules of public finance management of social protection budgets; presenting options for funding and expenditure efficiency; improving budget programming, classification and delivery; and increasing compliance with social security laws relating to public finance, transparency and participatory accountability.

This brief draws from the experiences and results of partner countries and the global research agenda within the SP&PFM Programme between 2020 and 2023. The good practices relate to the development and application of methodologies and tools to support countries improving the PFM of social protection. The lessons learned and the new practices acquired over this period should provide useful guidance to policymakers, practitioners and social partners

- For more information on the SP&PFM Programme's objectives, approach, and implementation in partner countries, visit the SP&PFM Programme website.
- For more detailed information and orientation on the creation of fiscal space for social protection, visit the ILO and UN Women's Fiscal Space for Social Protection. A Handbook for Assessing Financing Options and UNICEF's Public Finance toolkit.
- Expanding the fiscal space and improving PFM for social protection is also part of the ILO Flagship Programme on Building Social Protection Floor. To learn more, visit the Flagship thematic area: financing.

1 ILO, 2022: Investing more in universal social protection. Filling the financing gap through domestic resource mobilization and international support and coordination (ILO Working Paper 42, Geneva)
ILO, 2022: Investing better in universal social protection. Applying international social security standards in social protection policy and financing (ILO Working Paper 43, Geneva)

Context

The COVID-19 crisis has shown that social protection is essential to protect people, economies and societies in the event of systemic shocks. It has highlighted the urgency of building national social protection systems that are universal, robust and sustainable. According to the latest World Social Protection Report (ILO 2021b) gaps in the coverage, comprehensiveness and adequacy of social protection systems are associated with significant underinvestment in social protection, particularly in Africa, the Arab States and Asia and the Pacific. Worldwide, countries spend on average 12.9 per cent of their gross domestic product (GDP) on social protection (excluding health), but this figure masks staggering variations. With low-income countries spending as low as 2.1 per cent of their GDP on social protection, including on essential health care, it is calculated that they will need an additional $308.5 billion (52.3 per cent of their GDP) to close the financing gap for building social protection floors (Cattaneo et al. 2024).

The economic outlook dramatically changed during the period of implementation of the SP&PFM programme (2020–2023). Thus, in October 2019, prior to the COVID-19 pandemic, the International Monetary Fund (IMF) forecasted a global growth at 3.3 percent for 2020 and 3.4 percent for 2021. Its estimates for emerging markets and developing countries were even higher: 4.4 and 4.6 percent for 2020 and 2021 respectively (International Monetary Fund, 2019). The global financial conditions were conducive to fiscal expansions, with most countries easing their monetary and fiscal policies to spur investment and growth.[2]

The fiscal response required to sustain consumption during the COVID-19 pandemic and the subsequent inflationary pressures across the world changed financial conditions markedly (International Monetary Fund 2023). Many countries tightened their monetary and fiscal policies, leading to lower economic growth and investments in social policies. Additionally, debt stock increased rapidly, alongside debt service, pushing several countries into default (World Bank 2023). Further still, trade tensions and conflicts brought about higher food and energy prices, fuelling social discontent. It was in this context that fiscal space effectively vanished in most developing countries. By the end of the SP&PFM Programme, other strategies were required to increase or fortify social protection spending.[3]

Main lessons learnt and results achieved

Differentiating financing and Public Finance Management (PFM)

An important takeaway from the implementation of the SP&PFM Programme is that the concepts of financing and PFM should be more clearly delineated. Debates on social protection financing focuses on the source of funding, the presence of short- or long-term gaps, the distribution of the financing burden or strategies for increasing resources. It is hence axiomatic that financing dilemmas are inherently tied to policy choices.

PFM, then, is implicitly associated with laws, organizations, systems and procedures aiming at utilizing resources effectively, efficiently, and transparently. Good PFM is instrumental in ensuring revenues are collected efficiently and used appropriately and sustainably. Although PFM initially encompassed specific processes like budgeting, procurement, cash and debt management and accounting and auditing, these typical aspects have assumed a more sophisticated character as PFM comes to be viewed increasingly as a governance system that also includes strategic planning and risk management, as well as impact and performance evaluation. The first approach emphasizes adherence to narrow rules, whereas the second adopts a more dynamic approach, allowing a government to increase revenues on the basis of its own policies or implement a more systematic learning process that connects policy making with fiscal policies (for example, what policies work and why).

Therefore, the scope of PFM within the social protection sector will encompass such elements as: budgeting rules and procedures (though not about the amounts per se); regulations that ensure the timely disbursement of benefits; reporting obligations; institutional set-up for overseeing the Ministries or agencies; and responsibilities and periodicities for carrying out audits.

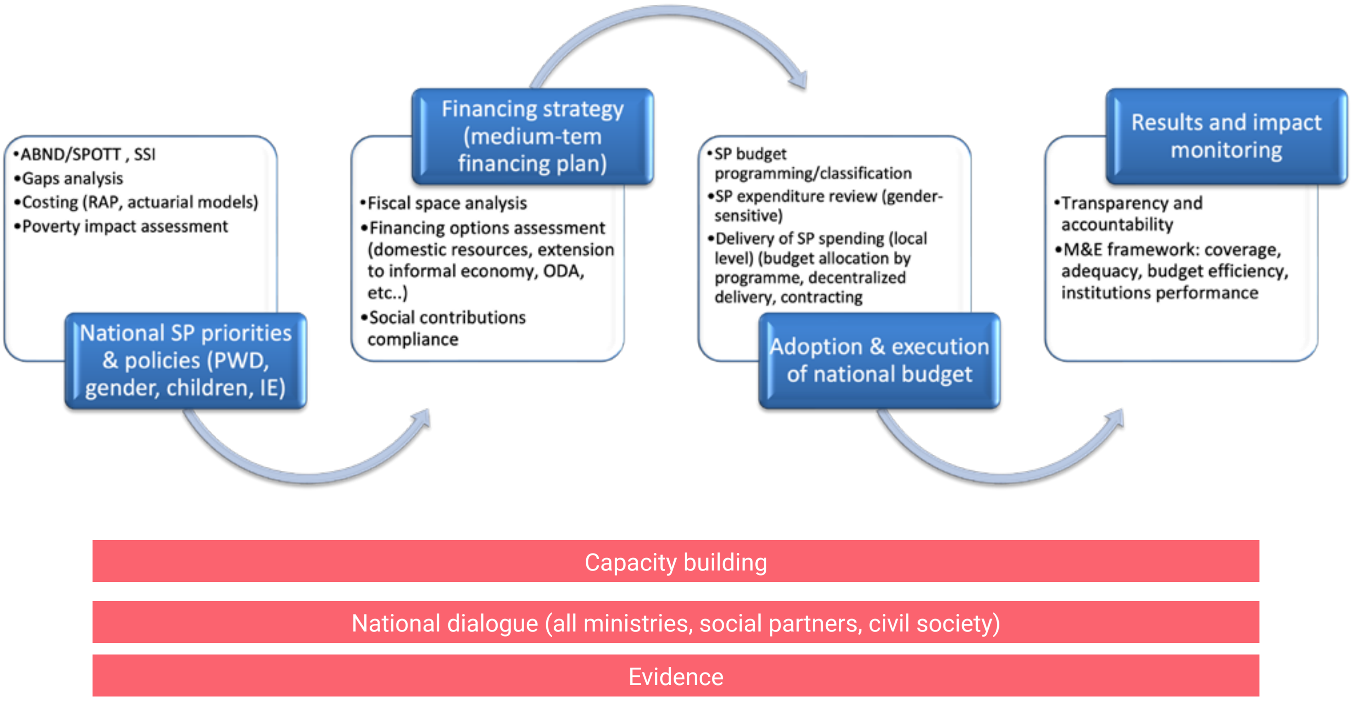
Figure 1 illustrates the complete budget cycle from planning to evaluation. PFM covers all six phases of the budget cycle, from planning to evaluation, with a focus on how each phase is executed.

The decision whether to emphasize financing or PFM will vary based on the availability of reform opportunities at country level. In a context where fiscal space does exist, efforts to ensure increased funding may be advisable, as has happened in the past decade. However, when fiscal space drops, rather than advocating for more investment, which conceivably may be unfeasible as an option, then focusing on improving efficiency in the expenditure of existing resources can potentially offer a more effective alternative.

2 Relevant examples include: Bangladesh, which increased from 0.26% to 0.75% between 2005 and 2016; Brazil, which increased from 10.55% to 12.74% between 2010 and 2019; Burkina Faso, which increased from 0.09% to 0.14% between 2017 and 2019; Costa Rica, which increased from 2.56% to 2.72% between 2005 and 2019; and Guatemala, which increased from 1.23% to 1.78% between 2006 and 2019.

3 In this context, engaging with the IMF to define "quantitative spending targets (typically referred to as "spending floors") on social and other priority spending, and specific reform measures designed to protect vulnerable groups" would be critical (International Monetary Fund, 2019).

Figure 1. Conceptual framework for illustrating the synergies between social protection and public finance management



A tool to assess social protection through a PFM-lens

The SP&PFM Programme contributed to improve understanding and build national capacities for optimizing the intersection of those two spheres. Improving PFM rules is a critical part of social protection systems for several reasons. Principal among them is that PFM aims at optimizing the use of available resources by reaching as many beneficiaries as possible and ensuring the highest level of protection. Additionally, transparency and accountability regarding both the achievements and shortcomings of each social protection programme are crucial, as they form the foundation of the social contract underpinning the social protection system. ILO Social Protection Floors Recommendation, 2012 (No. 202) explicitly refers to the principle of "transparent, accountable and sound financial management and administration".[4]

To better assess the application of PFM rules and procedures within the social protection system, the SP&PFM Programme built the **Transparency and Accountability of Social Protection Resources (TASPR)** tool. It provides a framework to assess public finance management practices in social protection (systems and processes) that are objectively verifiable. The tool envisages moving beyond a diagnostic exercise to being used for strategic planning in social protection. It builds upon the Public Expenditure and Financial Accountability (PEFA)[5] programme and the Good Governance Guidelines of the International Social Security Association[6] (PEFA programme 2022; International Social Security Association).

Based on a sample of social protection programmes, the TASPR tool assesses the alignment of actual practices with international PFM standards. The identification of gaps will accordingly inform a multi-ministerial dialogue to design an improvement plan and monitor its progress. Furthermore, it is intended to serve as a reference for PFM in social protection, especially in countries where international institutions and donors are providing (or planning to provide) technical assistance and budgetary support in social protection. For its effective application as a diagnostic, it requires strong involvement from all government agencies that implement social protection programmes. Moreover, it can be carried out either as an external assessment or as a self-assessment.

Table 1 lists a selection of indicators and dimensions of the TASPR tool. Individual social protection programmes are the unit of analysis. However, TASPR also tracks some aggregate indicators that focus on the existence of an overarching social protection budget and a performance review report linked to the national social protection strategy (Dimensions 1.3 and 1.4). Module IV includes some dimensions looking at service delivery, including the respect of beneficiaries' rights or the existence of disclosure policy on the management of public resources allocated to social protection. Dimension 10.1 assesses the existence and relevance of performance

4 R. 202 also argues that "Impartial, transparent, effective, simple, rapid, accessible and inexpensive complaint and appeal procedures should also be specified. Access to complaint and appeal procedures should be free of charge to the applicant. Systems should be in place that enhance compliance with national legal frameworks."

5 See: https://www.pefa.org/.

6 See: Introduction | International Social Security Association (ISSA).

indicators by programme, urging social protection systems to identify key performance indicators. Finally, Module VI investigates the accountability and control carried out by internal or external stakeholders, including the obligation to participate in hearings at the legislative authority.

▶ Table 1 - Government revenue, percent of GDP (% of GDP)

Performance Indicator	Dimension	Requirement
Module I: Strategic planning and risk management		
PI-1. Social protection strategy	Dimension 1.3 Social protection strategy and budgeting	Selected programmes are part of a strategic plan that includes a supporting, annual budget for the entire planning period at the programme level and at least at the GFS 2-digit level
	Dimension 1.4 Reporting on social protection strategy	A performance review report that describes progress made with regard to its social protection strategy
Module II: Budget reliability		
PI-4. Expenditure composition	Dimension 4.1 Expenditure composition outturn by programme	Variance in expenditure composition by programme classification
PI-5. Revenue	Dimension 5.3 Revenue composition outturn by category (contributions, government transfers, income from assets etc.)	Variance in revenue composition
Module III: Financial sustainability		
PI-6. Long term sustainability	Dimension 6.1 Actuarial valuation	All expenditures of contributory programmes (at least 90%) correspond to programmes that have undergone an actuarial valuation that was conducted in accordance with prescribed time periods
Module IV: Transparency and service delivery		
PI-10. Performance information for service delivery	Dimension 10.1 Performance plans for service delivery	Information on performance indicators (outputs to be produced and the outcomes planned) for all programmes (more than 90%) is included in the budget or another report prior to the approval and execution of the budget
	Dimension 10.2 Performance achieved for service delivery	Information on annual outputs produced and outcomes achieved for all programmes
PI-11. Public access to information	Dimension 11.1 Public access to social protection data	A comprehensive policy on disclosure that is publicly available
	Dimension 11.2 Members' rights and privileges	Procedure for informing members about their rights and privileges
	Dimension 11.3 Members' duties and responsibilities	Established procedure for informing members about their duties and responsibilities

Module V: Programme implementation and internal control		
PI-12. Contributions administration	Dimension 12.1 Rights and obligations of contributors	Programmes have access to an appeal and redress mechanism that is outside the implementing unit
PI-13. Accounting for revenue	Dimension 13.1 Information on contributions collection	Programmes provide at the very least monthly reports on income data that is broken down by revenue type
PI-14. Benefits administration	Dimension 14.1 Rights and obligations of beneficiaries	All selected programmes (at least 90%) have access to an appeal and redress mechanism that is outside the implementing unit
	Dimension 14.3 Benefits administration audit and investigation	
Module VI: Audit and external scrutiny		
PI-18. External audit	Dimension 18.1 Coverage of external audit	All selected programmes (at least 90%) have been subject to external audit in at least one of the last two completed fiscal years
PI-19. Legislative scrutiny	Dimension 19.2 Hearings on social protection policies	Hearings on key elements of the social protection programmes (planned and actual)

Source: TASPR final report

Since the TASPR is carried out at programme level, it can uncover different practices in the use, control and reporting procedures within the various social protection systems and in turn, encourage agencies to introduce improvements. The box below summarizes the experience of piloting the tool in Paraguay.

▶ Box 1. TASPR pilot in Paraguay

In March 2023, the Government of **Paraguay** and the ILO agreed to pilot the TASPR under the leadership of the Budget General Directorate (BGD) of the Ministry of Finance.

Both the BGD and the ILO agreed upon the list of eleven programmes to be assessed in the period extending from 2020 to 2022. The list included old-age pensions of civil servants and private sector employees, health insurance benefits, a housing programme, the hitherto largest anti-poverty cash transfer programme, a child-programme and the non-contributory pension.

In July 2023, the six modules of TASPR were submitted to the corresponding implementing units for them to conduct the self-assessment, with in-country and remote ILO support mediated through a technical mission, bilateral meetings with implementation units and remotely delivered support. By mid-September, three programmes had submitted their self-assessments, including the non-contributory pension for older persons living in poverty and the old-age pension for employees in the financial sector.

The ILO consolidated the overall assessment based on self-assessment of the three programmes and presented it to the Government of Paraguay. The pilot validated the approach and the usefulness of the analysis but simultaneously highlighted the time and collaboration required to ensure participation of the several institutions involved.

The narrow window of fiscal space

Many developing countries have gradually increased their revenues as a share of their GDP (see Figure 2). In **Colombia**, for example, the government more than doubled its revenue from 12.4 per cent in 1997 to 27.7 per cent of GDP in 2021. This has led to the creation of new opportunities for investing in social protection.

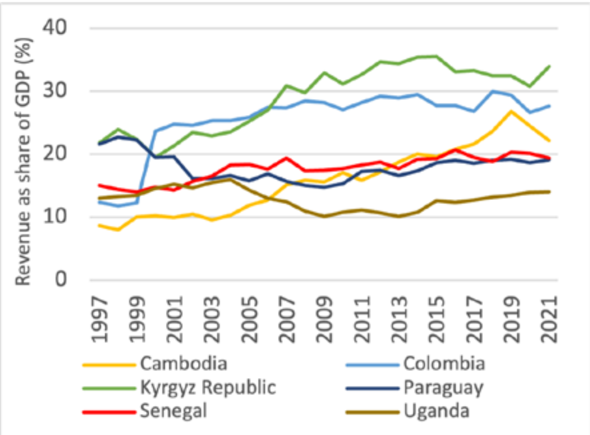
While evidence has been adduced that testifies to the positive effect of social protection expenditure on economic growth through the multiplier effect study[7], one major lesson learned from the SP&PFM programme is that practitioners may overestimate

7 The Programme conducted research on the multiplier effect of social protection expenditures on GDP growth. The median cumulative multiplier for the 42 countries is 1.52 over 10 quarters. See working paper: The multiplier effects of government expenditures on social protection: A multi-country study

the likelihood of increasing the fiscal space (Cardoso et al. 2023). First, the creation of fiscal space is in fact not that common in general: major fiscal reforms do not happen often, especially those involving corporate or income tax overhauls. Secondly, even when governments do secure additional fiscal resources, directing them toward social protection programmes is not straightforward. Many other sectors and priorities, particularly in developing countries with urgent needs in health, education and skills development, employment and basic infrastructure such as water and sanitation, also compete for resources, especially in a world that is coping with the climate crisis.

However, the SP&PFM Programme has achieved some key successes in increasing fiscal space for social protection. For example, **Senegal** decided to reduce its fuel and electricity subsidies in favour of social programmes.[8] The national family security allowance rose by 40 per cent at the beginning of 2023 in absolute terms, corresponding to a quarterly benefit increase from CFA francs 25,000 to CFA francs 35,000 to cushion the effect of the energy price increase. Additionally, in **Nepal**, in a context of rapid expansion of social protection spending, social protection allocations rose from NPR 125 billion in 2019/20 to NPR 203 billion in the financial year 2022/23 (UNICEF 2023).

▶ **Figure 2 - Government revenue, percent of GDP (% of GDP)**



In a context of tight fiscal space, reallocation of resources could also be fruitfully explored: opportunities for governments to increase their investment in social protection do exist – the bottom line is to get the right balance between advocating for additional resources for social protection and enhancing the use of existing resources through improved data, monitoring, accountability and budgeting procedures.

Investing in social protection statistics

Owing to a lack of solid statistics, countries do not track – in fact, in many cases have impaired ability to track – their social protection spending on an annual basis. While substantial resources in terms of time and people are devoted to defining social protection plans and strategies, little support is provided to defining social protection in budgetary terms and to the systematic tracking of such a definition.

The Classification of the Functions of Government (COFOG) allows government expenditure to be classified on the basis of its functions (its 'whys and wherefores') and it is structured in ten divisions (International Monetary Fund 2014)[9]. Thus Division 10 refers directly to social protection. The seven groups covering the Social Protection function are: sickness and disability; old age; survivors; family and children; unemployment; housing; social exclusion and any other expenditure not classified above.

However, these classifications may be imperfect categories of actual social protection spending as per its national definition; for example, a particular country may decide to exclude housing benefits from its social protection definition. Accordingly, the COFOG estimate would be larger than the nationally defined social protection spending. Conversely, under COFOG, universal school feeding programmes are not classified under social protection but under education. Hence, it is important for countries to align their National Accounts to their social protection definition. The European Union, for instance, combines health care with social protection spending and has developed a manual to guide its Member States in the differences between the European System of Social Protection Statistics and COFOG (Eurostat 2021).[10]

Beyond these differences, only a few countries do provide frequent public information on the level and details of

▶ **Table 2 - Bridge table by Function ESSPROS/COFOG**

Functions of government COFOG / ESSPROS functions	Cofog 7.1-7.4 + Cofog 10.1	Cofog 10.2	Cofog 10.3	Cofog 10.4	Cofog 10.5	Cofog 10.6	Cofog 10.7
	Health, sickness and disability	Old age	Survivors	Family and children	Unemployment	Housing	Social exclusion n.e.c.
1. Sickness/Health care							
2. Disability							
3. Old age							
4. Survivors							
5. Family/children							
6. Unemployment							
7. Housing							
8. Social exclusion nec							

8 Contribution of the SP&PFM programme.

9 See: [IMF's Government Finance Statistics.](#)

10 See : [Links and differences between Social Protection Statistics (ESSPROS) and National Accounts](#). ESSPROS includes medical care provided in the framework of social protection to maintain, restore or improve the health of the people protected.

social protection spending and the only alternative for the time-being has been to carry out ad-hoc analyses of social protection budgeting (for example, Angola, Viet Nam and Nepal). However, this approach does not guarantee alignment with the national definition nor consistency over time.

Therefore, in the next decade, national statistics offices and line ministries involved in social protection budgeting should consider how they might continue strengthening systematic and sustainable partnerships with the support of development partners. This will contribute to the establishment of a system of consistent social protection statistics that might enable developing countries to track their nationally defined systems, international standards, such as COFOG or any other definition adopted.

▶ Table 3. Last year of available data on Social Protection spending with respect to COFOG and Social Benefits in the IMF database

	COFOG - Social Protection	GFS - Social Benefits
Angola		
Bangladesh		
Burkina Faso		2021
Colombia		2022
Ethiopia		
Kenya	2020	2021
Kyrgyzstan	2021	2021
Lao PDR		
Nepal	2021	2021
Paraguay		2021
Senegal		2021
Sri Lanka		
Uganda		2021
Viet Nam		
Zambia		

Source: IMF, Government Finance Statistics

Technology is necessary but not sufficient in itself

Technology is a key driver and facilitator for improving data availability, transparency, and control. Most procedures can be shortened and improved with the use of technology. As can be seen in table 4, the social security agency of Nepal has built a phone-based complaint registration system and a comprehensive client interface and Zambia has created a dashboard that shows real-time data by programme, allowing social protection managers to identify problems or opportunities early on. These data can be harnessed not only to track social protection programmes but also to measure and evaluate how they work and whether changes lead to improvements.

Technology can be a major driver of trust in the social protection system. Access to information, easy processes to file complaints and the use of new technologies to enforce compliance and conduct inspections may help the system to build faith and trust among the population that it will work to ensure their wellbeing (ILO 2021a). Nevertheless, technology per se will not improve the use of resources. The data must be captured, analysed and then transformed into action via changes in procedures or even with complete overhauls of the programmes. Thus, while technology is a key enabler, it must be embedded in a system that brings about learning, adjustment and change. When developing countries decide to introduce IT solutions, development partners can provide support, technical or financial. However, bringing about the institutional and cultural change required to use data and transform or adjust programmes accordingly must be clearly driven by governments and social partners. The Digital Convergence Initiative funded by the EU will take advantage of these lessons learned when promoting the interoperability of social protection systems in developing countries.

Strengthening institutional capacity

The SP&PFM Programme carried out several trainings on PFM-related topics for ministries of finance and those in charge of social protection, as well as for representatives of workers and employers and civil society.

In 2023, two trainings were carried out via the ILO's International Training Centre to bring together civil servants of ministries of finance, social protection and employment as well as trade unions and employers. The short-term objective was to build up capacities in social protection and public finance management. In time, some modules will be included in the International Training Centre's course on public finance for social protection analysts.

Through the Global Coalition for Social Protection Floors (GCSPF), the SP&PFM programme could build up the capacity of civil society and trade union advocates to ensure that social protection is well integrated into the public finance management process. Drawing on expertise within the wider Coalition, a training package on public finance management and social protection tailored to civil society organizations and trade unions was developed in English and French. In 2021, training sessions were conducted in Cambodia, Nepal, Senegal and Uganda. In these countries, the advocacy capacity of civil society networks was strengthened, allowing them to engage with relevant government stakeholders on policy development, such as parliamentarians (Uganda), central and local governments (Nepal and Senegal) or the National Social Protection Council (Cambodia).

Can we control if we do not measure?

Working closely with government officials from the various partner countries, the Programme found that, at least from a social protection perspective, while an urgent need for reforms on audits and evaluation may exist, it is nonetheless found that many are not effective when there is a dearth of available basic data. Most countries lack the capacity to systematically track their social protection spending in aggregate or at programme level. Introducing complex auditing or accountability obligations in such cases can be counterproductive, as these would be based on insufficient data.

Therefore, it may be advisable to first build the capacity to register and track programme-level data, from aggregate to individual beneficiary spending. Once the foundation is in place, social protection systems can then address more complex reforms, including implementation data and reporting requirements. The sequence of reforms could align with the budget cycle (see figure 1).

Small steps, incremental reforms

International agencies and development partners often aim for overarching reforms intending to change the whole repertoire of PFM regulations and obligations or social protection frameworks. However, in practice, these comprehensive systemic changes rarely happen. In the course of the SP&PFM Programme, limited and specific opportunities arose to improve a particular PFM process or reporting (see table 4).

Since these opportunities may not be easily identifiable from outside the institutions, creating these changes would require building an engagement with the institution in charge of the PFM rules or process in a relationship that is both close and founded on mutual trust.

Finding SP&PFM reform champions

One observation acquired as a result of the SP&PFM Programme is that several national stakeholders, including social partners and civil society organisations, have a strong interest in advocating for extending social protection through expanded legal coverage and more flexible eligibility criteria or higher benefit levels. Usually, institutions in charge of the execution of social protection programmes naturally take the lead in advocating for higher investment in social protection, either convinced of its social and economic returns or else just interested in expanding the status and budget of their institution.

PFM reforms, however, may not be as popular among implementers. From their perspective, these reforms may represent “net costs”, since they involve new steps in a process, external control or additional reporting requirements. While some leaders may push for transparency and accountability out of wholehearted conviction, this is not always the case. Often, PFM reforms in the social protection sector may be driven by pressure from higher level institutions and echelons of government, such as a prime minister, a ministry of finance or by congress, and may be used as leverage to introduce reforms. Alternatively, reforms might be spurred by participants, beneficiaries or the general population. Trade unions might call for social security agencies to improve their transparency by regularly publishing actuarial valuations, introducing online calculators to estimate future pensions or releasing annual statistics on work injury benefits, for instance. Such pushes for greater transparency contribute to accountability and responsiveness, forging a stronger social contract, which, in turn, might lead to more resources becoming available in the medium to longer term through taxes and social security contributions.

Table 4 – Selected SP&PFM reforms supported by the Programme

Cambodia	Reporting and transparency: the Programme has helped to improve the annual report of the National Social Security Fund of Cambodia. These changes will increase transparency and accountability; consolidate financial statements per scheme; provide data on active members (not on every worker who contributed at some point in time); and introduce a new section on service quality reporting on customer care, claims processing, conflicts resolution etc.
Nepal	Customer service: A detailed business process review of the Social Security Fund (SSF)’s core workflow functions was undertaken by the Project with the key objective of improving workflow processes, innovating internal operations, increasing process performance and improving the SSF’s service delivery, focusing on: (i) employer registration; (ii) contributor registration; (iii) grievance redress mechanism; (iv) contribution collection and reconciliation; (v) hospital registration; (vi) medical claim management; (vii) non-medical claim management; (viii) claim payment; (ix) loan administration; (x) payroll; and (xi) investment process.
	Transparency: The Social Security Fund has developed a system to receive and respond to complaints registered through a call centre. In addition, the organization has a dedicated staff to respond to queries and complaints received through social media.
	Evaluation: The Ministry of Finance was supported to establish an Economic Lab to promote evidence-based policy making process. To this end, the Lab is intended to be engaged in problem solving, researching, modelling and analysing contemporary policies and their effectiveness in achieving policy goals.
Paraguay	Training: SP&PFM developed training opportunities to allow public policy design and monitoring specialists to incorporate modern PFM practices that are aligned with Paraguay's new budgeting and monitoring framework.
Viet Nam	Budget analysis: A framework for the measurement of expenditure in social protection programmes and social policies in Viet Nam has been finalized and endorsed by the Government.

Zambia	Transparency: Creation of Real-Time NHIS Indicator Reporting Dashboards to generate and report the performance of the Scheme through real-time interconnection to membership, contribution and claims data. This dashboard has been created for the National Health Insurance Management Authority's (NHIMA) Executive Committee, who now receive daily reports on the performance of the Scheme with respect to key indicators for decision making.

Source: SP&PFM final report.

The right balance

The main challenge when designing PFM rules for the social protection system – and probably other social policies – is to strike the right balance between regulation and flexibility. Since most countries start with weak controls, limited accountability and insufficient data, the emphasis is on establishing procedures and systems to address these limitations. However, in countries with already strong systems, excessive control can be counterproductive and research has shown that a continuous expansion of rules and policies is a common feature of democracies. This phenomenon is denoted by such concepts as continuous "rule growth", "policy layering" or "policy accumulation". (Adam et al. 2019; Hacker 2004; Kaufmann and van Witteloostuijn 2018; Knill et al. 2020).

Social protection programme managers, then, should not dedicate most of their time to dealing with PFM-related processes. Their primary focus should be on ensuring that programmes operate smoothly; for, social protection and PFM rules should not be a burden but should primarily exist to support the programmes. Managers should encourage programmes to collect accurate data, publicize achievements, highlight shortcomings and seek solutions that are conducive to operational improvements but all the while ensuring that the programmes do not become an end in themselves.

Conclusion

The SP&PFM Programme has identified key synergies on financing, public finance management and social protection.

First, practitioners and government officials working in social protection should carefully assess the financing landscape to determine the prospects of increasing fiscal space. Additionally, they should consider achieving a better balance between mobilizing new resources and improving the PFM rules and procedures. Greater transparency, improved data and clear accountability are key to ensuring efficiency, effectiveness and buy-in.

Second, while technological solutions are often necessary for PFM reforms, they alone are insufficient. Improvements in PFM and social protection require a long-term vision. Changes are typically slow and gradual, necessitating ownership by current and future users and they are part of a process that takes time.

Finally, to ensure sustainability, national and international stakeholders should move from an ad-hoc snapshot analysis of the social protection financial landscape towards greater investment in building capacities in developing countries so as to capture, compile and publish social protection spending data.

The SP&PFM Programme has developed methodologies, tools and training materials that can be used by representatives of government, employers, workers and civil society for the purpose of sustained engagement in improving public finance management so that in the long term, it may deliver more comprehensive, adequate and sustainable social protection for all.

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