

United Republic of Tanzania

# National Social Protection Framework (NSPF)

# Overview

In this presentation we will discuss briefly on the following:

- Background and Introduction
- The overview of the NSPF Document
- The Output
- The status

# Background and Introduction

- The first NSPF draft was produced in the mid 2000 and submitted to the cabinet.
- Three issues were raised in the cabinet
  - i. Weak coordination mechanism of Social Protection in the country
  - ii. The lack of operational plan for implementation of the NSPF
  - iii. The fiscal space (costing of SP interventions) for the NSPF was not provided.

# Back ground...

- Task Force (TF) was formed by the PMO to address issues raised by the cabinet with regard to the first NSPF draft.
- The Task Force consisted members from
  - PMO, MoF, MoHSW, MoLE, TASAF, SSRA, UDSM.
  - UNICEF assisted the Task Force by providing an International Consultant who subjected the zero draft prepared by TF to the International practice and experience.

# The overview of the NSPF Document

- The NSPF document consists of the following
  - -Executive Summary
  - -Introduction and Background
  - -Conceptual Framework
  - - The NSPF Vision, Mission and Objectives
  - - Institutional Framework
  - - Operational Plan
  - -Monitoring and Evaluation
  - - Financing.

# The Output

- The National Social Protection Framework proposes a framework to promote coordination and harmonization of programs in the short-run; and
- Facilitates a shift towards a more simple, yet more coherent system of social protection in the medium- to long-run.

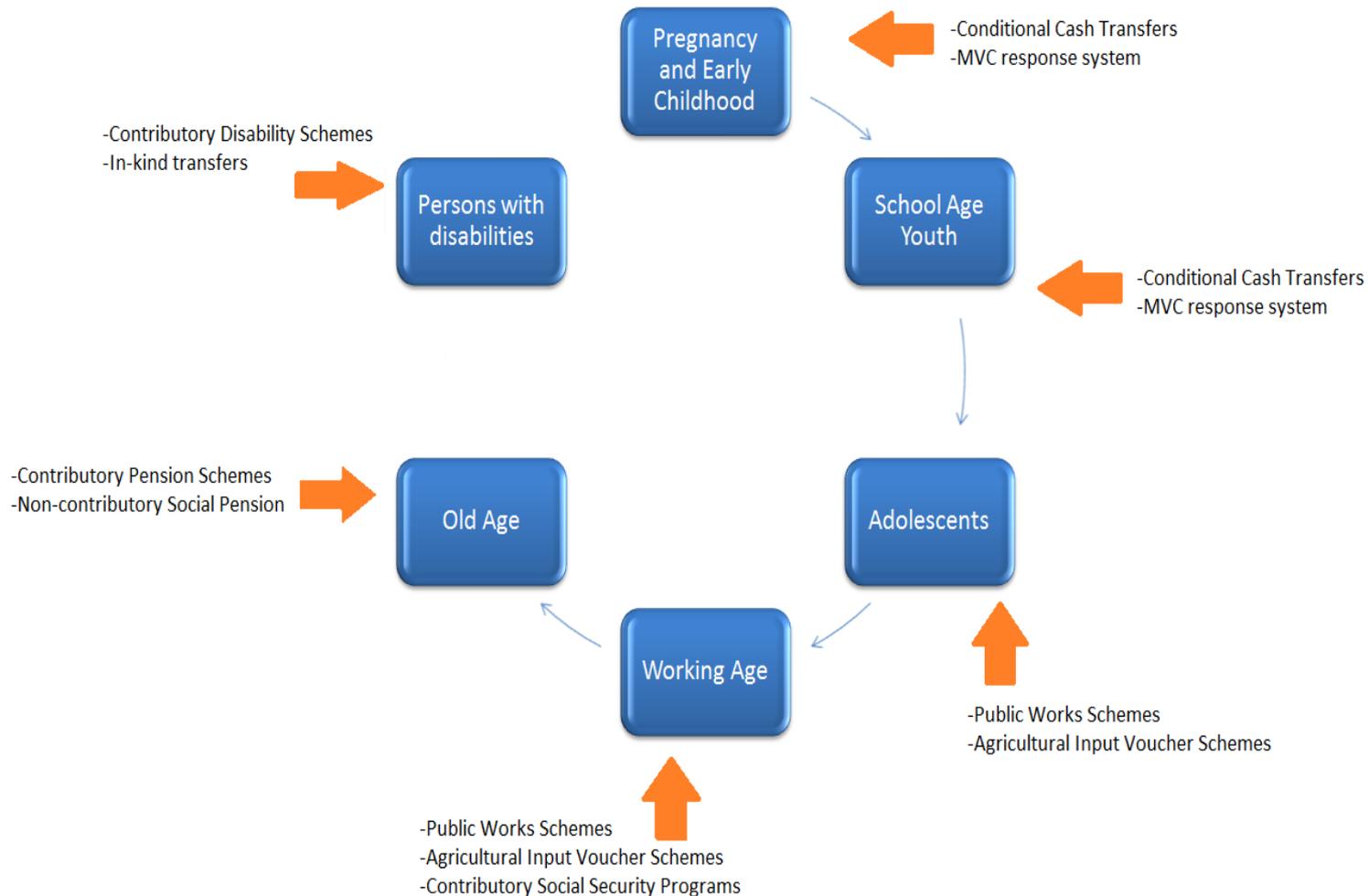
# The Lifecycle perspective

- The NSPF adopts a life cycle perspective to identify how social protection can and currently does – protect the poor and vulnerable.
- Lifecycle risks related to pregnancy and early childhood are addressed through the provision of free healthcare for pregnant women and children under five years of age, conditional cash transfers (CCTs) and the Most Vulnerable Children Response System (MVCRS).

# Life Cycle..

- Risk associated with school-aged children are primarily addressed through the provision of universal primary education, CCTs and the MVCRS.
- As children grow into adolescents, the focus shifts, besides skills development and secondary education promotion, towards productive inclusion, addressing their risks through future participation in public works and the National Agricultural Input Voucher Scheme (NAIVS).

# Tanzania's SP programs from a life cycle perspective



# Vision of Social Protection in Tanzania

*To have a nation that protects the poor and vulnerable, promotes inclusive growth and provides a minimum acceptable standard of living to all Tanzanians*

# Objectives of the NSPF

1. To ensure social justice in terms of inclusiveness across age, gender, geography and socioeconomic differences;
2. To guide and strengthen the policy, legal and institutional framework for harmonization, consolidation and reform of existing social protection programs;
3. To guide the design and implementation of new social protection programs;
4. To achieve an integrated social protection delivery system;

# Objectives of the NSPF (contd.)

5. To provide mechanisms for the monitoring and evaluation of social protection programs;
6. To enhance transparency and accountability in the provision of social protection;
7. To improve fiscal space for social protection; and
8. To ensure policy, legal and institutional frameworks for social protection are coherent and implemented at all levels.

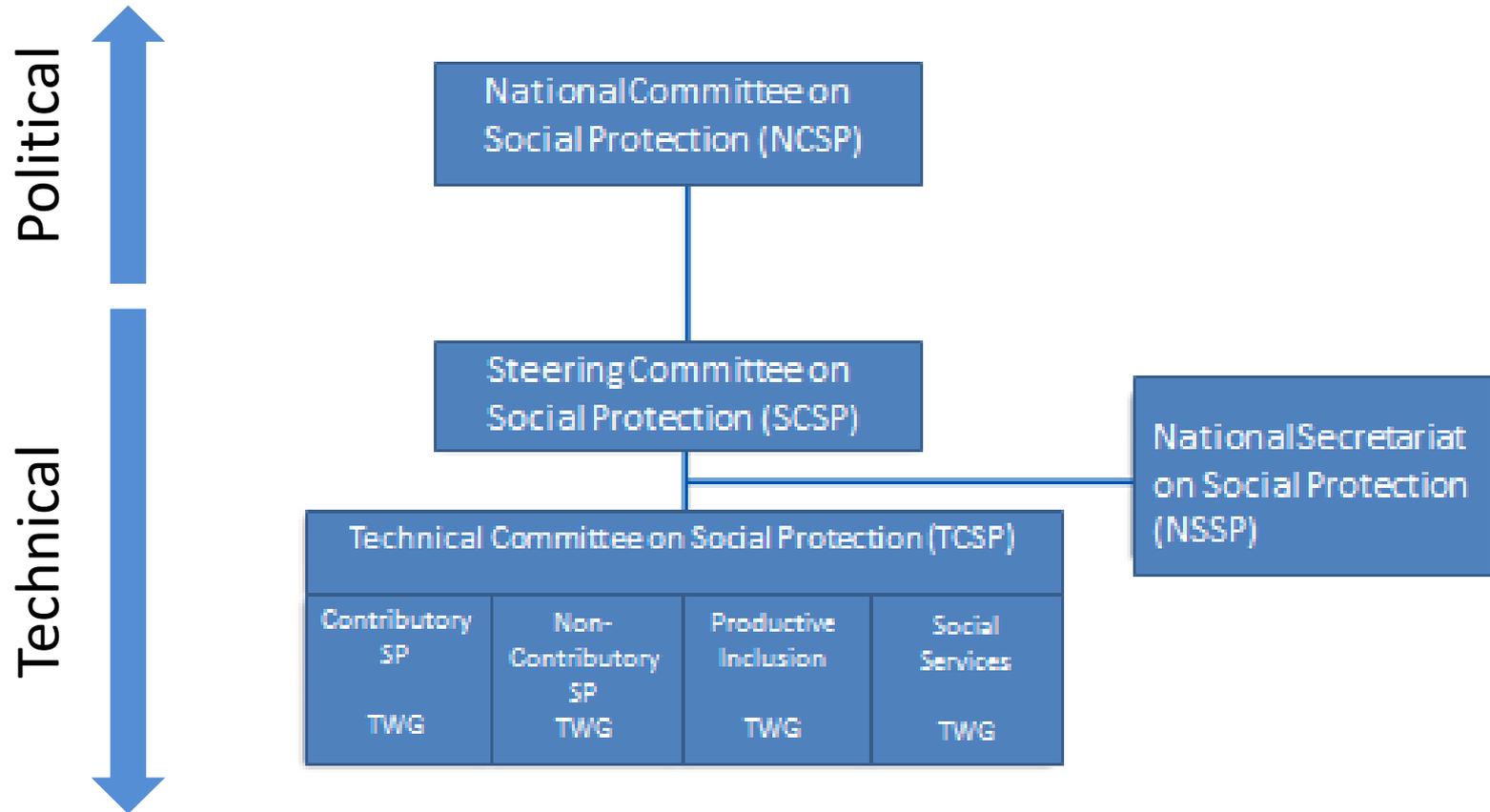
# Guiding Principles of the NSPF

- Government leadership;
- Universality;
- Recognition of and respect for the positive social and cultural norms and practices in the country;
- Investment in long-term human and systemic capabilities;
- Broad-based community participation and decision-making;
- Multidimensionality of poverty
- Rights-based approach;
- Child-sensitive social protection;

# Guiding Principles of the NSPF (contd.)

- Gender responsiveness;
- Coordinated and harmonized social protection programs;
- Integrated approach;
- Adherence to international standards and codes;
- Good governance and accountability;
- Sustainability;
- Efficiency and effectiveness; and
- Revisioning to avoid.

# Proposed Institutional Arrangement



# National Committee on Social Protection

1. Political level: ultimate decision-making platform.
  - Chaired by the Prime Minister
  - Consists of various ministers of MDAs with mandates and/or programs related to social protection.
  - Specific Tasks highlighted

# Steering Committee on Social Protection

- Chaired by PS-PMO
- Members includes:
- Permanent Secretaries of the Ministers represented in the NCSP;
- TASAF
- SSRA and
- Representatives of the DPs.

# Technical Committee on Social Protection

- Chaired by the Director of Coordination of Government Business at the Prime Minister's Office, Co-chaired by the Poverty Eradication Department of the Ministry of Finance and a DP.
- Platform for harmonization within and across 4 thematic areas of social protection:
  - Non-contributory programs
  - Contributory programs
  - Productive Inclusion
  - Social Services
- Members are from Govt, CSOs, and DPs

# The Technical Working Groups(TWG)

- The Technical Working Groups (TWGs) are designed to harmonize the design and implementation characteristics within thematic areas, such as:
  - Targeting
  - Registration
  - Validation
  - Payment mechanisms
  - Monitoring and Evaluation
- Each of the four TWGs will be organized and chaired by its coordinator, who is a full-time member of the National Secretariat on the Social Protection (NSSP). They will be co-chaired by a DP.
- The TWGs are also open to all interested stakeholders

# National Secretariat of Social Protection

- Full-time, seconded staff serving as the bureaucratic driving force of the NSPF and technical arm
- Facilitates organization of NCSP and SCSP, and ensure implementation of the NSPF.

# National Secretariat of Social Protection

- The secretariat will consist of four full-time, seconded coordinators from:
  - TASAF: also the chair of the Non-Contributory TWG
  - SSRA: also the chair of the Contributory TWG
  - Ministry of Agriculture: also the chair of the Productive Inclusion TWG
  - PMO-RALG: Also the chair of the Social Services TWG
- The Secretariat will function under the umbrella and mandate of the PMO, and will report to the Director of the Coordination of Government Business.

# Lower Level Governance Arrangements

- The structure will link into existing governance arrangement at the local level
- Social protection will be instituted as a separate agenda item for existing committees
  - Exploring opportunity to integrate with reshaped Nutrition Committee
- The Regional Administrative Secretariat (RAS) and Council Directors will be responsible for this institution
- LGA structures will be represented in the TCSP and TWG through the ministry responsible for regional administration

# Monitoring and Evaluation (M&E)

- Will be a system housed underneath the national level framework
- Comprised of related, interdependent and interacting policy components, including:
  - Performance indicators
  - Performance reviews
  - Evaluations
  - Comprehensive data records

# Management Information Systems

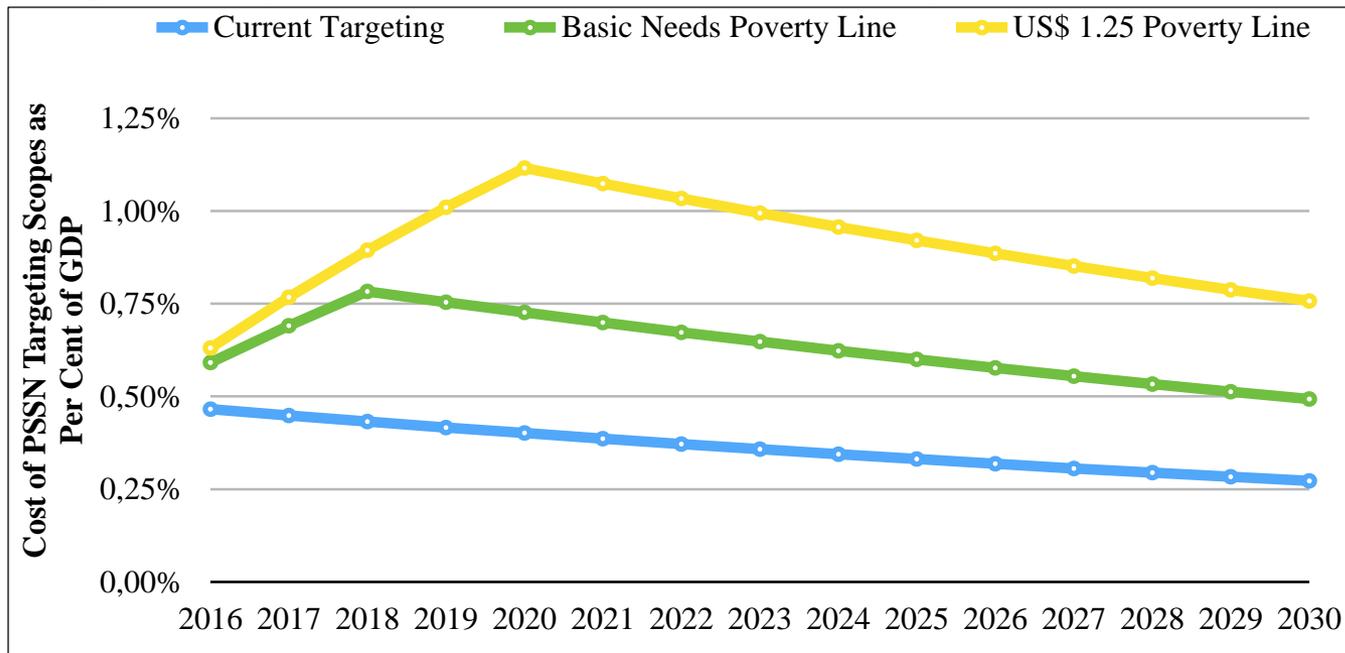
- Development of a Single Registry
  - Source for comprehensive social policy data, linking various MISs with a single database
  - Provides the basis for more robust policy making
  - Development process will occur under leadership of the NSCSP
    - Design TASAF's new MIS in light of linkage to single registry
    - Decide whether TASAF or another newly developed platform will be most effective for a nationally integrated MIS

# Financing

Current and Projected Expenditures:

Non-Contributory Programs: Productive Social Safety Net

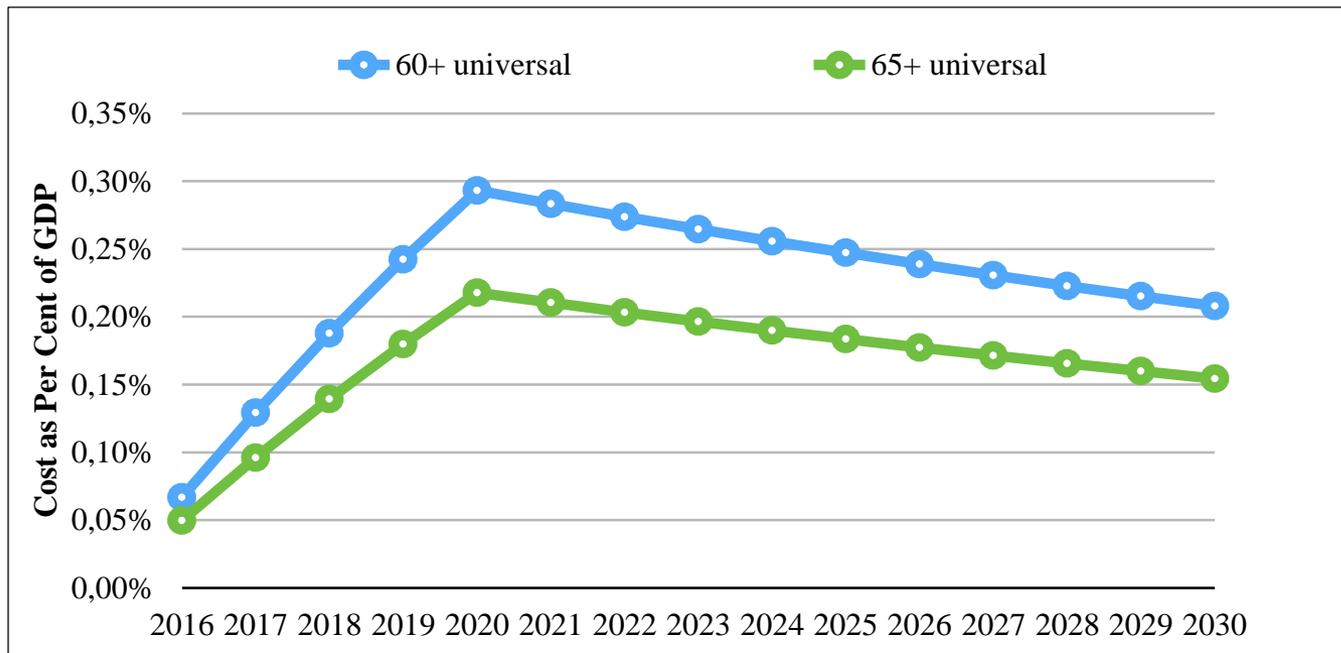
- Current cost: TZS 118 billion
- Projected cost: TZS 5.40 trillion by 2025
- Program expenditure as a % of GDP is expected to ultimately decrease



# Financing

## Non-Contributory Programs: Social Pensions

- Short-term projected cost: TZS 273.8 billion (as at 2016)
- Long-term projected cost: TZS 469.8 billion (as at 2025)
- Program expenditure as a % of GDP is expected to ultimately decrease



# Financing.....

## Contributory Programs: Mandatory Social Security Schemes

- Social security (SS) payouts, including long-term benefits (e.g. pensions, survivor benefits, invalidity pensions) and short-term benefits (e.g. maternity, health, funeral grants, employment injury) total TZS 1389.33 billion (as at 2013/2014)
- SS payouts have been increasing at a rate of 30% per year over the last 5 years
- However, SS contributions have *also* been increasing by approximately 25% per year over the last 5 years
- Consequently, assets net of current liabilities have almost tripled in nominal size from 10.4% of GDP in 2009/2010 to 13.5% in 2013/2014
- This indicates the relative sustainability over the short- to medium-term
- Pension and health insurance system harmonization and coverage expansion, respectively 40 and 50 percent, planned (2020)

# Financing

## Productive Inclusion: NAIVS

- Current cost: TZS 83 billion (as at 2015)
- Projected cost: TZS 187 billion (as at 2025)
- Initially, the ratio of funding provided by beneficiaries, Government, and DPs was 2:1:1
- Currently, the program is entirely funded by beneficiaries and the Government according to a 1:1 ratio
- The program is expected to continue into the medium- to long-term
- Credit provision schemes, which would involve government-guaranteed loans from financial institutions, are currently being piloted and are expected to ultimately replace NAIVS

# Financing Options

- Through internal financing mechanisms, additional fiscal space in the range of 0.2% to 1.83% of GDP can be committed to the existing budget for social protection
- Three internal financing mechanisms can be used to this end:
  1. Tax expenditures in the form of VAT exemptions (3.4% of GDP)
  2. Targeting of formal and informal tax evasion (2.6% of GDP)
  3. Closing the non-tax revenue gap (0.5% of GDP as at 2009)
- Financing mechanisms that rely on increasing external funding from DPs or on reallocating internal funds should be gradually phased out, as this will facilitate a movement to an increasingly owned, and financed sustainable national system.

# Way forward

- The Cabinet Paper is being prepared now to submit the Framework to the Cabinet for discussion and approval.
- The operational Plan also is being prepared.

Thank you