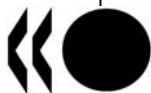


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DAC Network on Poverty Reduction

MEASURING ODA FOR SOCIAL PROTECTION

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MEASURING ODA FOR SOCIAL PROTECTION

I. Background

1. The 21-22 October 2009 meeting discussed a note [DCD/DAC/POVNET/RD(2009)7/RD5] about getting a better statistical grasp of how much ODA is spent on social protection. The objective is to improve our ability in the DAC and as donors to better measure, monitor and harmonise ODA for social protection.

2. In that note, it was proposed (i) to look at the data from the Creditor Reporting System (CRS) available on the category 'social welfare services', (ii) consider what activities could be encompassed under the heading of social protection and (iii) look at what other categories might usefully be added to social welfare services to provide a more complete perspective on donor ODA support to this area. It was further proposed to test out some issues with a small number of donors (Australia, Germany, the EU and the UK have responded) as a precursor to developing an issues paper on measuring ODA for social protection.

3. The remainder of this note therefore takes a glance at ODA for social welfare services (section II), synthesises the responses of the four donors mentioned above (section III) and finally (section IV) discusses next steps.

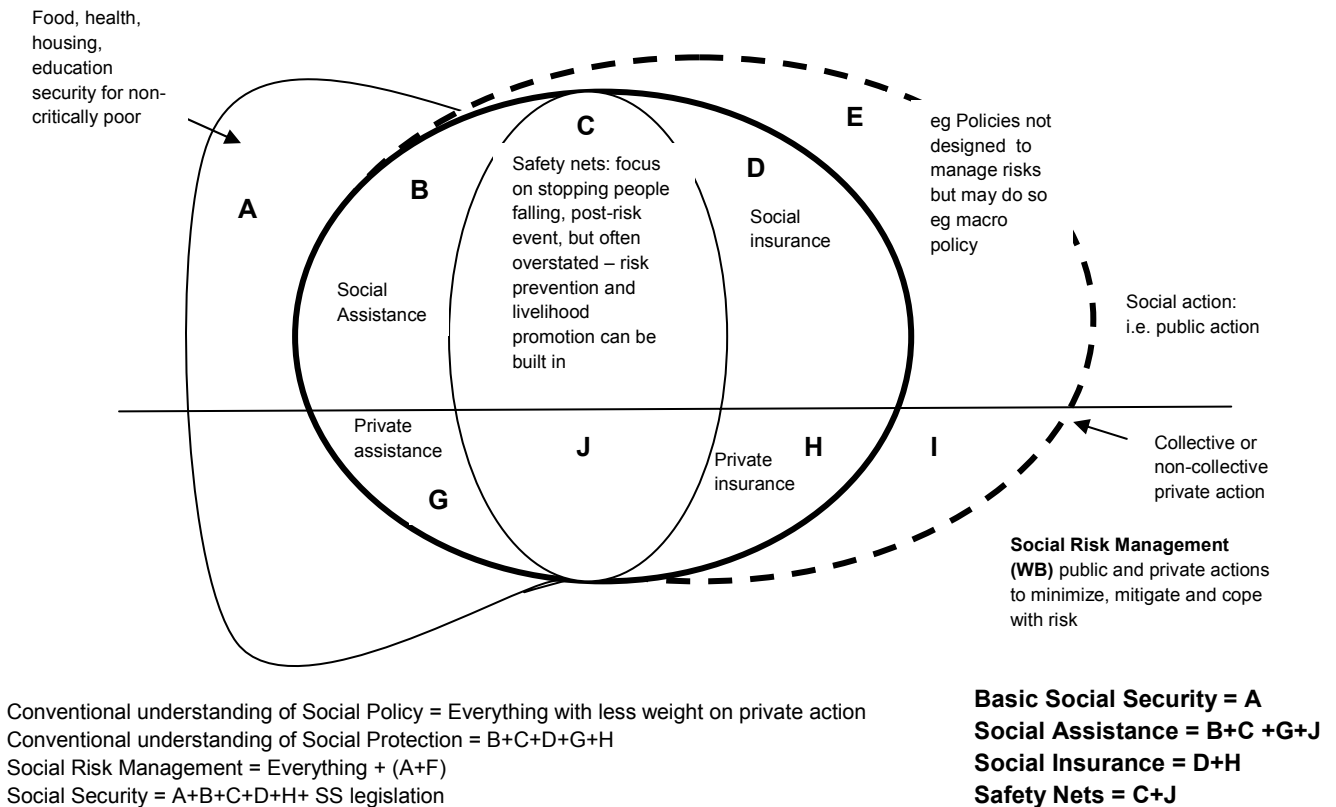
II. ODA for Social Protection.

4. There is no standard or agreed definition of 'social protection'. But at the same time there are clear and shared views on the objectives underlying social protection such as efforts towards coping, mitigating and/or preventing natural and man-made risks on which poor people's livelihoods are highly vulnerable.

5. To the extent social protection seeks to tackle risk and vulnerability, there is a very wide range of actions that could be encompassed in a broad view of social protection. For illustrative purposes, the 'fish' diagram of Sabates, Wheeler and Haddad¹ set out in figure 1 shows the different policy spheres and, within them, policy instruments that are used to tackle risk and vulnerability. At a later stage, this and other approaches to mapping social protection instruments might provide useful leads to looking at both a narrow core and a broader grouping of instruments and targets for social protection.

¹ Reconciling different concepts of risk and vulnerability: A review of donor documents (Sabates, Wheeler and Haddad, IDS, 2005).

Figure 1: Mapping Different Actions Related to Risk and Vulnerability



6. Turning back to a more limited or narrower view of social protection, i.e. the CRS category of ‘social welfare services’ (CRS code 16010), table 1 sets out recent ODA commitments in this category. From table 1 we see that in 2008 (the latest year for which data are available), ODA to this activity amounted to USD 1.3 billion, 1.6% of total sector allocable aid. Since 2004, there has been a steadily upward trend in the overall volume of aid to this area, with the sharp rise in 2008 largely due to much higher USA ODA for social/welfare services, which represented 71% of the 2008 total. In looking at this table, however, it is important to recall that it takes a ‘narrow’ view of social protection, focusing only on social/welfare services, when donors will often use a much broader definition (see section III below) – this is the point to be made: looking at only social/welfare services might well underestimate what donors are doing under social protection and might not identify the trends in overall spending.

Table 1: DAC countries' ODA to social/ welfare services - Commitments

	USD million					% of total sector-allocable ODA
	2004	2005	2006	2007	2008	2008
Australia	2.8	3.7	0.7	0.4	2.9	0.1
Austria	2.7	1.6	2.8	4.7	4.6	1.1
Belgium	21.1	39.7	18.8	16.5	4.2	0.3
Canada	80.5	0.3	4.5	9.8	12.9	0.5
Denmark	7.4	1.8	3.4	8.3	1.2	0.1
Finland	4.2	4.4	4.1	4.5	21.4	3.1
France	52.9	50.0	63.8	61.9	12.2	0.2
Germany	38.4	16.0	22.3	14.2	24.5	0.3
Greece	6.0	2.3	7.3	6.7	23.6	10.5
Ireland	6.9	5.6	3.0	6.3	6.9	1.2
Italy	19.8	9.9	19.6	10.7	17.2	1.7
Japan	29.7	105.6	96.5	145.9	71.9	0.6
Luxembourg	3.4	4.2	5.5	2.8	6.4	3.2
Netherlands	7.6	3.8	10.8	6.5	0.2	0.0
New Zealand	1.5	0.4	0.8	0.4	1.4	0.6
Norway	36.2	21.6	22.0	18.9	14.3	0.5
Portugal	9.0	10.3	11.1	9.8	12.3	5.7
Spain	18.1	20.6	23.4	89.9	57.4	1.8
Sweden	10.5	6.1	14.2	5.9	8.1	0.5
Switzerland	0.0	3.8	0.9	13.2	1.5	0.2
United Kingdom	80.9	77.1	269.1	219.4	66.0	1.0
United States	45.0	249.5	170.8	196.3	929.3	3.9
Total DAC	484.8	638.3	775.3	853.0	1300.3	1.6

III. Synthesis of Members' responses to the questions

7. Four DAC Members (Australia, Germany, the EU and the UK) responded to the questions asked; a synthesis of their responses of provided below.

- i) *Do you have a policy on ODA for social protection (SP)? Please describe.* None of the four respondents has a separate or discrete 'policy' on social protection, but all have ODA and policy commitments, sometimes as mainstreamed parts of other policies (e.g. humanitarian, disaster risk reduction, migration, nutrition) and/or by way of endorsement and implementation of ILO and EU policy objectives. Food security is one of the key themes of Australia's Policy Statement on International Development Assistance and social protection is one of three components of its Food Security through Rural Development budget.

- ii) ***Do you have targets for SP spending (amount/ timeline/ further details)? Are they defined in terms of new commitments or annual disbursements on SP?*** The EU does not have a spending target; the UK does (it will spend GBP 200 million over 2008/9 to 2010/11). In Germany, the €70 million commitment for 2009 has been replaced by annual monitoring of planned commitments in subsequent years. Australia has set annual spending targets for social protection programs from FY09-10 to FY12-13 totalling AUD 120 million. After that, the funding forms part of a base (regular) allocation for social protection programming with a broad annual allocation of approximately AUD 30 million.
- iii) ***How do you define SP?*** Australia, Germany and the United Kingdom have different definitions of social protection while the EU does not have an official definition. Australia uses a broad definition “Social protection describes all public and private initiatives that provide income or consumption transfers to the poor to protect the vulnerable against livelihood risks and enhance the social status and rights of the marginalised, with the overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalised groups”. Germany defines social protection as the system of protective measures against life’s major risks, and encompassing life cycle risks, health and economic risks and natural and ecological risks. Social protection supports individuals and households in risk prevention, mitigation and coping. In the UK, social protection describes policies and programmes that *directly* address risk, vulnerability and chronic poverty.
- iv) ***How do you measure ODA for SP? Have you established a list of purpose codes relevant to SP? (Please provide the list.) Does your system capture SP components of wider programmes?*** The four respondents have different approaches. Australia combines tracking of allocation of earmarked funds with case-by-case tracking of individual activities that are funded through other budget sources. For statistical purposes, the UK uses both narrow and broad definitions. The narrow definition comprises social assistance, social insurance and labour standards. The broad definition goes further to include ‘complementary interventions’ e.g. social/welfare services, multisector aid for basic social services, social mitigation of HIV/AIDS, basic nutrition, etc. UK internal input sector codes differ slightly from CRS codes but can be mapped to them. For Germany, ODA commitments are measured based on assigned percentages of a range of CRS codes (e.g. 15% of ODA for health policy and administrative management is for social protection, 15% for basic health care, 100% for social infrastructure and services, and so on. The list of purpose codes was developed and weighted through ex post evaluation work. In the EU, standard CRS purpose codes are used, but the multisector nature of social protection means different entry points for social protection (e.g. food security, rural development, social/welfare services).
- v) ***Does your internal coding system provide more detail and breakdown on SP activities than the CRS purpose codes?*** The general answer to the question for Australia, Germany and the EU is ‘no’, although the EU is looking at the possibility of developing a list of markers to provide more detail for social protection activities. In the UK, the internal coding system does provide more detail and breakdown, but internal codes can be mapped onto CRS codes.
- vi) ***Can one activity be assigned to more than one purpose code? If so, do you assign percentages to the assigned codes and how are these determined?*** In Australia, Germany and the EU, an activity can only be assigned to one CRS code, but in the UK, one activity can be assigned to more than one purpose code. Projects are comprised of more than one component, and up to eight input sector codes can be used to estimate how much support is given to each sector, to show the proportion of the budget expected to be spent on each sector.

- vii) ***Would an agreed selection of CRS purpose codes facilitate monitoring ODA for SP? What would be the challenges?*** All four donors respond that an agreed selection of purpose codes would facilitate monitoring, improve comparability of efforts and support greater harmonisation across donors and raise the profile of their efforts to strengthen social protection. Challenges arise from the multisector nature of social protection and the need to agree on the common components and the extent to which we would be able to capture small social protection components of a larger project. There are also issues around retrospectively allocating any new/different codes to existing activities. Communicating eventual new coding instructions to staff was also mentioned.

8. While it is obviously unwise to draw any conclusions on the basis of the responses from only three donors, they nevertheless suggest an interest in pursuing the matter of better measuring and monitoring ODA for social protection. There will be obvious difficulties in moving towards a more shared approach, but the difficulties are more likely to require technical rather than policy or political solutions and they do not appear to raise insurmountable problems. Also, if POVNET pursues its intended 2011/12 work programme on the social protection floor, work in this area will be a very useful input.

IV. Next steps

If there is sufficient support in POVNET to continue exploring this issue, it is suggested that POVNET encourages as many other members as possible to respond to the questions raised in the earlier note (and addressed in section III above). This would provide a fuller picture of similarities and differences among members and help identify the issues that need to be tackled. Following that, the next step would be to set out in an issues note what the main challenges are likely to be and how to start addressing them. Such a note would also include a discussion on the different CRS purpose codes that could be usefully aggregated to better measure and monitor ODA for social protection. That note could be prepared for the next meeting of POVNET, later this year.