

ILO Global Campaign for Social Protection and Coverage for all:
As a means to reducing poverty in Africa and Asia



International
Labour Office

Overview of the ILO/DFID project:
Tanzania Mainland, Zanzibar and Zambia

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Overview of project



- The UK Department for International Development (DFID) is funding a technical cooperation project to further the ILO Global Campaign on Social Security and Coverage for All:
 - The countries covered in the project are Zambia, Tanzania Mainland and Zanzibar;
 - The project is part of the wider ILO/DFID partnership agreement.
- The aim of this project is to identify the amount of fiscal space needed to implement a minimum social protection package in Zambia, Tanzania Mainland and Zanzibar.

Overview of project



- The project started in November 2006 and will end in December 2009;
- The budget for the project is approximately \$3.5 million over this period;
- In addition, SEC/SOC has invested significant resources of its own into the project.

Overview of project



- The project is both a centralised and de-centralised project:
 - Three dedicated staff in Geneva, with support from other SEC/SOC staff;
 - A National Project Officer in Lusaka and Dar, and;
 - A Chief Technical Advisor based in Dar.
- The project is accountable to the Tripartite Steering Committee for management of the budget and achieving designated outputs.



Planned outputs of the project

1. Produce a Social Protection Expenditure and Performance Review (SPER) and Social Budget report for Tanzania Mainland, Zanzibar, and Zambia;
2. To hold National Policy Dialogue Forums in each country;
3. Produce Social Security Action Plans for each country;
4. Undertake “Transfer of Knowledge” activities.



Delivery of outputs

- The SPER and Social Budget reports for Tanzania Mainland and Zambia have been published, and have been accepted by the Tripartite Steering Committees;
 - The Zambian report has also been endorsed by the Government;
 - Zanzibar's SPER/Social Budget report is currently being written and is due to be published in the Autumn.
- A National Policy Dialogue Forum was held in Zambia in April 2009;
 - And which is planned for Tanzania in September 2009.
- Two networks of Social Protection professionals have been set-up:
 - Who meet regularly to discuss Social Protection issues, and who;
 - Take part in training activities (e.g. National and International Policy Development).



- The main findings of the SPER/SB reports, in both Zambia and Tanzania Mainland, show that:
 - Both countries have very young, expanding, populations;
 - There are high levels of poverty in both countries (especially in rural areas) and;
 - They have highly informal labour markets (more than 90% informality);
 - In addition, the level of Social Protection coverage is very low, and predominantly available only to the small number of those in formal employment.

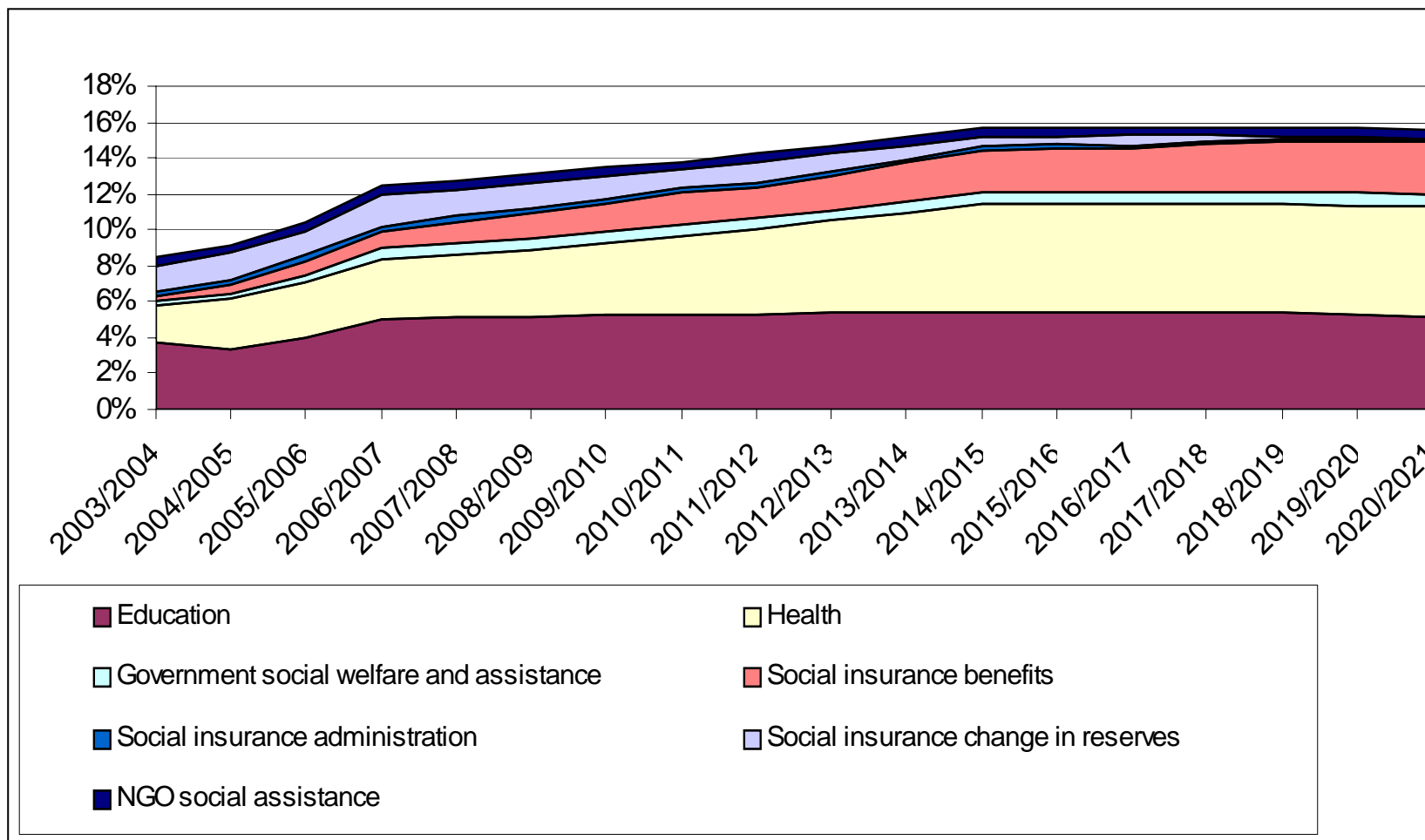
SPER/Social Budget outputs



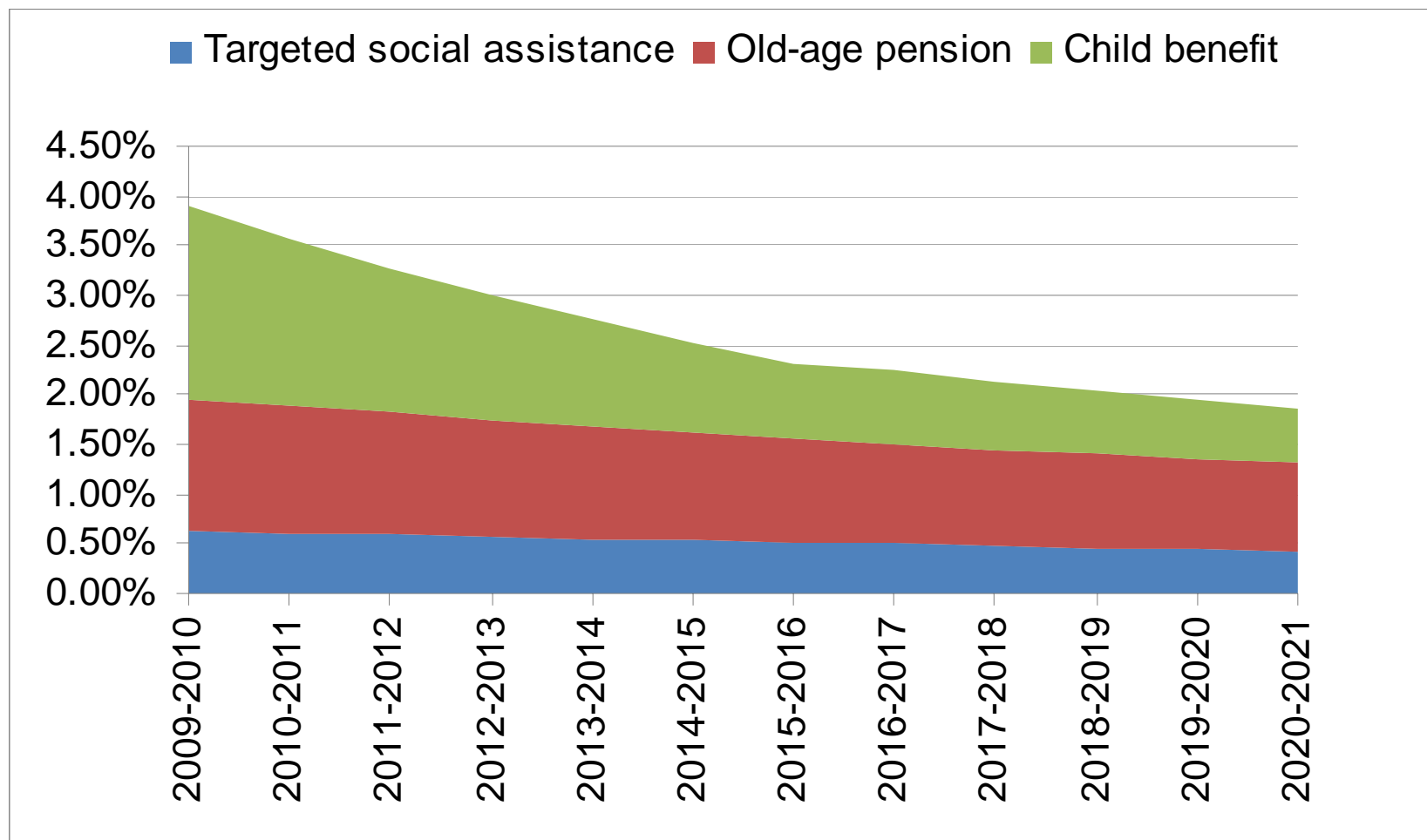
- The SPER/Social Budget analysis shows that the prior work of ILO SEC/SOC was sound;
 - “Can low income countries afford basic Social Protection? First Results of a modelling exercise” Pal, K. et al (2006)
- Hence we have a platform to continue this type of work, and can;
- Advise countries in more detail as to how they can deliver a minimum package of Social Protection benefits.

Tanzania – Social Budget

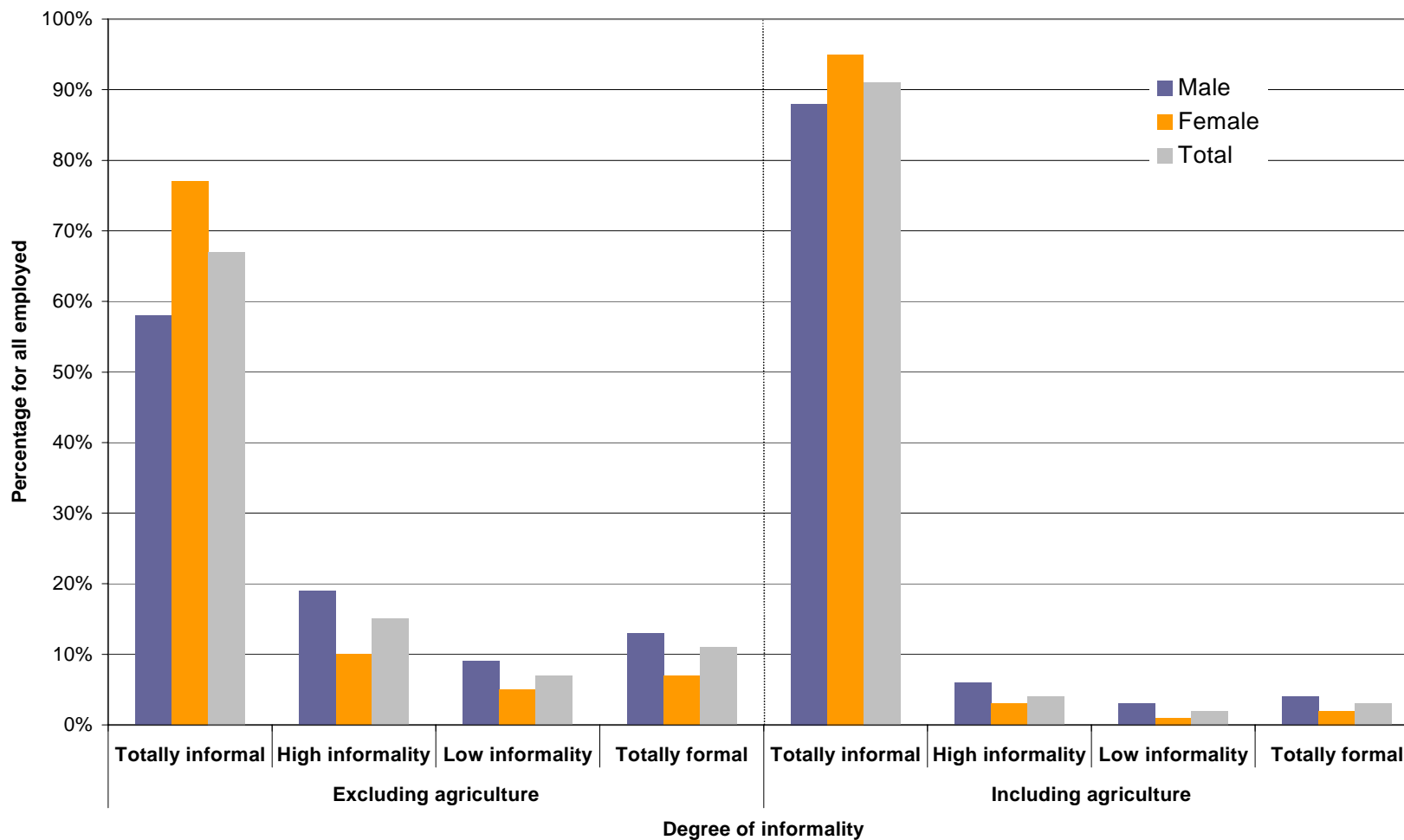
Projected Social Expenditure, per cent of GDP, 2003 to 2021



Tanzania: Minimum package projections



Tanzania: Employability analysis



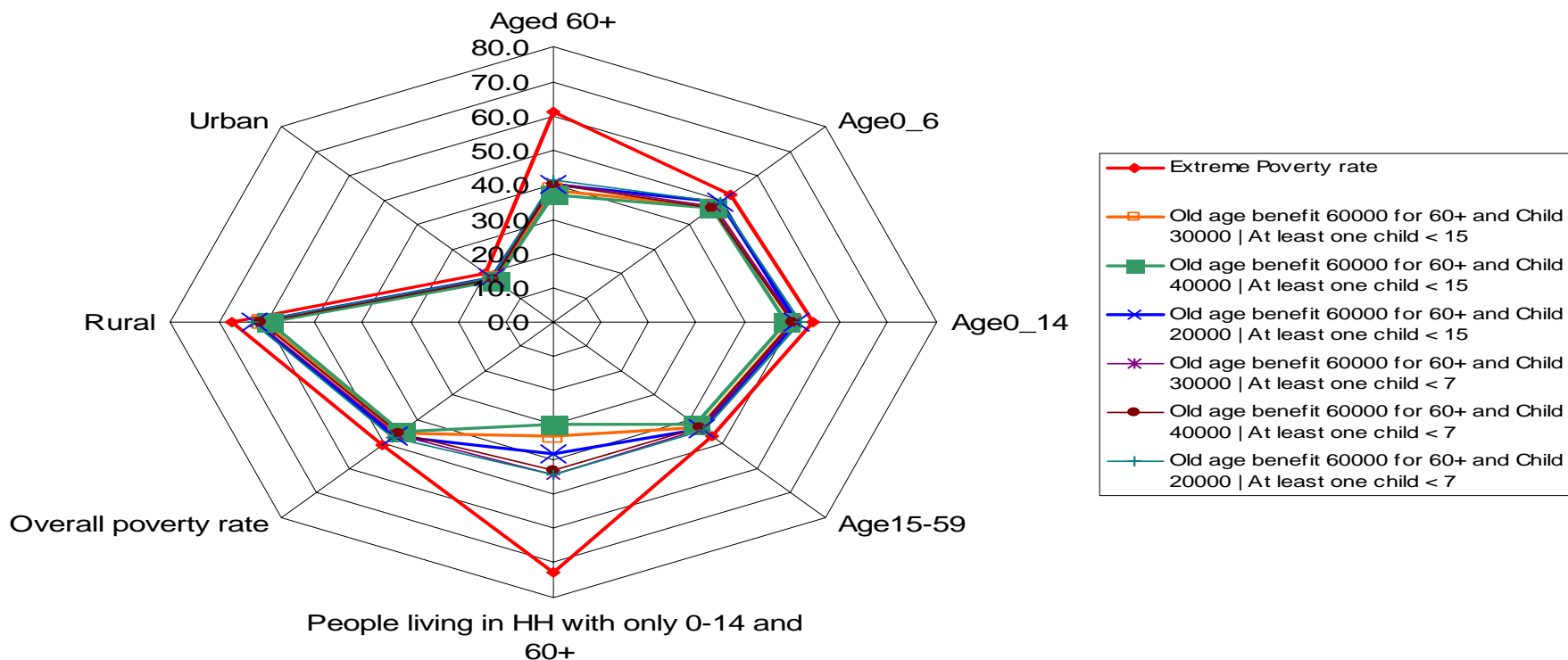
Summary: Employability



- Only 3% of all employed persons work in an environment that could be called fully formal;
- 63% of all paid employees say their employers do not contribute to social security or that they do not know whether their employer contributes;
- Such informality raises questions about the ability of a country to use its labour force as a tax base for development purposes.

Zambia: potential impacts of benefits

Comparison of Extreme poverty rate before and after child and old age benefits | combined



So....



- The work done for the SPER/Social Budget report and some additional analysis shows:
 - Social security coverage in terms of numbers, scope and adequacy is low for both contributory and non-contributory provision;
 - There is an unequal distribution of income, high levels of poverty, and significant labour market informality;
 - In other words – a big challenge.
- The benefits we have analysed appear to fit within a reasonable funding envelope, thus;
- The technical arguments are pretty conclusive.



The challenge: some lessons learned

- But political will is fundamental:
 - We can only do so much.
- Things change quickly – e.g. the economic crisis:
 - One needs to think on their feet;
- How do we use these technical arguments effectively to help move forward Social Protection within countries?
 - Many agencies, different agendas, limited money (donor and government financed) for schemes.

Where are we now? Zambia



- ILO officials, in conjunction with other cooperating partners (UNICEF, DFID, IRISH AID) are currently advising the Zambian government on:
 - Extending existing targeted Social Assistance and a Universal Old Age Pension currently being piloted in Katete, and;
 - A Child Grant scheme that will be implemented in a number of other Districts;
 - The medium-term objective is to broaden access to these initiatives.



- In Tanzania Mainland, there is now some momentum to start a Universal Pension scheme;
 - Driven by desire of the Minister of Labour to implement a Universal Pension for the old-aged;
 - Political will is moving things forward quickly.
- DFID are engaged with the Tanzanian government about providing some donor funding:
 - Approximately £10 million available to help fund this;
 - The aim is to start with a pilot project and to then scale up this scheme over time.

What will we be doing?



- The project has 6 months to run;
- Over this period we shall:
 - Complete the SPER/Social Budget report for Zanzibar;
 - Deliver analytical training in Zambia and Tanzania;
 - Hand over the Social Budget model to both countries;
 - Write Social Security Action Plans;
 - Offer advice to various Ministries who are preparing proposals to extend Social Protection in Zambia (and hopefully in Tanzania);
 - Conduct a review of the whole project.



THANK YOU