

## CONTENTS

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### Scenario

## Republic of Opar



<b>1</b>	<b>BASIC INDICATORS</b>	<b>2</b>
<b>2</b>	<b>THE SOCIAL PROTECTION SITUATION OF OPAR</b>	<b>4</b>
2.1	Introduction	4
2.2	The Legal Framework	4
2.3	Governance: Institutions, Structures, Capacities and Standards	4
2.4	Coordination on Policy and Programme/Institutional Level	5
2.5	Administration	5
2.6	Management Information Systems and Data Integration	6
2.7	Selection and Identification	7
2.8	Finance	7

## THE SOCIAL PROTECTION SITUATION

While this big Southern African country is characterised by very arid conditions (with some agriculture along a big river crossing the country), it has discovered oil, which generated great economic resources at the hand of the state. This however stirred jealousies and political volatility. The distribution of wealth is a major issue, as large parts of the society do not benefit from national treasures.

# 1 BASIC INDICATORS

Here are some basic indicators that describe Opar:

Geographic	Large (900'000 km <sup>2</sup> ) country in Southern Africa, landlocked, very arid climate, mainly (semi-) desert (arable land 12% only along the main river crossing the country) with one large perennial river crossing the country. Freshwater is very scarce.
History	The country has historically been very sparsely populated due to the natural conditions; indigenous peoples have settled most of the land; only along the main river, farmers have settled the land for historic times. The country had been colonised by Germany and after World War II become part of the Commonwealth. It had been of little interest until recent times. In 1958 the country was one of the first to reach independence in a tense scenario, where neighbouring countries didn't come to calm until the late 1980's/early 1990's. With the surge of the oil economy and the discovery of a large oil basin, the country has attracted many powers and investors since the 1990s. The country had a stable de-facto one-party system until then, but with the surge of the oil, new opposition parties (backed by different interests) came into play. There was never an open civil war, but several crises in terms of tense situations with armed factions.
Demographic	<p><b>Population:</b> 21 million Moparo 83%, Sikari (nomadic indigenous) 11%, Others 6% (mainly European)</p> <p><b>Religions:</b> Christian 87%, others 2%, none 11%</p> <p><b>Languages:</b> Mopari 79% (official), English 17% (official), others 4%</p> <p><b>Age structure:</b> 0-14: 31%; 15-24: 24%; 25-54: 36%; 55-64: 5%; &gt;64: 4%</p> <p><b>Median age:</b> 23.8 years</p> <p><b>Population growth:</b> 1.1%</p> <p><b>Birth rate:</b> 19.9%</p> <p><b>Death rate:</b> 12/1000 popul.</p> <p><b>Net migration:</b> 4.3 migrants /1000 popul.</p> <p><b>Urban popul.:</b> 59%, urbanisation: 2.3%/year</p>

## THE SOCIAL PROTECTION SITUATION

Social	<p><b>HDI:</b> 0.56</p> <p><b>Dependency ratios:</b> total 54.2%, youth 47.9%, elderly 6.3%, potential support ratio 15.8</p> <p><b>Maternal mortality:</b> 477 deaths/100'000 life birth</p> <p><b>Infant mortality:</b> 76.5/1000 life births</p> <p><b>Life expectancy:</b> 53.1 years</p> <p><b>Health expenditure:</b> 4.8% GDP</p> <p><b>HIV prevalence:</b> 18.3%</p> <p><b>Children &lt;5y underweight:</b> 16.4%</p> <p><b>Literacy:</b> 74.2%</p> <p><b>Population below poverty line:</b> 43%</p> <p><b>Household income by %share:</b></p> <p><i>Lowest 10%: 0.8%</i></p> <p><i>Highest 10%: 45.2%</i></p> <p><b>Gini index (Family income):</b> 48.1</p> <p><b>Unemployment rate:</b> 18.5%</p> <p><b>Unemployment youth:</b> 26%</p> <p><b>Child Labour (5-14y):</b> 24%</p>
Economic	<p><b>GDP:</b> US\$ 83.3 billion</p> <p><b>Inflation rate:</b> 10.9%</p> <p><b>GDP Growth:</b> 3%</p> <p><b>Industrial growth:</b> 1.7%</p> <p><b>GDP composition:</b> agri 8%, industry 64%, services 28%</p> <p><i>Agri products:</i> livestock, sorghum, maize, millet, beans, groundnut</p> <p><i>Industries:</i> petroleum, petroleum processing, livestock processing, agri processing, coal, iron ore</p> <p><b>Labour force:</b> 2.3 mio (agri 63%, industry &amp; services 37%)</p>
Political	<p>Presidential republic</p> <p><b>Budget revenue:</b> US\$ 17 billion</p> <p><b>Budget surplus:</b> -6.5%</p> <p><b>Public debt:</b> 52.3% of GDP</p> <p><b>GDP Gov. consumption:</b> 22.3%</p>
Other contextual information	<ul style="list-style-type: none"> <li>• Civil Registration coverage: 37% population</li> <li>• National ID database coverage: 25% population</li> <li>• % population with bank/mobile money account: 37%</li> <li>• % population with mobile phone: 68%</li> <li>• Broadband network: only available in urban areas</li> </ul>



## THE SOCIAL PROTECTION SITUATION

# 2 THE SOCIAL PROTECTION SITUATION OF OPAR

## 2.1 Introduction

Three main social protection schemes exist:

- **Old Age Pension (OAP)**: social pension targeted at any citizen aged 65 and over that is not covered by other pension schemes. This is a relatively new scheme and is still at Pilot stage (implemented in 4 districts). Value: less than 10% of individual consumption expenditure.
- The **Empowerment Through Work** programme (ETW), a geographically targeted cash for work programme in the most remote and arid regions of the country (wage is set low so as to ensure self-targeting of the poor)
- **School feeding programme** for all children/students attending government primary and secondary schools. Very high coverage, as universal.

None of these programmes is means tested.

A relatively comprehensive Social Insurance package covers citizens in formal and state sectors.

## 2.2 The Legal Framework

Opar is a signatory to **ILO Recommendation 202**, but has not gone through process to modify national legislation to reflect it.

Commitments to social protection are **discussed in a wide range of policies and strategies**, but are not articulated in detail in any of the following: Vision 2016, National Strategy for Poverty Reduction, National Development Plan, National Policy on Rural Development, National Strategic Framework for HIV/AIDS etc. There is a degree of overlap and duplication among these, although policies do not appear significantly to contradict each other.

**The constitution** provides for the “protection of [the] fundamental rights and freedoms of the individual” and has a paragraph explaining: “The state shall promote and guarantee the measures needed to ensure the universal right to medical and health care, as well as the right to child care and maternity care, care in illness, disability, old age and in situations in which they are unable to work, in accordance with the law”.

No **laws** do explicitly regulate the provision of social assistance. Social Insurance is well regulated.

## 2.3 Governance: Institutions, Structures, Capacities and Standards

The National Strategy for Poverty Reduction established a ‘**Multi-Sectoral Committee on Poverty Reduction**’ to co-ordinate NSPR implementation and oversee monitoring and evaluation of poverty alleviation programmes. The Committee coordinates across the two main Ministries involved in Social Protection delivery: the Ministry of Social Welfare and the Ministry of Education (responsible for the school feeding programme).

## THE SOCIAL PROTECTION SITUATION

The Committee also acts as the main policy liaison with a newly created Agency responsible for the delivery of social assistance programmes: the **Social Assistance Agency** (responsible for OAP and ETW but not school feeding).

- At **central level** the Agency is sufficiently staffed, but still has problems of capacity (missing skills)
- Only 3 **districts** in the country have an Agency branch (these are the ones where OAP pilot and ETW programme are running, and are the most arid and poor regions where the gains from oil production have not been felt).
- At **community** level, staff from district level are sent off on an ad-hoc basis

As the country is relatively large and sparsely populated, the Ministry of Social Welfare have transferred and **delegated** ultimate responsibility for management of the pilot OAP and ETW to a semi-autonomous administrative agency: the Social Assistance Agency.

**Service level agreements (SLAs)** have been used to establish service standards and the terms under which the delegation to the Social Assistance Agency is made. However, there is no clear system establishing how performance management is linked to these agreements.

Each of the three programmes have a different process for M&E:

- The school feeding programme runs off the Education Ministry's E-MIS and is delivered and monitored entirely through the schooling system: aggregate reporting on number of children who have benefitted is shared with Committee on Poverty Reduction (but not more than that).
- The pilot OAP has a programme MIS with a good reporting system. It also collects additional M&E data through a paper-based reporting system by Agency staff (compiled during each field visit). Helpage International (NGO) is also piloting (and financing) innovative participatory monitoring approaches through Older Persons Monitoring Groups. To date, these three main data sources are not systematically compiled and triangulated.
- The ETW cash for work programme has no programme MIS (it is mainly managed off Excel). The only M&E data available is on the total number of days worked by each beneficiary.

No M&E framework across the three programmes exists.

### 2.4 Coordination on Policy and Programme/Institutional Level

*(See also governance, legal/ institutional framework and capacity)*

**No explicit/ dedicated coordination structures** are established in Opar.

### 2.5 Administration

How are payments done?

## THE SOCIAL PROTECTION SITUATION

- The OAP pilot is ran through a **manual payment system** (Agency staff come to the community every two months in an armoured vehicle). There are often delays because of blockages in the flow of funds from the Ministry to the Agency.
- The ETW programme also distributes cash **manually at the place of work**, upon completion of the allocated number of days that month.
- The school feeding programme channels funds through the **schooling system** for purchase of foods by school canteens.

What complaint and appeal mechanisms are in place?

- Complaints and appeals for OAP and ETW are **channelled directly to programme staff on payment days** – though there is no formal mechanism for this to be recorded – of formal process for addressing those complaints
- The most frequent category of complaint as reported by programme staff is **delay in payments**

There is no conditionality on grants.

The following exit and graduation is envisaged:

- ETW public works programs limits participation to 10 days per month
- Feeding programme only covers children in government primary and secondary schools (exited if they drop out)
- OAP supposedly exits households when they die, but no smooth system to verify this (after 3 times beneficiary does not collect money, he/she is exited)

### 2.6 Management Information Systems and Data Integration

- The **school feeding programme** runs off the Education Ministry's E-MIS and is managed entirely through the schooling system. It has high potential for data sharing but this has not been leveraged to date.
- The **pilot OAP** has a programme MIS based on a well-designed software that enables the programme to operate almost entirely on an electronic platform (including registration, enrolment, management of payments, and M&E). The MIS does not have any linkages with any external data sources (e.g. national ID database/civil registry).
- The **ETW cash for work programme** has no programme MIS (it is mainly managed off a well-designed Excel-based database).

Also, **no integration of existing databases** – though the Ministry of Social Welfare has been discussing with the World Bank the possibility of developing a nation-wide Social Registry

## THE SOCIAL PROTECTION SITUATION

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### 2.7 Selection and Identification

*(see other sections too)*

None of the programmes has an explicit focus on reaching the poorest households:

- **School feeding** is universal: All children in the public schooling system are automatically enrolled in school feeding.
- **OAP is universal categorical** – though targeted at quite old people (65+). Registration for the OAP is on-demand: anybody who deems themselves eligible (older than 65) can apply at the District Social Assistance Agency office. Key challenges include distance (travel costs, etc) and documentation requirements for proof of age.
- **ETW** is indirectly poverty-focused as it uses low wages for self-selection. Registration for the ETW programme is rolling, at the work-site. The wage rates are set marginally lower than market wages to discourage richer people from participating.

### 2.8 Finance

- 1.2% GDP and 5.2% of government spending
- Social protection programmes are funded almost entirely out of domestic government revenues.
- Projected decline in revenues from extractives has triggered internal debate on fiscal sustainability of existing programmes and their cost effectiveness