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GOVERNANCE, INSTITUTIONS & ORGANIZATIONAL STRUCTURE

SUMMARY DOCUMENT

BUILDING *SOCIAL PROTECTION FLOORS IN* AFRICA

TRANSFORM

LIST OF
ABBREVIATIONS

LEG	Legal Frameworks
ADM	Administration and Delivery Systems
M&E	Monitoring and Evaluation
MIS	Management Information Systems
NGOs	Non-Governmental Organisations
SASSA	South African Social Security Agency
CNAS	National Social Insurance House
SLA	Service Level Agreements
ICT	Information and Communication Technology
OECD	Organisation for Economic Co-operation and Development

CONTENTS

1

INTRODUCTION

This Module aims to provide a detailed overview of the governance framework for the delivery of non-contributory social protection schemes.

At an institutional level governance is about the incentives and accountability structures at the state level and ultimately **the way in which power and authority is exercised**. Governance is shaped by the formal rules, roles and responsibilities of stakeholders involved in the sector and finally control and accountability mechanisms put in place to ensure compliance across and within different organizations involved in the sector[1]. All these elements are articulated through laws, regulations, Government policies and operational guidelines and also shaped by informal rules formed through culture, beliefs and attitudes.

At an organizational level governance is focused on a set of incentives and accountability requirements that influence **the way in which provider organizations and their staff behave and the manner in which their services are delivered**[2]. Services are delivered through different organizational structures which follow from the institutional settings of the state and which have implications for the management of the system and how services are delivered. This includes the capacity to establish standards and protocols, monitor performance and enforce accountability for performance through appropriate management functions.

A comprehensive governance system for social protection ought to provide a clear and binding framework that organizes the different actors and their relationships coherently and provides them with well-defined roles, responsibilities and operational tasks and also ensures that these tasks are carried out according to established standards and enforced through a set of accountability mechanisms[3].

1 Bassett et al., 2012.
2 Fiszbein, et al., 2011 cited in Rubio, 2011.
3 ILO, 2010 cited in Bassett et al., 2012.

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INSTITUTIONAL FRAMEWORK

The success of the social protection programmes depends critically on the institutional arrangements within which they are established[4]. The institutional aspects include both the laws and regulations which establish an entity's mandate and define its responsibilities, duties, obligations and powers, and also the procedural requirements (which may also have the force of law) which determine the way in which critical functions are carried out. They also include the ways in which working relationships are managed between Ministries, between Ministries and other public bodies and between different levels of central and decentralised government, and their arrangements for coordination of activities.[5]

There is no single institutional framework that is suitable to all contexts. Different models evolve from their specific country environments, based on the political discourse of the time, the constitutional setting within which it is framed and the historical circumstances which have shaped it. This chapter highlights the most important dimensions of institutional structure, including: the policy framework, laws and regulations, and stakeholders and their responsibilities.

4 Samson et al, 2006.
5 Kardan et al, 2016.

2.1 LAW AND REGULATIONS

The role of legal frameworks for the governance and administration of social protection systems is discussed in detail in
■ MODULE LEG.

Laws and regulations set the legal basis for a programme and provide a formal statement of a Government's intentions[8].
Entrenching social protection and its related programmes within the law provides longer term certainty for the population
it aims to reach, together with the legal right to access and benefit from the programmes. At the system level, laws and
regulations can:

* establish the rights of the population to social protection and access to related services

* determine who is responsible for setting social protection policies and delivering programmes[9]

* establish who is entitled to what benefit or support and for how long.

In some countries, especially where social protection is nascent, there is **no legal basis for social protection programmes**.
These programmes either operate outside the formal sphere of Government altogether, or are implemented through
non-legislative instruments such as an **executive order**, a **policy statement** or a **memorandum of understanding**. The
implementation of these programmes is normally guided by a manual of operations developed by the agencies responsible
for implementation, but even when this has been approved at Ministerial level it does not provide the formal legal backing or
mandate needed for a rights-based system.

2.2 STAKEHOLDERS AND RESPONSIBILITIES

Laws and regulations establish the mandate, roles and responsibilities of different stakeholders in relation to social protection.
There are many different stakeholders involved in the institutional structure of social protection, with responsibilities for the
design and delivery of social protection generally spread across various ministries, agencies and non-state actors. These actors
are grouped across three main functions or principal roles:

* **Policy and coordination** – At the policy level, the core functions are setting the overall direction of social protection
  through the development sector policies, strategies, design of programmes and establishment of implementation
  guidelines. It also include the coordination of the activities of the different actors and stakeholders.

* **Implementation** – refers to delivery of social protection interventions including identification of eligible population group,
  their registration, provision of support and all the related management activities such as budgeting and planning. See also
  ■ MODULE ADM.

* **Oversight or control** – relates to ensuring services are delivered according to stipulated laws and regulations, as well as
  established service delivery standards (see also ■ MODULE M&E and ■ MODULE LEG).

This is broadly illustrated in Figure 1 below. In reality where the different stakeholders lie across these functions will vary from
one place to another depending on the overall institutional and organisational structure. We look these different models in
Section 3.

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8 Ibid.
9 Bassett et al, 2012.

Figure 1: Social protection actors across different functions

POLICY & COORDINATION	• Ministry of Finance • Line Ministries • Coordination Committee or Council
IMPLEMENTATION & SERVICE DELIVERY	• Administration Agencies or Local Administration • NGO's & Private Sector • Development Partners • Community Structures and Volunteers
ACCOUNTABILITY & OVERSIGHT	• Legislators • Supreme Audit Institutions • Civil Soceity
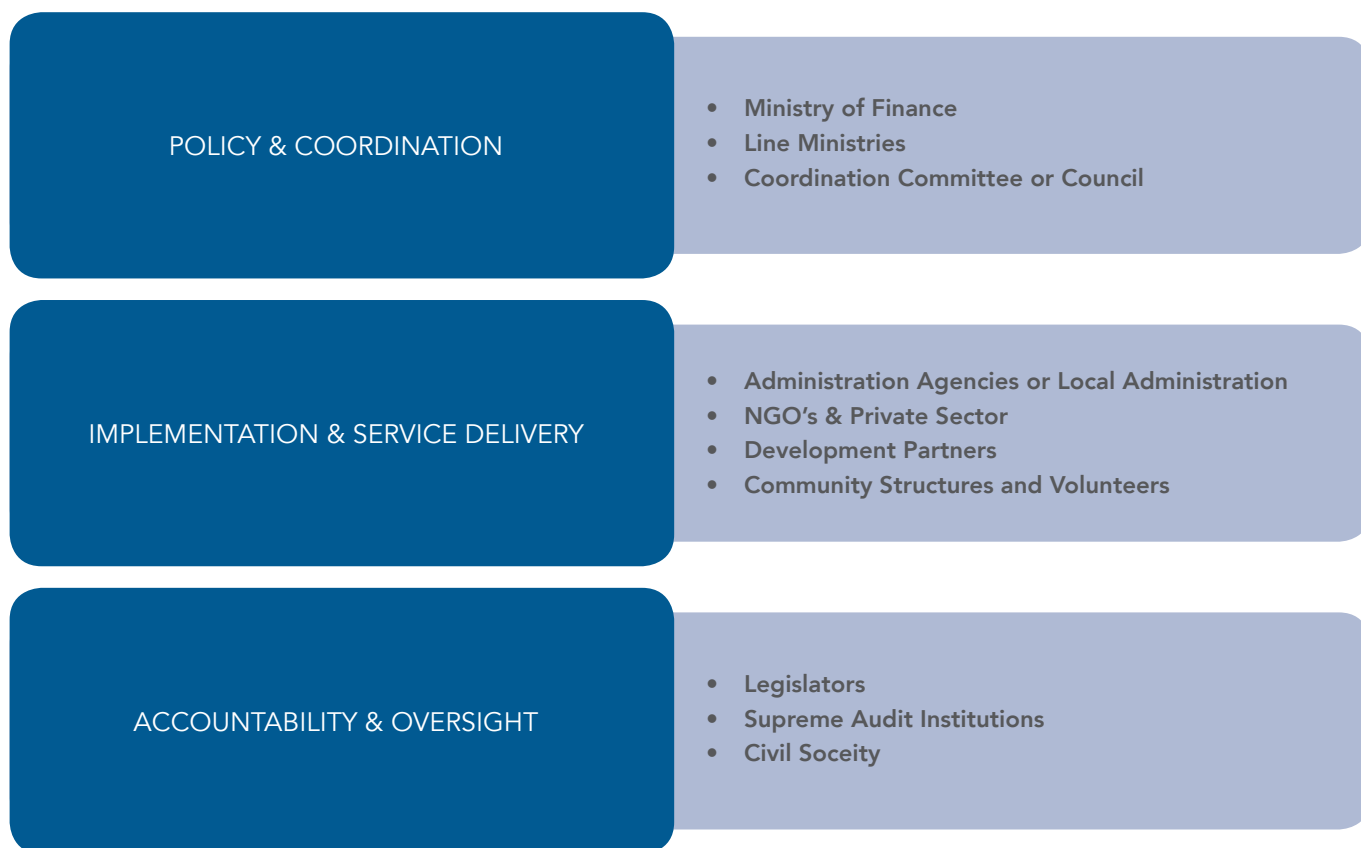
Source: Authors

Table 1 below, which lists some of the potential actors within social protection and their traditional roles. The involvement of each of the listed actors provides both opportunities and challenges that are also listed in the table. In reality, of course, where the different stakeholders lie across these core functions will vary from one place to another depending on the overall institutional and organisational structure. We look at these different models in Section 3. Similarly, several of the actors listed will hold responsibilities across more than one function.

Table 1: Stakeholders and their roles and responsibilities

STAKEHOLDER	ROLE	POTENTIAL OPPORTUNITIES	POTENTIAL CHALLENGES
POLICY AND COORDINATION			
The presidency or Prime Minister's office	Some countries place the strategic and policy direction entirely at the apex of government	• Strong convening power and higher visibility • Usually has more capacity than other line ministries	• May be overburdened with multiplicity of core responsibilities • May overshadow other equally important social protection programmes not under its responsibility
Ministry of Finance	Custodian of Governmen finances and allocation of resources, Sometimes responsible for some social protection programmes (e.g. social pensions), may also take on the responsibility for setting overall sector policy or elements of it	• Close engagement with ministry of finance could secure support and potentially higher levels of financial resources for SP programmes • Usually has more capacity than other line ministries • Strong convening power	• May not engage with social protection issues and limit support and financing to it • May be overburdened with multiplicity of core responsibilities • May overshadow other equally important social protection programmes not under its responsibility
Line ministries	Responsible for setting the overall policy direction of the sector and directly or indirectly responsible for delivery of some or all social protection programmes May initiate regulation and supervises its correct application	• Dedicated ministry for social protection ensures greater visibility for the sector that may have traditionally been bundled together with other portfolio responsibilities such as health, labour, gender, etc. • Spreading of responsibilities between ministries may increase capacity by ensuring greater coordination of SP programmes with other social policy interventions and the institutions best placed to deliver them (e.g. school bursaries, health vouchers, etc.)	• Weak convening power of dedicated social protection ministry • Coordination challenge when social protection programmes are led across different line ministries • Inability to enforce compliance and/or sanction non-compliance
Coordination committee or council	Coordinate and oversee the development, implementation, and integration of social protection strategies, programmes, and resources	• Better coordination and integration of social protection programmes • Create more traction and ability to hold line ministries to account for their respective roles • Stronger convening power	• May not have any legal or official mandate and without convening power • One of many committees or councils and thus unable to effectively engage with the various stakeholders • Regular and continuous representation and support by appropriate staff members by the various stakeholders may not be forthcoming
Legislators	Support development of social protection systems through enactment of relevant pieces of legislation, they also provide oversight and accountability functions	• Creating clear mandate and appropriate rules of the game for different institutions • Entrenchment in law and legal backing for long term provision • Move towards rights based social protection	• Inadequacy of legislation • Inconsistency or contradictions between different pieces of legislation • Lack of appropriate regulations and difficulty in enforceability of legislation • Dominance of informal rules and disregard formal provisions in the law
IMPLEMENTATION AND SERVICE DELIVERY			
Administrative agency	A state agency tasked with administration or delivery of social protection programmes	• Clear mandate, roles and responsibilities • Professionalization of services and focus on performance contingent on sufficient autonomy and adequacy of resources • Able to attract more talented and motivated staff • Consistency of serviceprovision through service level agreements • Separation of service delivery from policy and political interference	• Limited reach in local areas • Maintaining a healthy relationship with ministry responsible for setting overall policy direction • Inadequacy of resources to enable optimal service provision • Not fully immune from political interference and political cycle
Local administration	Responsible for frontline service delivery functions, either as part of a central government agency or ministry or as a function of local self-government	• Services closer to where people live • Services matching localised needs and better targeted to affected populations • Services more responsive to case management and complaints redressal	• Increases risk to service delivery from low capacity, especially in more remote locations • Variation in services standards • Inequity in coverage and in reaching eligible population

Table 1: Continued

STAKEHOLDER	ROLE	POTENTIAL OPPORTUNITIES	POTENTIAL CHALLENGES
Non-Government Organisations (NGOs)	Sometimes responsible for delivery of parts of the programme (e.g. targeting, enrolment, etc.). They may also provide oversight and accountability functions	• Filling of capacity gap in service delivery • Additional checks and balances in the systems aimed at improved services delivery	• Difficulty in establishment of working relationship and accountability structures with line ministry • Erosion of government capacity and difficulty in building institutional knowledge • Lack capacity to engage in effective dialogue with government on the policy and strategy issues • Potentially unsustainable in the longer term
Private sector	Contracted to support implementation or delivery of a specific element of the programme (e.g. payments) or more general support to design and implementation	• Significant increase in efficiency and effectiveness of service delivery with continued client oversight • Reducing burden on government staff	• Lack of oversight capability within government including around performance management and procurement • Erosion of government capacity and difficulty in building institutional knowledge • Costs may be significant • Business continuity and data security risks
Development partners	Support in financing and provision of technical assistance to develop and implement social protection programmes	• Increasing the visibility of the sector • Relieving financial and capacity gaps • Support to systems strengthening and transfer of knowledge and knowhow • Potentially, catalytic effect on resource mobilisation	• Competing agendas and ideological difference between development partners and supporting particular sectors aligned to agency priorities • Lack of ownership by government • Unpredictability of duration of support and financing • Difficulty in ensuring government takeover and fiscal and institutional sustainability
Community structures	Support in programme delivery, oversight and accountability functions	• Understanding of the needs of their community • Ownership and support for the programme • Filling capacity gaps inherit in the local administrative structures	• Long term functioning and sustainability of community support • Elite capture or lack of support from the `community • Variation in programme performance due to variation in skills and capabilities
Programme beneficiaries	Responsible for adhering to the administrative requirements and criteria for benefiting from the programme. Also play an important role in providing feedback and holding duty bearers to account.	• Understanding of the needs of their community • Ownership and support for the programme • Filling capacity gaps inherit in the local administrative structures	• Long term functioning and sustainability of community support • Elite capture or lack of support from the community • Variation in programme performance due to variation in skills and capabilities
ACCOUNTABILITY AND OVERSIGHT			
Judiciary	To support the rights of entitlement holder and arbiter of claims against the state	• Provides an additional avenue of support to the population who are entitled to rights and benefits	• Communities seldom have the financial and other resources to go to court without external support
Supreme audit institution	National Audit Office and or (Controller and) Auditor General – responsible, usually to the legislature, for the scrutiny of public expenditure and programme delivery	• Ability to hold service provides to account and improve service provision	• Lack of capacity and financial support to carry out function • Dominance of informal rules and disregard formal provisions in the law
Civil society	Provides accountability and oversight functions	• Ability to improve service delivery through building of accountability routes • Citizen engagement and increased knowledge of rights	• Limited reach at community level • Elite capture or lack of support by community leaders • Variation in level of engagement and performance • Dependant on external financial and uncertainty around duration of support • Lack capacity to engage in effective dialogue with government on the policy and strategy issues

Table 1: Continued

		Can help to identify sources of inefficiency or inequity in the system, and highlight any malpractice in programme administration, through the presence of multiple voices and channels for oversight and feedback. Non-governmental and civil society organisations may also lack capacity to engage in effective dialogue with government on the policy and strategy issues.	Increased openness may heighten public awareness of any shortcomings in the system or its level of resourcing, and place unwelcome pressure on government officials and their political leadership; civil servants therefore may be reluctant to share information with non-state counterparts unless they are certain their ministers are comfortable with this.

2.3   TAKE-AWAY LESSONS

- Government policy sheds light on its vision for social protection by articulating its aims and objectives and serves
  to shape future Government action.

- Laws and regulations formalize Governments' commitments and intension within the social protection sector. They also establish an entity's mandate and define its responsibilities, duties, obligations and powers, and the procedural requirements (which may also have the force of law) which determine the way in which critical functions are carried out. They may also determine the ways in which working relationships are managed between different actors.

- Social protection programmes in Sub-Saharan African countries are often not embedded in law although they are beginning to be articulated into a more consistent sector-wide narrative through the development of relevant
  policies and strategies.

- Laws and regulations need to be clear, consistent and aligned with stated policy intentions in order to reduce ambiguity and potential for errors or fraud.

- A range of different stakeholders are often involved in the institutional structure for social protection, with responsibilities for the design and delivery of social protection generally spread across various ministries, agencies and non-state actors. These different stakeholders present opportunities as well as challenges for the effective delivery of social protection programmes.

- The functions involved in the provision of social protection can be grouped together under the main headings of

    - Policy direction and coordination
    - Implementation and service delivery
    - Accountability and oversight.

There will be differences between countries in the part played by different actors in each of these groups of functions, and in the allocation of responsibilities between them.

3

ORGANIZATIONAL STRUCTURE

Organizational structure is concerned with how people are organized to enable them to play their individual roles within an entity. Within the social protection sector many different organizations are likely to be active, each with their own responsibilities and functions. In this section we look at different organizational models, highlighting their strengths and weaknesses.

3.1.   FUNCTIONS AT DIFFERENT ADMINISTRATIVE LEVELS

▤ MODULE ADM provided a comprehensive view of the different tasks and core functions carried out by the different stakeholders in the delivery of social protection programmes. These tasks and functions are allocated across different levels of administration, depending on the organizational model in place.

The national level will typically be responsible for "upstream functions" including policy design and planning as well as back office support functions. In a fully centralised model – only possible in very small states – the national level may carry significant service delivery functions, while in more decentralized delivery-models the centre will primarily have a coordinating and management/overview role (see Figure 2 and further detail in Table 2 below).

Given the nature of social protection delivery, almost all countries have some level of decentralization of tasks to lower tiers of Government, either achieved through deconcentration, delegation or devolution. For instance the administration at the sub-national level is normally tasked with front-line service delivery functions, particularly those related to implementing program registration, enrolment, monitoring and complaints management.

Figure 2: Responsibilities in a de-concentrated [administratively decentralized] system

NATIONAL LEVEL
- **Design of Policy**
- **Budgeting & Finance**
- **Back Office Operations**

REGIONAL LEVEL
- **Oversight and advice for local level**
- **Complementary programs**

LOCAL LEVEL
- **Implementation within National Regulations**
- **Client Interface & Case Management**
- **End to End Core Operations (registration, enrolment, etc)**
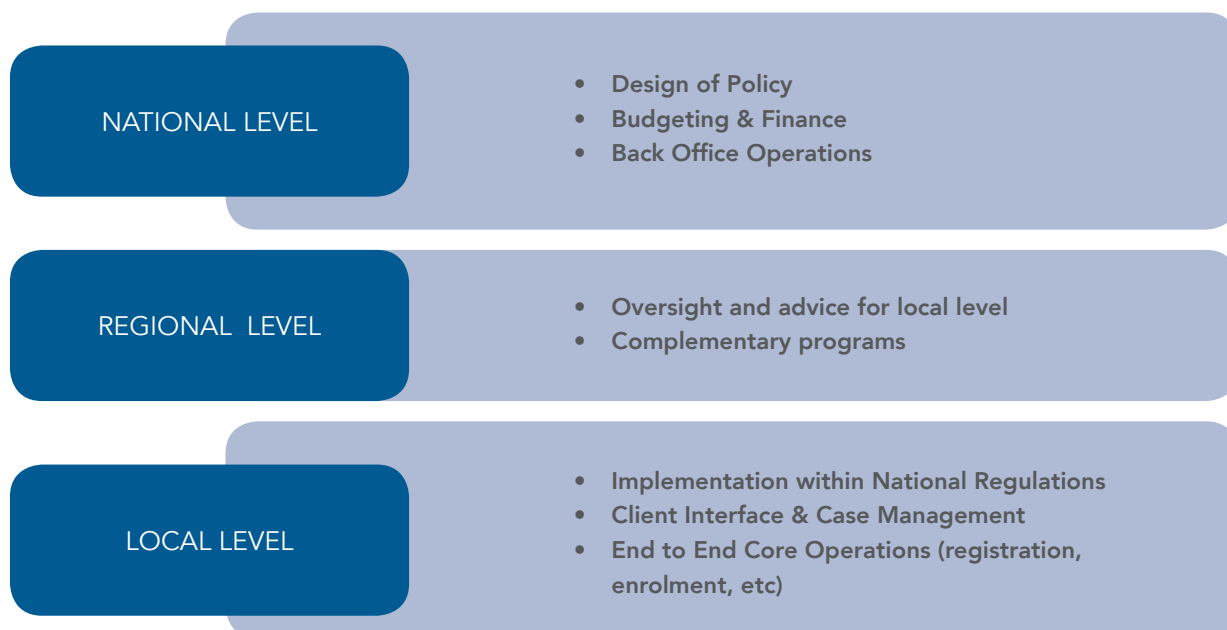
Source: Samson et al. (2006), p. 95

In additional to the overall institutional setting and proposed organizational structures, appropriate division of tasks will also depend on the capacity of the different levels of administration. Moreover, it will depend on the accountability structures that are in place to counteract any perverse incentives created by allocating tasks in particular ways.

3.2 CENTRALIZED AND DECENTRALIZED MODELS FOR SERVICE DELIVERY

Many different organizational models and management arrangements are possible for the delivery of public services. These are shaped by larger factors in the governance and institutional design of the state. In some countries where power is centralized, delivery models may likewise be concentrated in the centre. In other contexts some roles, responsibilities or decision making power may be delegated or devolved to autonomous or semi-autonomous agencies or other tiers of Government at the sub-national level.

Different organizational models will allocate different roles and responsibilities to different levels of administration. Moreover, they may be set up to deliver some functions directly and to outsource others. In this section we will describe these broad organizational models and highlight their overarching advantages or disadvantages.

As will be evident from the following sub-sections, **arguments for improved service delivery, efficiency gains and better transparency can be made for each of the proposed models; their force will ultimately depend on the context within which social protection is delivered, but it is very difficult to determine ex-ante** whether the benefits intended from any particular approach will materialize.

3.2.1 Centralized service delivery

Under a fully centralized system and organizational model, all aspects of programme or service design and delivery are controlled and managed through a single central entity at national level. This possibility is included here for the sake of completeness, but is unlikely to be applicable to social protection services except in the smallest states (such as, for example, Grenada in the Caribbean, where the Ministry of Social Development and Housing has no local presence). The need for services to be delivered from locations physically close to their beneficiaries usually requires some degree of decentralization

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3.2.2 Decentralized service delivery

A common definition of decentralization is the **transfer of authority and functional responsibility from the central government to other government organizations,** including local government or autonomous agencies.[13] It is argued that decentralization brings the services closer to the people and can improve accountability and efficiency of programmes by reducing the costs of accessing services for citizens and increasing their ability to voice their concerns and needs, thereby strengthening the government's accountability for service provision.[14] Nevertheless, decentralization also brings risks of fragmentation in delivery and can exacerbate geographic inequities across a country.

There are three main approaches to decentralization, namely:

* Deconcentration

* Delegation

* Devolution[15]

3.3   APROACHES TO DECENTRALIZATION

3.3.1 Deconcentration

Under **deconcentration, decision-making authority, financial and management responsibilities remain within the organizational structure of a central government** body (ministry or department), but **administrative responsibility** for service delivery in particular geographical areas is **distributed to local, district or regional offices**.

Under this model the geographical sub-units function as an extension of the national level, or as a local presence of the national ministry or department.

An example is presented by the provincial and district office structure of the Department of Social Services in Zimbabwe, which is in turn part of the Ministry of Labour and Social Services. These administrative units remain directly accountable to the national level; they implement policies and interventions devised and designed at the center with little or no discretion as to the services that are provided.[16]

Deconcentration allows services to be physically accessible to beneficiaries while preserving the benefits of a unitary centralized system; a single harmonized administrative structure enables common standards to be maintained, facilitates transparency and provides the scope for potential cost savings through economies of scale, such as a single payment mechanism and processes, centralized management information systems (MIS), etc.[17]

3.3.2 Delegation to an administrative agency

Under **delegation, central governments transfer responsibility for administration of public functions to semi-autonomous organizations within the central government structure, or to local governments that are not wholly controlled by the central government**. Although the organizations with delegated responsibility have a degree of discretion in decision-making, this can be withdrawn or overruled by the central government.[18]

13 UNCDF, 2012.
14 Normand and Weber (2009) p. 100.
15 UNCDF, 2012 UNCDF, 2012. A fourth term, dispersal, refers to the geographical removal of all or part of a central government body's headquarters to another location outside of the national capital, usually as a spur to local economic development.
16 Hanf and Toonen, 1985.
17 Samson et al, 2006
18 UNCDF, 2012

Given the operational complexity of a social protection system and its many programmes, there is an argument for the creation of specialized structures at central level with adequate capacity and management autonomy to manage the programmes. This, it is argued, will enable the development of results focused systems and cultures, recruitment of specialized skills and enhancement of accountability by virtue of separation from policy functions.[19]

The South African Social Security Agency (SASSA) provides a good example of a statutory agency (Box 5), as does the National Social Insurance House (CNAS) in Moldova. The latter is an autonomous public institution, founded in 2001 on the basis of a 1999 statute, headed by a President appointed by the government and overseen by an administrative council with representatives from interested ministries and other stakeholder bodies. CNAS is responsible for payment of a range of pensions, compensation and social assistance to beneficiaries across the country.

This kind of delivery model is well-supported by the establishment of an agency that, as described above, is 'at arms length' from the government and given responsibility to implement policies and carry out public functions such as service delivery. Such **agencies are often set up by central government as a means of distancing ministers from the administrative and management detail of service delivery**; they might in principle also be established by subnational governments exercising powers that have been delegated or devolved from the center.

3.3.3 Delegation to local government authorities

In some cases delegation will be not to an agency or other public body within the central government sphere, but from central government to local government authorities. Exercise of central government functions under delegation can be distinguished from local authorities' exercise of their own devolved powers vested in them by legislation or the constitutional settlement. Under devolution (see below) a local authority has full responsibility and accountability for a function; under delegation they are **implementing a national programme within their area, as agents or partners of central government.**

When various operational aspects of a programme are jointly managed by the national government and lower tiers of government, instruments such **as framework agreements, joint management agreements or service level agreements (SLAs) can be useful tools.** These agreements, made between the parent ministry and delivery institutions, formalize responsibilities and introduce minimum service standards (as in the case of Bolsa Familia in Brazil, or of the 4Ps programme in the Philippines). Such agreements can establish the terms within which delegated powers may be exercised, and the conditions under which they may be withdrawn or overridden.

3.3.4 Devolution

Devolution, occurs when authority for the whole social protection system (policy, programme design, finance and the management of service delivery) is allocated to autonomous tiers of sub-national government. This may occur where the constitution gives responsibility for a particular policy domain to the constituent states of a federal nation; for example the 1994 Constitution of Ethiopia reserves to the states the power "to formulate and execute economic, social and development policies, strategies and plans" for their territories.

Devolution can also occur where a state transfers responsibility for a function or service to autonomous units of local government with their own legal status and electoral mandate, for example elected mayors and councils. Under this model accountability is to the local electorate, and the local government entities are responsible for determining the scope and quality of services to be provided.[20] For example, the 2010 Constitution of Kenya was enacted in order to provide for the devolution of a wide range of functions to county governments; however this did not include social protection, which therefore by default falls to the national government.

The principle of devolution, in contrast to delegation, is that functions cannot be exercised concurrently by central national government and sub-national bodies, and the transfer of authority cannot be revoked unilaterally. If responsibility for social protection has been devolved to a provincial or state level, the central government can no longer decide to operate its own parallel system or to take over the running of the system. However, the degree of control over policy, service standards and levels of expenditure retained by central government under a devolution settlement may vary considerably between jurisdictions.

19 Barrett & Kidd, 2015.
20 Ibid.

The proponents of devolution argue that sub-national governments are better informed about their constituents and in a better position to reach those in need.[21] However, there may be problems of elite capture – where powerful local figures operate the system for their own benefit, for example by manipulating payments to reward their political supporters – or of low administrative capacity of devolved entities. Low local administrative capacity can undermine effective management of programmes and the information available on them; it is especially the case in more remote developed areas with few amenities where it is difficult for local authorities to attract and retain skilled employees, who tend to migrate to urban areas. The same problems can also apply in cases of delegation, where local authorities are charged with delivery of a national programme but capacity constraints introduce disparities in implementation.[22]

3.3.5 Financing decentralized service delivery

Decentralization of funding can be particularly sensitive and can contribute to inter-regional disparities in coverage, as poor localities are likely to provide fewer services.

If responsibility for financing programmes is transferred without additional funds, poorer lower levels of government can suffer from financial hardship and may fail to deliver timely quality benefits to eligible applicants. They may also use undue discretion in paying benefits, for example to reward and reinforce political support, and therefore render payments less reliable and transparent.[23]

As such, national governments usually retain responsibility for the financing of social protection programmes in order help countries reap the full benefits of national social solidarity. However, fiscal decentralization is a complex field in its own right, with a wide range of possible models for funding decentralized services, which strike different balances between reliance on local revenues and support from the national budget, and with differing allocation mechanisms to allow a degree of equalisation between areas reflecting their divergent social needs and fiscal resources.

3.3.6 Trade-offs with alternative models

In reality, there is a very wide range of differing approaches to decentralization, and systems of service delivery vary greatly in their institutional foundations and organizational structures. The typology offered above and summarized in Table 2 below can therefore only offer an approximate guide to understanding a particular set of national arrangements, or designing new ones. The distinction between delegation and devolution is especially likely to become blurred, while all forms of social protection provision, whether formally centralized or decentralized, are most likely to be delivered through deconcentrated (geographically dispersed) organizational structures.

Ultimately the degree of decentralization of social protection will be determined by the state's position in relation to political, administrative and financial decentralization more generally, as well as its approach to the management and reform of public services. The relative weight given to the arguments for and against each kind of approach will therefore depend heavily on a wider set of considerations peculiar to the national context.

21 de Neubourg, 2002
22 Samson et al, 2006, van Niekerk, and Mac Quene, p. 115
23 p. 48

Table 2: Alternative models of social protection service delivery: approaches to decentralization

	TYPE	DESCRIPTION	OPPORTUNITIES AND CHALLENGES
	Centralised	Direct service delivery by single central government entity (with a single organisational management and accountability structure, on one site or a few satellite sites).	• Enables high level of consistency in service standards and quality • Only suitable for a limited range of services (e.g. issue of passports) which do not need to be delivered clos to the beneficiary population • Can apply to social protection, but only in very small states
Decentralized	Deconcentration	Delivery of a central government service through a network of geographically dispersed offices, which remain directly accountable to the national headquarters in a single organizational structure, with local management but little or no discretion as to the services that are provided.	• Some degree of deconcentration is likely to be required for most services to citizens that need to be delivered close to where they live • Increases accessibility of services to citizens • Increases risk to service delivery from low capacity, especially in more remote locations
Decentralized	Delegation	Central government entity (Ministry) transfers responsibility for decision-making and management control of services to a semi-autonomous administrative agency or statutory body within the central government structure, or to local government entities. Organizations with delegated responsibility have a degree of discretion in decision-making, but this can be withdrawn or overruled by the delegator.	• Delegation may be to a single agency or to multiple entities (e.g. local government bodies) • A single agency may deliver its functions on a centralised or deconcentrated basis. In the former case it is still likely to be regarded as having been brought closer to users through the separation of service delivery from policy, and distancing from close political involvement • Framework agreements, joint management agreements or service level agreements (SLAs) may be used to establish service standards and the terms under which the delegation is made, in order to maintain a degree of consistency in service provision
Decentralized	Devolution	State transfers authority for decision-making and management from central government to autonomous units of sub-national government with legal status and own electoral mandate (e.g. elected mayors and councils), in principle irreversibly and with no concurrent exercise of powers. Accountability of the entities is to the local electorate.	• Sub-national government determines the scope and quality of services provided, but the degree of control over policy and service standards – and ultimate accountability for outcomes – retained by central government may vary considerably between jurisdictions • Financing of services may transfer entirely to local revenues, continue to be provided from the national budget, or a combination of the two • If there is any reliance on local financing, variations in needs and resources are likely to lead to inconsistencies in service provision between areas unless equalization mechanisms are put in place
	Local service provision	Under a capital division of responsibilities between national and sub-national authorities, service delivery lies entirely with the local (state, provincial, regional or municipal) entities.	• Most likely to be found under a federal constitutional model. • Sub-national government entities may operate services using centralised, deconcentrated or delegated approaches, within their own territories.

Source: Authors

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3.4   OUTSOURCING THE DELIVERY OF SOCIAL PROTECTION COMPONENTS

For reasons involving resource, capacity and/or technical constraints, the delivery of certain components of social protection (most frequently cash transfer payments) is sometimes done in collaboration with or outsourced to non-governmental actors such as private companies or civil society groups. The potential benefits of such a delivery model include:

- **More efficient service delivery and costs savings.** Private or semi-private providers may be able to provide some specialized services more cheaply or more efficiently than the public sector as a result of better management practices, or of higher levels of investment, for example in ICT equipment. Outsourcing of payment services, for example, can allow the social protection function to be supported by existing banking platforms and their specialized technical support staff, while specialist IT firms are likely to be able mount competitive bids for the development, enhancement and possibly maintenance of MIS.

- **Reducing administrative burden on staff.** At the other end of the scale of specialization, outsourcing some clerical back-office functions can free up the time of staff in the public service for professional activities, for example statutory social work tasks, which might otherwise be crowded out. Outsourcing may also simply provide additional capacity at times of peak demand. In Kenya the Ministry of Labour and Social Security and Services coped with the data entry requirements for the rapid scaling up of the National Safety Net Programme by the recruitment of large numbers of temporary staff on short-term contracts, but it is possible that better data quality might have been provided by contracting-out the work.

However, while outsourcing of functions may yield the anticipated benefits, there are also aspects that need careful consideration:

- Outsourcing will **require additional organizational capabilities** including oversight and performance management of service providers as well as procurement related functions.

- Governments should **choose carefully** whether and which services and functions to outsource, for what reason or objective, to what organizations, and to how many.

- Governments should be particularly aware of the implications of transferring **or outsourcing functions related to core service functions**, as excessive dependency on external providers may impact on the long term delivery of the service and erode internal capacity. For example, if the outsourcing of MIS or payments related functions of the Government is not carefully thought out or managed, it can lead to various risks.

Therefore how the service providers are contracted and how it is enforced are important considerations for the Government and should at a minimum ensure that:

- the rights of social protection beneficiaries are respected by the company's agencies (and not subordinated to the service provider's commercial interests);

- data confidentiality is maintained;

- service quality standards are upheld,;

- complaints and grievance mechanisms are functional, and

- there is sufficient oversight and reporting to ensure government accountability for the service.

3.5   TAKE-AWAY LESSONS

- Organizational models are shaped by the governance and institutional design of the state. To the extent that the institutional context permits, some roles, responsibilities or decision-making power for services such as social protection may be delegated or devolved to autonomous or semi-autonomous agencies or other tiers of Government at the sub-national level.

- Non-contributory social protection systems may have centralized or decentralized implementation. The appropriateness of each approach will depend on a range of factors in both national and federal-level agencies and state or municipal governments, including capacity of staff, available budget, and record of implementation of previous programmes.

- Under a centralized system and organizational model, all aspects of the programme design and delivery are controlled and managed through the centre. This may improve standard-setting and coordination of activities, but it may also be poorly set up to meet (or indeed identify) the needs of populations at the local levels.
- Under a decentralized system authority and functional responsibilities may be placed with subordinate or autonomous administrative structures. This it is argued will bring services closer to the people and improve accountability and service delivery within the sector.

- The challenge of any form of decentralization of social protection is how to ensure that rights-based approaches are maintained uniformly across the country, and common standards of service are set and applied, while using decentralized structures in an effective way to ensure efficient and responsive service delivery at the front line

- Given the operational complexity of social protection systems, specialized structures with adequate capacity and management autonomy may be established to manage social protection programmes. This is done with the aim of developing results focused systems and cultures and enhancing management accountability by virtue of separation from policy functions (and by extension from political considerations).

- Organizational models may be set up to deliver some functions directly and to outsource others.

- Some social protection tasks may be outsourced to the private sector who may be better placed to deliver these more efficiently; however, this requires strong procurement, management and oversight functions to ensure services are delivered as expected.

- Existing institutional capacity should be taken into account when determining arrangements for service delivery. Countries with limited institutional capacity may rely on private sector and non-government providers (though with government regulation). However, strengthening capacity for institutions and staff involved in programme implementation is critical for all implementation processes to work well.

4

CAPACITY DEVELOPMENT

One of the often cited challenges of delivering social protection programmes is capacity constraints, especially at lower levels of governance. As extensively discussed in the ▣ MODULE ADM and within the wider literature on the topic, some of the main problems encountered across Sub-Saharan Africa include:

- technical weakness e.g. policy-making units "staffed not by specialists but by political supporters" (WDR, 2017)

- lack of sufficient statutory staff

- high turnover of staff.

The question that naturally arises is to understand what is meant by the term "capacity" and how to assess and develop it. OECD defines capacity as: "The ability of people, organizations and society as a whole to manage their affairs successfully (OECD 2006)".

4.1   ESTABLISHING CAPACITY REQUIREMENTS

Before discussing how to assess and develop capacity it is important to take a step back and establish how capacity requirements should be defined for the social protection sector. We set out some guiding principles below.

First of all, **capacity only exists in relation to the undertaking of particular activities or tasks and in relation to the achievement of particular goals or objectives.** Capacity can therefore be defined in relation to the ability to deliver programmes according to established standards and requirements as set out in regulations or operational manuals. In the context of social protection, the bodies responsible for different parts of the system need, between them, to be able to ensure that key administrative functions are carried out effectively (see also ▣ MODULE ADM)[24]

24 For example: the identification and registration of eligible beneficiaries in line with agreed policy (minimizing errors of inclusion and exclusion); regular, timely and accurate payments in accordance with the policy; monitoring of payments and of uptake by beneficiaries; maintenance of accurate management information and updating of records as necessary;

Second, there are three core dimensions of capacity, namely institutional, organizational and individual:

- The **institutional aspect,** as discussed under chapter 2, includes both the laws and regulations that set out the mandate of different entitles and their roles and responsibilities and also the way in which their working relationships and coordination are established;

- The **organizational aspect** is concerned with how the staff are structured, systems and processes set up and functions delivered. This aspect includes approaches to recruitment, staff development and retention as well as allocation of material resources necessary to deliver their organizational mandate; and

- The **individual aspect** focuses on the personal capabilities of the people who make up the organization. It looks at the level of knowledge, skills and attitudes of their staff and how they relate to their roles and responsibilities and the functions they are expected to undertake. For example it relates to whether staff are sufficiently trained to identify and enroll potential programme recipients, use management information systems or deal with beneficiary complaints – all of which may be enhanced by training and development.

Third, it is **important to recognize the temporal element of capacity** (see Table 4). This means looking not only at an entity's ability to create or acquire capacity (for example through training or recruitment) at a particular point in time, but also to its ability to use these new capabilities effectively and to ensure that capacity remains in place over time (Kardan et al, 2016).
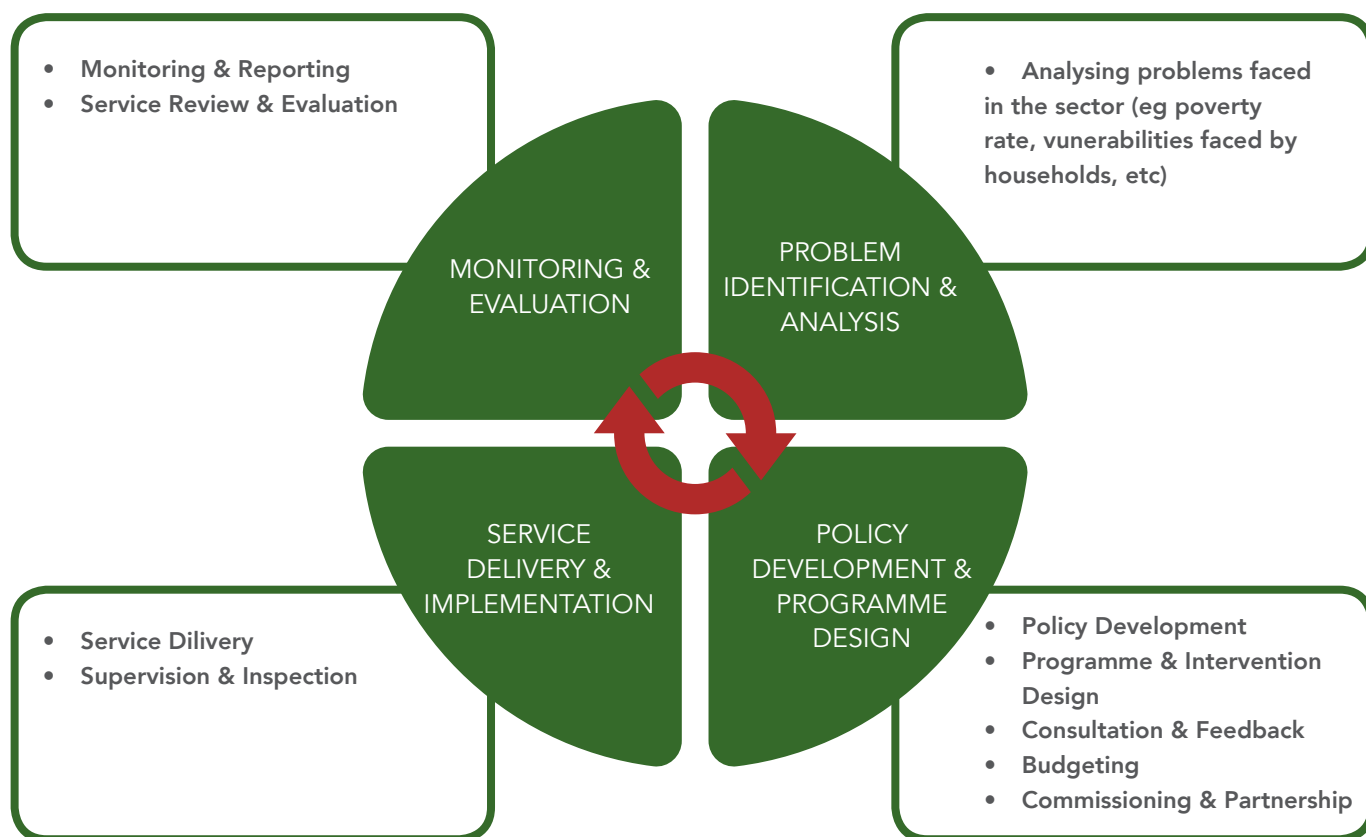
Table 4: A capacity matrix

	CAPACITY CREATION	CAPACITY UTILIZATION	CAPACITY RETENTION
Individual level	Development of adequate skills, knowledge, competencies and attitudes	Application of skills, knowledge, competencies on the workplace	Reduction of staff turnover, facilitation of skills and knowledge transfer within organisations
Organisational level	Establishment of efficient structures, processess and procedures; recruitment of sufficient staff and procurement of adequate equipment	Integration of structures, processes and procedures in the daily workflows; adequate provision for consumables	Regular adaption of structures, processes and procedures; maintainance and repair of equipment
Institutional level	Establishment of adequate insitutions, laws and regulations	Enforcement of laws and regulations for good governance	Regular adpation of institutions, laws and regulations

Source: Wyatt 2014

Fourth, it is also **useful to look at capacity across the different functions and sequence of administrative processes that fall under the remit of different entities and individuals**. Broadly these could be grouped across the policy cycle, focusing on a) problem identification and analysis (e.g. assessing what categories are poor, vulnerable or in need of support); b) policy development and intervention design; c) service delivery and implementation, and; d) monitoring and evaluation. Under each stage of a process, a sub-set of functions and sub-stages also exist, as exemplified in Figure 4
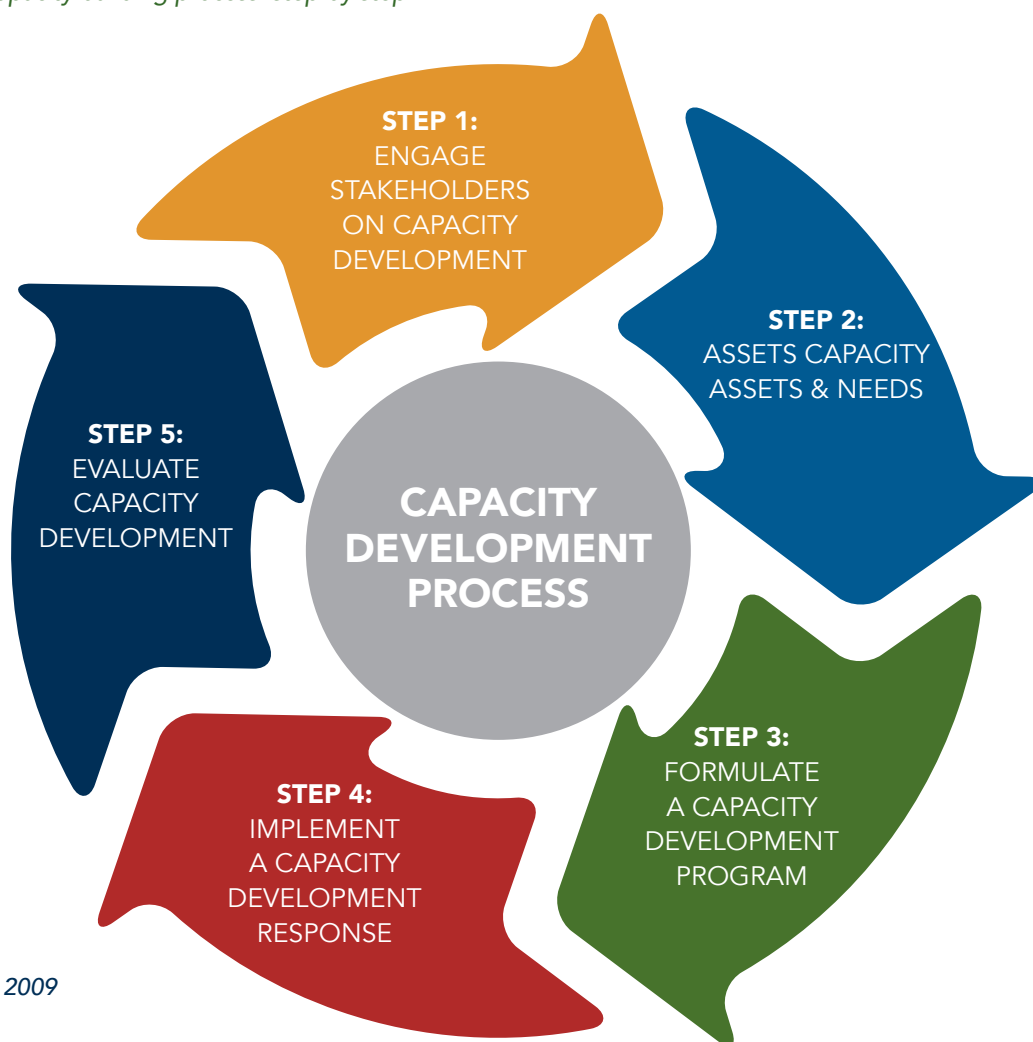
Figure 4: Processes and functions

- Monitoring & Reporting
- Service Review & Evaluation

- Analysing problems faced in the sector (eg poverty rate, vunerabilities faced by households, etc)

MONITORING & EVALUATION

PROBLEM IDENTIFICATION & ANALYSIS

SERVICE DELIVERY & IMPLEMENTATION

POLICY DEVELOPMENT & PROGRAMME DESIGN

- Service Dilivery
- Supervision & Inspection

- Policy Development
- Programme & Intervention Design
- Consultation & Feedback
- Budgeting
- Commissioning & Partnership

Source: Authors

4.2   CAPACITY DEVELOPMENT – KEY STEPS

Addressing capacity gaps involves understanding, maintaining, strengthening and adapting existing capacity, but can also involve building capacity in new areas. While capacity can be developed at an individual level, (because our ability to undertake key task depends on experience, knowledge, technical skills), it can also happen at an institutional level and organizational level. The institutional environment for example, influences the behavior of organizations and the individuals within it through a set of incentives which stimulates organizations and encourage individuals to act in particular ways.

Figure 5: The capacity building process: step by step

CAPACITY DEVELOPMENT PROCESS

STEP 1:
ENGAGE STAKEHOLDERS ON CAPACITY DEVELOPMENT

STEP 2:
ASSETS CAPACITY ASSETS & NEEDS

STEP 3:
FORMULATE A CAPACITY DEVELOPMENT PROGRAM

STEP 4:
IMPLEMENT A CAPACITY DEVELOPMENT RESPONSE

STEP 5:
EVALUATE CAPACITY DEVELOPMENT

Source: UNDP 2009

4.3 TAKE-AWAY LESSONS

- The capacity of responsible agencies, as well as of the wider public service system within which they operate, is an important determinant in the successful delivery of social protection programmes.

- In the context of social protection, capacity is assessed in relation to responsible agencies delivering their programmes according to established standards and requirements as set out in regulations or operational manuals. To assess the adequacy of existing capacity it is therefore important to begin by reviewing the actual current experience of service delivery, and identifying specific deficiencies as evidence of current capacity weaknesses.

- Capacity assessment should look at the adequacy and appropriateness of laws, regulations an institutionalrelationships; the level of staffing, resources and systems in place at organizational level to deliver assigned functions; and at the knowledge, skills and attitudes of staff employed.

- Once capacity gaps are identified against established norms and standards a plan can be developed to address these. It is important to note that some gaps may be easier to address than others and that a longer term approach to capacity development is needed.

- A capacity development plan should recognize the time horizon for implementation and the costs and resources required for its implementation. Some actions will invariably be less time intensive or costly to implement than others. It is important to make sure that the magnitude of capacity change does not indefinitely put off reform but rather to help with a sequenced and long term vision for capacity development.

CURRICULUM
OVERVIEW

The TRANSFORM Learning Package
is organized in a modular structure, and reflects the key building blocks of a holistic &
interdependent social protection system.

The TRANSFORM modules that are currently available are listed below.
Other modules are under development and will be added to the curriculum.

LEG	**Legal Frameworks**
S&I	**Selection & Identification**
ADM	**Administration and Delivery Systems**
COO	**Coordination**
GOV	**Governance, Institutions & Organizational Structure**
MIS	**Management Information Systems & Approaches to Data Integration**
FIN	**Financing & Financial Management**
M&E	**Monitoring & Evaluation**

All TRANSFORM materials are available at:
http://socialprotection.org/institutions/transform

WHAT IS TRANSFORM?

TRANSFORM is an innovative learning package on the administration of national social protection floors in Africa. The prime objective of TRANSFORM is to build critical thinking and capacities of policy makers and practitioners at national and decentralized levels to improve the design, effectiveness and efficiency of social protection systems. TRANSFORM aims not only at imparting state-of-the-art knowledge that is appropriate for the challenges faced by countries in the region, but also to encourage learners to take leadership on the change and transformation of nationally defined social protection systems.

WHY TRANSFORM?

Many training curricula exist in the field of social protection and thus fundamental ideas, concepts, approaches and techniques are accessible. And yet, institutions and individuals struggle with the complexity of developing a broad, encompassing social protection system.

This complexity requires a transformational approach to teaching and knowledge sharing. It is far from enough to impart knowledge, to fill heads. It requires learners to grapple with the features of complexity, to stimulate creativity, to appreciate diversity and uniqueness, to be involved as a key element of ownership –elements which are at least as important as the

Contact theTRANSFORM initiative at: **transform_socialprotection@ilo.org**
or visit **http://socialprotection.org/institutions/transform**

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