

DRAFT FEASIBILITY STUDY REPORT: TECHNICAL OPTIONS TO IMPLEMENT A
UNIVERSAL SOCIAL PENSION IN MYANMAR

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ACRONYMS

CT.....	CASH TRANSFERS
DRR.....	DEPARTMENT OF RELIEF AND RESETTLEMENT
DSW.....	DEPARTMENT OF SOCIAL WELFARE
GAD.....	GENERAL ADMINISTRATION DEPARTMENT
GAD TA.....	GENERAL ADMINISTRATION DEPARTMENT TOWNSHIP ADMINISTRATOR
G2P.....	GOVERNMENT TO PERSON
HAI.....	HELP AGE INTERNATIONAL
ILO.....	INTERNATIONAL LABOUR ORGANIZATION
MEB.....	MYANMAR ECONOMIC BANK
MIS.....	MANAGEMENT INFORMATION SYSTEM
MOF.....	MINISTRY OF FINANCE
MSWRR.....	MINISTRY OF SOCIAL WELFARE, RELIEF AND RESETTLEMENT
OM.....	OPERATIONS MANUAL
TA.....	TECHNICAL ASSISTANCE
VA.....	VILLAGE ADMINISTRATOR
VTA.....	VILLAGE TRACT ADMINISTRATOR
VTAC.....	VILLAGE TRACT ADMINISTRATOR CLERK
WFP.....	WORLD FOOD PROGRAM

EXECUTIVE SUMMARY

The Ministry of Social Welfare, Relief and Resettlement (MSWRR) has decided to implement a universal social pension program. The age of eligibility and benefit level are currently being discussed, with support from Help Age International (HAI). HAI is also supporting the MSWRR to move towards implementation by supporting a feasibility study to assess technical options for implementing the Social Pension. This report presents the findings and recommendations of that feasibility study.

To the greatest extent possible the study focuses on strengthening existing systems and on building program infrastructure that can also be used for other programs, particularly the Flagship Programs listed in the National Social Protection Strategy.

Establishing Operational Systems

For the Department of Social Welfare (DSW) to implement an ongoing program (registering new beneficiaries, making regular payments, and exiting deceased beneficiaries), rather than a simple one-off payment to a static group it is recommended to complete an Operations Manual (OM). The OM elaborates the detailed technical systems and processes for registration, payment and reconciliation, exit, as well as monitoring and a complaints mechanism. It also allocates responsibilities clearly to specific actors.

A Management Information System (MIS) is also a critical element of a well-functioning program. The MIS will be developed based on the OM. It will be designed in a way that can be integrated with other future social protection-related IT systems.

Decision: Should an MIS be developed to support the Social Pension? It is very strongly recommended to do so. The recruitment of a qualified expert to carry out the MIS work should be begin as soon as possible.

It is recommended to pilot the Social Pension in two or three States first, rather than implementing on a national scale from the start. The main benefit of this approach is that it will allow for the testing and improvement of the program design and overall higher quality implementation.

Decision: Should the Social Pension be piloted in two to three areas before it is implemented nationally?

Technical Options

Eligibility: DSW should decide whether those receiving other government pensions and those living in Voluntary Homes should also receive the Social Pension. It is recommended to exclude the former and include the latter because they are the most vulnerable.

Decision: *Should individuals in receipt of other government pensions also receive the Social Pension? Should those living in Voluntary Homes also receive the Social Pension?*

Registration System: It is recommended to use a standardized Registration Form to collect comprehensive data required to establish a beneficiary database from each eligible individual. It is also recommended to allow Registration Officers to carry out verification of age on behalf of the program, without having to collect copies of documents.

DSW and the General Administration Department (GAD) were assessed to carry out Registration. GAD is the recommended option due to the:

- demonstrated capacity and experience in carrying out similar data collection;
- strong structures / presence down to Village level;
- knowledge of local communities; ability to identify eligible (lower chance of exclusion);
- cost-effectiveness of this model compared to organizing field work via DSW Officers.

Decisions:

- *Should data also be collected via the Registration Form for those who will reach the age of eligibility within the next three to five years, and not just those who are currently eligible?*
- *Can responsibility for document verification be delegated to Registration Officers, rather than requiring paper copies of documents to be sent to the DSW at the Central level?*
- *Can the role of Registration Officers belong to the GAD, as is recommended? If so, the DSW should immediately begin discussions within MSWRR on how to proceed with such an agreement; the detailed roles from which an MoU could be drafted will be included in the Operations Manual.*

Payment

Payment system options assessed included the current system of delivering other government pensions via MEB, manual payment via the DSW, GAD or Post Office, and a system of Cooperating Partners currently used by the World Food Program (WPF).

The recommended payment system would use the existing Branch-based MEB system for areas close to branches (i.e. near Townships), while a system of manual payment through payment points should be designed for the rural and remote areas. Ideally, this manual element can also be delivered by MEB but this will require an increase in resources. Such increases are not uncommon when introduction of a new, national program is taking place. DSW and MEB should design a robust MIS-based manual payment system to be used in this model, with the help of a technical expert. This system is similar to the one used by the social pension in Thailand.

Payment should take place quarterly to allow for manual reconciliation and to keep costs of manual payment low.

Decisions:

- ***Can DSW work with MEB for the delivery of Social Pension payments?***
- ***Can an adjusted model be designed to strengthen the MEB model for rural and remote areas through a system of 'outreach' through manual payment at payment points?***
- ***If so, DSW urgently needs to meet with MEB to discuss the nature of the agreement and the technical options (see full report for guidance).***

Exit

It is important to the financial sustainability of the program that a robust mechanism to identify and remove deceased beneficiaries is in place. Beneficiaries' families and even local leaders have disincentives for reporting such deaths.

Three systems were assessed: integration with the existing births and deaths reporting through GAD, the MEB system used for the other government pensions, and a standardized program form completed by GAD at the Village level.

It is recommended to strengthen the MEB system for rural and remote areas if MEB becomes the payment service provider. The introduction of a standardized Social Pensions Exit Form should be tested alongside the MEB model, as it will be much cheaper and easier to implement in rural areas.

Complaints

A mechanism through which both beneficiaries and non-beneficiaries can file complaints against the program anonymously and expect follow-up and resolution is important to ensuring accountability. The complaints mechanism for the Social Pension will depend greatly upon the implementation

arrangements of the program; those involved in the implementation of a given activity (e.g. registration, payment) cannot also collect complaints for it. This system should be simple, and should be designed once implementation roles are clear.

Monitoring and Evaluation

The MIS will provide key indicators which can be used to monitor the program; however data collection quality must be ensured through the use of standardized forms to enable this. In addition, DSW should carry out operational spot checks and regular qualitative field visits (key informant interviews and focused group discussions). It is highly recommended to carry out a baseline survey for evaluation purposes. The lack of baseline data is a major hurdle in evaluating similar programs in other countries. The baseline should be designed as part of an evaluation design, by external experts.

Decision: Should an impact evaluation take place, or should the baseline be carried out as part of a regular evaluation that cannot necessarily attribute any poverty reduction to the Social Pension?

Organizational Structure

A dedicated team is required for the implementation of the Social Pension, at least during the first two years of implementation. It is recommended that this team be comprised of 3 international technical experts for the first two years, each of whom will work side-by-side with a staff member of DSW to ensure knowledge transfer and ongoing capacity building to sustainably implement the program. The team would include: 1 Team Leader, 1 Operations Manager and 1 MIS Officer.

Decision: Under which Division should the dedicated Social Pensions Unit be placed? Can the Social Pension be placed under the Division for International Relations until additional Staff Officer level staff (or higher) can be recruited to deal with Elderly People's Issues?

Study Tour

It is recommended to send senior decision-making officials from the MSWRR, as well as the Budget and Planning Commissions, and relevant members of the State Government on a 3 day study tour to Thailand to see the universal social pension that has been successfully implemented in that country. The objective would be to foster an understanding of the important poverty reduction potential of the pension program, and to create champions of the program in key areas of government.

Next Steps

- A. Report Feedback and Key Design Decisions
 - Internal workshop to consolidate feedback and make key decisions;
 - External meetings/workshops with MEB and GAD to discuss their roles and the nature of the agreements required for cooperation
- B. Discussion with HAI to determine who will fund the non-transfer costs of the program (see Estimated Budget in Annex 2).
- C. Detailed Program Design
 1. Review and finalize Registration Form in Annex 3. While DSW has begun compiling lists of potential beneficiaries from the field, verification of age through documentation or community verification must take place. The data collected from the field so far can be used for planning purposes, however, the Registration Form should be used in the verification process. The Registration Form will enable the program to build a stronger beneficiary database;
 2. Technical design work to improve MEB systems for rural and remote areas;
 3. Complete Operations Manual and MIS Forms, detailed elaboration of technical systems and development of program processes.
- D. Recruitment of Experts
 4. Recruitment of a qualified MIS expert to undertake the design and development of the MIS, as soon as possible. The MIS will take approximately 3.5 to 4 months to develop;
 5. Development of ToRs for the 3 members of the Technical Assistance team should take place immediately, in order to begin the recruitment process as soon as possible;
 6. Recruitment of qualified consultants or a firm to design and collect baseline data, or design an impact evaluation, should also begin as soon as possible to ensure data is collected before implementation begins.

1 Introduction

This report presents the findings of a feasibility study to assess technical option for the implementation of a universal Social Pension in Myanmar. The study was conducted in January 2015, supported by Help Age International (HAI), who have also been supporting the Ministry to determine the appropriate benefit level and age of eligibility for the Social Pension. The study consisted of a desk review and interviews with key informants from government Ministries and agencies, as well as relevant non-government agencies, and potential beneficiaries. Interviews took place in Yangon, Nay Pyi Taw, Kayah State and Mandalay State. Interviews took place with representatives from:

- Senior Officials from the Ministry of Social Welfare, Relief and Resettlement (MSWRR);
- Department of Social Welfare (DSW), MSWRR at the National and State levels;
- Department of Relief and Resettlement (DRR), MSWRR;
- Pensions Department, Ministry of Finance (MoF);
- GAD Officials at the Township and Village levels;
- Myanmar Economic Bank (MEB) at the State level;
- Post Office at the State and Township level;
- Older Persons Self-Help Group and other elderly people;
- World Bank
- UNICEF
- ILO (International Labor Organization)
- World Food Program (WFP)

As a starting point, the study assessed the existing systems in place for similar programs. Recommendations throughout this report attempt to focus on using and strengthening existing government systems, where possible. As well, the study focuses on establishing systems that can be used not just for the Social Pension, but also for other programs, in particular the Flagship Programs mentioned in the National Social Protection Strategy:

- Universal maternal and child allowance to age 2;
- Cash allowance for those with disabilities;
- Universal allowance to age 15;
- School feeding program;

- Public employment and vocational education programs;
- Social pension for those 65 and older;
- Older Persons Self Help Groups.

The objective of this report is to advise MSWRR of the best technical options and risks of sustainably implementing the Social Pension, in line with international best practice, and to provide a way forward to establishing the program.

This report is divided into 6 sections. This section introduces the report and the institutional actors involved in social protection at the national and sub-national levels. The second section presents the case for establishing strong operational systems around a fixed operational cycle, as well as how a Management Information System (MIS) would support such systematized operations. It also discusses the implementation strategy for the Social Pension, presenting the risks and benefits of piloting versus nation-wide implementation. The third section presents the technical options for registration, payment and exit. It also discusses technical considerations for eligibility criteria, a complaints mechanism, and monitoring & evaluation (M&E). Different options are assessed in terms of strengths and weaknesses/risks, and recommendations made. The fourth section makes recommendations for the minimum team required to manage and implement the Social Pension, as well as where it should be housed under the DSW. The fifth section presents the case for a study tour of senior officials from relevant Ministries to view the social pension program in Thailand. The sixth and final section presents detailed recommendations for the next steps/way forward.

1.1 Institutional Arrangements for Social Protection

1.1.1 Ministry of Social Welfare, Relief and Resettlement (MSWRR)

While development partners currently support social protection initiatives in the Ministries of Rural Development and Education, social assistance falls within the mandate of the Department of Social Welfare (DSW) of the Ministry of Social Welfare, Relief and Resettlement (MSWRR). The MSWRR is divided into two Departments:

1. Relief and Resettlement
2. Social Welfare

The DSW is further divided into 5 Divisions:

1. Children and Youth
2. Physical Rehabilitation
3. Women's Development
4. International Relations
5. Administration and Finance

Issues related to elderly people are the responsibility of the Division of Children and Youth. Further details are provided below, in section 4: Organizational Structure.

At the State level each MSWRR Department is normally housed separately, rather than in the same building. The DSW has District-level offices in 12 Districts. DSW has recently engaged volunteers at the local level.

The Director of Social Welfare at the State/Region level is the head of DSW for the State/Region. The organizational structure also includes an Assistant Director, Staff Officers, Grade 1 and 2 Social Workers, Branch Clerks, Divisional Clerks, and Lower Divisional Clerks. Due to lack of resources, a number of positions at the State level DSW are vacant. DSW also has a network of Volunteers who have recently been recruited by the Township Administrator of the General Administration Department (GAD).

1.1.2 General Administration Department (GAD)

The General Administration Department (GAD), under the Ministry of Home Affairs (MoHA), has a structure which extends to the Village level and plays an important role in local governance and administration. The GAD structure includes units at the State, District, Township, Village Tract and Village levels. GAD Administrators up to the Township level are appointed; at the Village Tract and Village levels Administrators are elected. An appointed clerk also sits at the Village Tract level. The GAD has physical office space allocated up to the Village level.

The GAD carries out such activities as data collection, information dissemination, birth and death reporting for civil registration, etc.

1.1.3 President's Office and State Government

The State Government is headed by a Chief Minister who is appointed by the President, and to whom State level Ministers each responsible for (often multiple) sector portfolios report. The State Minister for Social Affairs and the DSW State-level Director do not handle the same types of activities and generally

do not need to coordinate regularly, however, the State-level DSW does keep the State Government informed of their activities.

2 Establishing Operational Systems

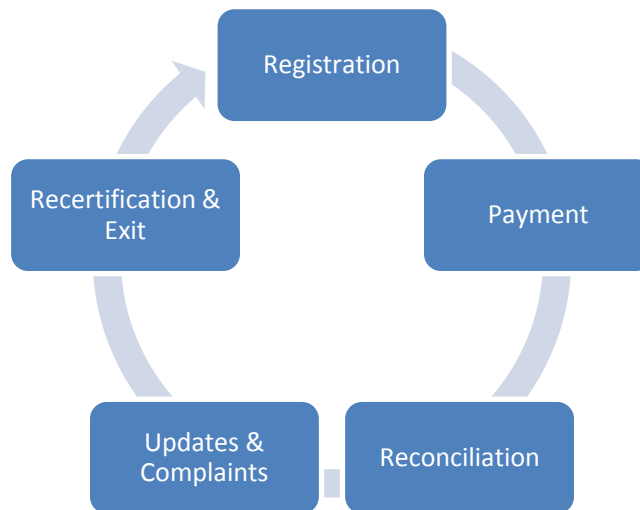
The Social Pension is a national program that will be implemented by the DSW on an ongoing basis (including registering new beneficiaries as they reach the age of eligibility, making payments and carrying out reconciliation, and exiting beneficiaries who pass away), rather than a one-off payment to a static group. There exists a need to define a fixed operational cycle and establish operational systems by which to implement this program on a regular, ongoing basis.

Defining the Operational Cycle and detailing component processes in an Operations Manual (OM) in advance of implementation, rather than implementing each stage in an ad hoc manner has several important advantages:

- Coordination of all implementing partners around a known, regular process;
- Providing clear division of responsibilities and clear instructions on how each stage should be implemented;
- Boosting the quality of implementation and therefore of the poverty reduction impact of the program;
- Facilitating planning of implementation and supporting the development of realistic timeframes for implementation, which in turn:
 - reduces the reputational risk of late payments (which are very common in the initial phase of cash transfers);
 - reduces the risk of lowered impact, as the regularity and predictability of cash transfers is a key aspect of their usefulness in reducing poverty;
- Enabling measurable results and monitoring.

The basic operational cycle of unconditional cash transfer programs is shown below in Figure 1.

Figure 1: Operational Cycle of Cash Transfers



2.1 Standardized Operational Systems

Operational systems are the processes and tools (i.e. standardized forms, Management Information System (MIS) or database) through which the operational cycle is implemented on an ongoing basis. This report focuses on presenting options for MIS-based operational systems for DSW to carry out:

1. Registration (Identification, Verification of Eligibility and Enrolment of Beneficiaries)
2. Payment and Reconciliation
3. Exit
4. Monitoring

2.2 Management Information System (MIS)

At the core of standard operational systems is the MIS. The vast majority of successful national cash transfer programs, including social pensions, use a dedicated MIS which helps to:

- manage and update the beneficiary database;
- support and automate operational processes.

An MIS is basically a beneficiary database plus ‘modules’ for each of the core operational functions (registration, payment, reconciliation, updates and exit, as well as reporting/monitoring)¹. ‘Modules’

¹ Some also include a reporting module to generate standard and custom reports.

provide easy to use data entry screens and help program staff to carry out key operational functions that require some interaction with the database. An MIS is extremely useful for these kinds of programs because it:

- reduces the workload for operational staff compared to manual information management and processing;
- allows for key monitoring indicators to be generated as a by-product of administrative data (without additional effort and with guaranteed data inputs); and
- increases transparency and control over data changes thereby reducing risk.

Countries that operate social pensions without an MIS often are unable to rapidly access basic information like a single beneficiary list and count, and are less able track payment and reconciliation. Without this information readily aggregated at the central level, the Ministry is less able to make informed management decisions.

It is highly recommended that the DSW develop an MIS for the planned universal social pension. The estimated cost of such a system would be around USD 75 000 and would take approximately 3.5 to 4 months to complete (see Work Plan and Estimated Budget in Annex 1: Estimated Work Plan and Annex 2: Estimated Budget).

Decision: Should an MIS be developed to support the Social Pension? It is very strongly recommended to do so. The recruitment of a qualified expert to carry out the MIS work should be begin as soon as possible.

2.2.1 Integrated MIS

As evidenced by numerous international examples, increasingly focus has been on integration of individual social protection programs into comprehensive social protection systems, with Management Information Systems playing an important technical role. The National Social Protection Strategy reflects this same focus.

There is no single definition of what an Integrated MIS is, but many international examples tend to focus around single beneficiary databases and/or integrated monitoring of programs that operate around the same basic operational cycle. The objective of an integrated MIS determines its form and functions.

In Kenya, the Single Registry and Single Registry MIS harvests data from individual national cash transfer programs in order to identify those households that are receiving multiple benefits. The objective is to ensure limited social protection resources are distributed among as many households as possible, and the MIS design manages this process. In addition, key MIS-based indicators across all programs have been identified and will be collected in order to produce aggregate and comparative monitoring indicators. Conversely, in Indonesia the Unified Database is used to ensure the poorest households receive a full package of social protection benefits, including multiple transfers. In Timor Leste, the integrated MIS was developed mainly to extract key monitoring data across transfer programs, while very sophisticated, mature examples like those found in Brazil or Chile help multiple agencies to co-manage individual household cases through highly developed social protection systems with a wide range of benefits.

It is important to note that at this early stage there is little to integrate in terms of existing systems in Myanmar, however, the Social Pension MIS can be developed in a way that supports potential integration:

- The Social Pension beneficiary database should be developed in a way that associates elderly individuals with their households, by assigning a unique household ID number to each household in the database. In this way, if other transfer programs are established the Social Pensions beneficiary database or a copy of it can be used as the basis for a shared database of households;
- The Social Pension MIS modules will be based around the basic operational cycle of all unconditional cash transfers; therefore, new transfer programs like the transfer programs among the Flagship Programs listed in the National Social Protection Strategy can use the MIS as a starting point for their own systems.

In addition, the team responsible for managing and implementing the Social Pension (see section 4: Organizational Structure) should maintain communication with the team responsible for developing the planned NRC database², and with other stakeholders interested in integrating with the Social Pension MIS, in order that opportunities for future technical integration are maximized. However, the Social Pension MIS should be designed primarily to serve the needs of the Social Pension.

² Linking to an NRC system that might be developed in future could be done through a web service, which could be developed by a specialist IT consultant. Normally such arrangements are governed by an MoU-style agreement between database owners.

2.3 Implementation Strategy

While the Social Pension will be a national program, it does not necessarily have to be implemented throughout the country from the start. Instead, a strategy of gradual roll-out starting with two or three States before expanding to all States. This is a common implementation strategy used to test and improve the program design on a limited scale in order to limit the negative impacts of any mistakes made during the establishment of the program. Many problems cannot be detected until the systems are implemented, or at least field tested. Such problems are normal during the early stages of implementation, even with robust technical designs and attention to detail.

Piloting the Social Pension in two or three States before scaling-up will allow for operational systems, including the MIS, to be refined and strengthened according to the actual needs in the field. Furthermore, the implementation context in Myanmar differs greatly in terms of State-level government staff capacity, remoteness, quality of infrastructure and technological capacity, conflict-related challenges, etc. Piloting the program in different contexts to extract lessons learned and adjust systems accordingly in different geographical areas would help to reduce the reputational risk arising from poor quality implementation.

Scale-up need not be slow, but would allow for yet unknown challenges that will be faced in the field to be dealt with in a more manageable way than would be possible in national implementation. This will allow for the national systems to be developed and tested on a smaller scale.

It is therefore recommended to pilot the Social Pension in two to three States of differing capacities and remoteness.

Regardless of which implementation strategy is chosen:

- the focus during the first two years of implementation should be on focusing the basic operations of the program with any implementing partners, and gradually improving the design;
- the age of eligibility can be gradually adjusted towards the age of 65 set out in the National Social Protection Policy;
- the benefit level should be periodically reviewed by an appropriate external agency vis-à-vis inflation, impact evidence, poverty line, etc.

Decision: Should the Social Pension be piloted in two to three areas before it is implemented nationally?

3 Technical Options

This section sets out the different implementation options for the Social Pension, in terms of eligibility criteria and operational systems for Registration, Payment, Exit, and Monitoring. Each systems is presented in terms of strengths and weaknesses/risks; none of the recommendations presented are without risk. It is up to the MSWRR to weigh the options in light of these factors and decide which best suits the needs of the program.

3.1 Eligibility Criteria

The criteria an individual must meet in order to be eligible for the Social Pension should be clearly defined and included in the program Operations Manual (OM), as should the acceptable means of verifying eligibility (e.g list of official documents, letter from government official, community-based mechanism, etc.).

As the Social Pension is universal, the eligibility criteria will be simple:

- The individual must be over *90* years of age (it is recommended to lower this age, based on discussion with MSWRR at feasibility study presentation in Nay Pyi Daw).

However, the MSWRR should also decide whether individuals already in receipt of other benefits should receive the Social Pension.

Those already in receipt of benefits would include:

- Beneficiaries of the civil service, political, or military pension;
- Individuals living in Voluntary Homes for the elderly.

There are numerous international examples of national social pensions that exclude those benefitting from other schemes, and those that do not. For the Social Pension, excluding those already receiving other benefits would mean dividing limited resources among a smaller group, or a higher benefit level for the rest.

Conversely, the exclusion of those living in Voluntary Homes might actually be the poorest and most vulnerable elderly who are most in need of the benefit. Although these people are receiving benefits through the Voluntary Homes they have likely had to turn to these homes because they are destitute.

It is recommended to exclude individuals who are beneficiaries of the civil servant, military and political pensions, but not to exclude those living in Voluntary Homes.

Box 1: Verification of Exclusion Criteria

The Pensions Department of the MoF maintains an excel spreadsheet of all current beneficiaries of the civil servants, military and political pension. To carry out the process of excluding these individuals, the DSW would send a list of eligible individuals to the Pensions Department for cross-checking. National Registration Number, or a combination of name/father's name/address could be used to identify those who should be excluded.

**Decision: Should individuals in receipt of other government pensions also receive the Social Pension?
Should those living in Voluntary Homes also receive the Social Pension?**

3.2 Registration

Summary of Key Recommendations for Registration

- Design simple standardized Social Pension Registration Form to collect key information from eligible individuals & feed a Central-level beneficiary database;
- Delegate responsibility for verification of documents to Registration Officers, rather than requiring copies of documents to be forwarded to the State or Central level;
- GAD VTA/VTAC or VA should complete Registration Forms with eligible individuals & verify documents at the same time;
- Registration Forms should be entered into the MIS by DSW at the State level

Registration involves the identification, verification and enrolment of eligible individuals as beneficiaries of the programs. The steps involved in the Registration Process are:

1. **Identification** of all potentially eligible individuals who should be provided with the opportunity to be included in the program,;

2. **Verification** of their eligibility through approved means, such as checking of documents or the use of a community-based mechanism;
3. **Enrolment** or official inclusion of the verified eligible as beneficiaries through the collection of data and sharing of crucial program information (payment amount and frequency, how to collect benefits, how to file complaints, how to update the program of changes in address, etc.).

3.2.1 Initial vs Ongoing Registration

At the start of the program, an **initial round of mass registration** will be carried out. After the initial round, **ongoing registration** will take place as individuals reach the age of eligibility and qualify to become beneficiaries, and to register those who were missed during initial registration.

While some programs may use a different process for initial registration, which involves mass data collection in a short timeframe, this is not recommended for the Social Pension. The main reasons include:

- the relatively low number of eligible individuals distributed across a large geographical area does not justify the additional costs of this approach, compared to using existing structures;
- the government structure traditionally responsible for this kind of data collection has structures which extend to the Village Tract and Village levels;
- the difficulties elderly people would face in reaching a fixed registration point cover multiple villages.

It is recommended to use the same process for both initial/mass registration and ongoing registration.

It is also recommended to carry out this data collection for those who will reach the age of eligibility in the next three to five years, in order to facilitate planning.

Decision: Should data also be collected via the Registration Form for those who will reach the age of eligibility within the next three to five years, and not just those who are currently eligible?

3.2.2 Registration System Options

Two possible options for the Registration Process were identified and assessed during the feasibility study field visits:

Option 1: DSW Central-level requests DSW Director (State) to compile a list of all eligible individuals using existing system of data collection (current approach).

DSW structures extend only to the State level³; therefore the DSW State-level depends on the General Administration Department (GAD), via the Township Administrator (GAD TA), to carry out activities like data collection and identification of elderly. The Township Administrator, in turn, depends upon Village Tract Administrators (VTAs) and Village Administrators (VAs) to carry out data collection.

Based on interviews carried out in the field, the DSW State Director requests similar information to that required for the Social Pension (i.e. names, address, age, and other details of all those over age 80) annually from the GAD via the Township Administrator, who engages the Village Tract and Village Administrators to collect it.

The main challenges with this approach are:

- For the purposes of the Social Pension, this only takes care of the ‘identification’ stage of the Registration Process individual eligibility would still need to be verified before individuals could be enrolled as beneficiaries;
- DSW cannot control the quality of the data collection process in terms of completeness and consistency; which would make it very challenging to build a database from this data;
- Request for data collection are ad hoc; the GAD TA and VTA/VA may have other competing activities to carry out, and this may lead to delays;
- This approach can be time-consuming and has resulted in exclusion errors (i.e. those who should be included are not);
- Records are kept manually at the State level and sent only in summary to the Central level (there is no central list of individuals);

Given the challenges with this approach, it is not recommended. A second option (recommended) is proposed which improves upon the existing system described in Option 1.

Option 2: DSW Central-level issues a standardized Social Pension Registration Form which is completed with the eligible individual and returned to the DSW State level for data entry into a centralized database. Verification is done at the same time.

³ DSW has offices in 12 of the 67 total Districts, however, they not currently play a large role in implementation.

Box 2: Verification of Documents

The verification of eligibility requires a program official to check a list of documents approved by the MSWRR. The preliminary list includes: National Registration Card (NRC), Form 66/6, Birth Certificate, Horoscope.

Obtaining physical copies of these documents will present a serious bottleneck in the Registration Process, due to the lack of copying facilities throughout much of the country, and the time it will take to send copies to the Central level before a single application can be approved, as well as the review of those documents at the Central level.

It is therefore strongly recommended for the DSW to allow Registration Officers to carry out verification of age through program-approved methods instead of collecting copies of documents.

- Registration Officers would be trained on the proper way to verify documents;
- Registration Officers would be required to provide their Name, NRC Number and Signature for each case verified;
- Registration Officers would be made aware that monitoring spot checks of applications would take place.
- 15% of all applications would be selected for spot checks. Monitoring Officers would visit individuals verify their documents again. Irregularities would be investigated and inclusion errors removed from the program.

In this option:

1. **Public Information Campaign:** A media campaign takes place to inform the general public about the Social Pension, eligibility, required documents for verification of age, and registration process;
2. **Identification:** Registration Officers (see below) visit or are visited by eligible individuals where the Official Social Pension Registration Form is completed with the eligible individual. Individual (Applicant) retains a tear-off receipt which can be used to follow-up in case their Form is lost;

3. **Verification:** Registration Officer verifies the age of the individual using one of the documents listed on the Form and checks off the document from the list. Registration Officer signs off as having verified age in the manner indicated. NRC number is recorded, if available;
4. **Data Entry:** Registration Forms are returned to the DSW State Office for data entry into the MIS. (While the MIS is being designed, this data can be entered into an Excel spreadsheet). DSW Central approves the list of beneficiaries;
5. **Enrolment:** Individuals found to be eligible are formally accepted as beneficiaries, and notified of this result. They are provided with orientation on the program (i.e. benefit amount, payment process, complaints process, etc.).

The use of a standardized Social Pension Registration Form is recommended because it allows:

- Complete and consistent (including format) data for all eligible individuals with which a reliable database of all eligible and ineligible applicants could be populated. The database will be central to managing the generation and reconciliation of payment lists;
- Greater transparency with one form completed for each individual with the signature of the person collecting data (VTA/VTAC or VA), for which monitoring / quality control spot checks could later be done to verify the information collected and documents verified;
- Greater quality control of the process, as the form would be completed during a visit with the eligible individual;
- On-site/immediate verification of eligibility with sign-off of VTA/VTAC or VA, rather than a second round of visits to complete this stage (see Box 2: Verification of Documents);
- Eligible individuals could immediately also delegate a Representative or Proxy to receive benefits on their behalf, and the details of this person could be completed on the same Form.

An example of such a form can be found in Annex 3.

A standardized process is recommended because it allows:

- DSW to delegate responsibility for document verification to the Registration Officer, rather than requiring another visit to the eligible individual;
- No requirement of copies of documentation to be made and sent to the Central level;
- Greater opportunity to engage in planning to ensure sufficient time to carry out the process, as well as quality of process (i.e. proper use of forms, explanations of program to eligible individuals).

Decision: Can responsibility for document verification be delegated to Registration Officers, rather than requiring paper copies of documents to be send to the DSW at the Central level?

3.2.3 Roles and Responsibilities

The Registration Process involves two main scopes of activity that must be carried out at the sub-national level:

1. Registration (Data Collection and Verification)
2. Data Entry (Entry of Registration Forms into the MIS)

As described in Option 2 it is recommended that registration be carried out by Registration Officers. Two candidates to carry out this function were assessed for the purposes of this feasibility study:

1. DSW
2. GAD

While data entry should be carried out by DSW, it is recommended that the GAD be engaged for Registration.

Table 1: Strengths and Weaknesses of DSW and GAD to carry out Registration

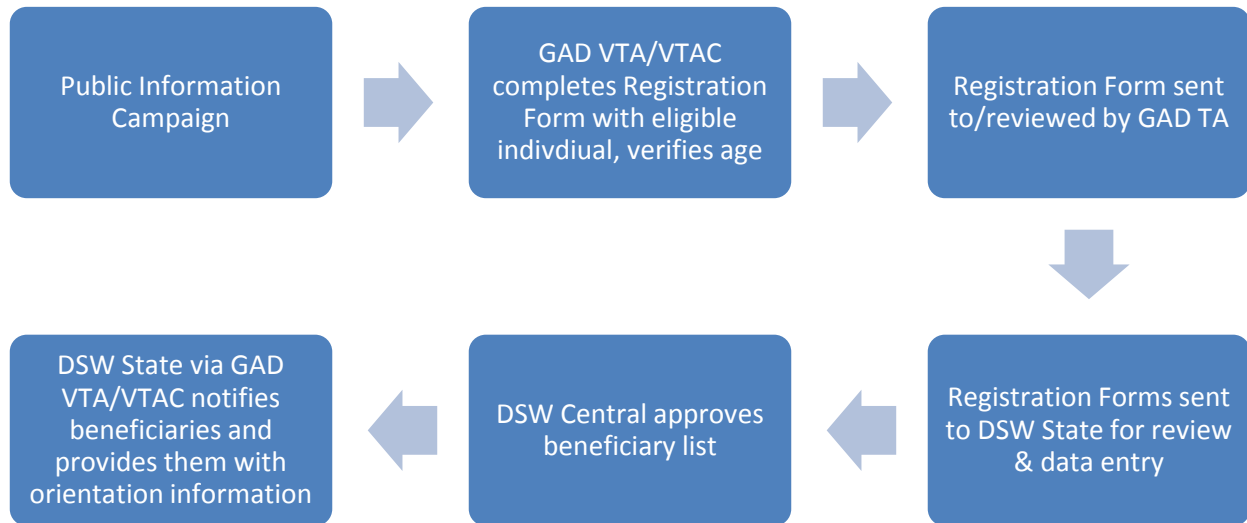
	DSW State-level Officers	GAD Village Tract & Village Administrators (Recommended Option)
Strengths	<p>DSW can ensure greater quality control of the process;</p> <p>Increased capacity to carry out registration for similar programs in future (i.e. Flagship programs);</p> <p>Encourages ownership of program at State and District levels;</p>	<p>Demonstrated capacity and experience in carrying out similar data collection;</p> <p>Strong structures / presence down to Village level;</p> <p>Knowledge of local communities; ability to identify eligible (lower chance of exclusion);</p>
Weaknesses	<p>DSW structures go only to State level (and only 12 Districts);</p> <p>Too few Officers to cover large areas (1/3 of positions in DSW organizational structure currently vacant);</p>	<p>GAD does not report to DSW;</p> <p><i>Recommended to formalize agreement between MSWRR and GAD at Central level via an MoU.</i></p>

<p>Knowledge of local communities is low (identification of beneficiaries, language barriers, access to conflict areas, etc.);</p> <p>More costly than GAD option due to travel costs;</p> <p>If DSW Volunteers are used, they may expect remuneration which can stall implementation, and their capacity is not known.</p> <p>Volunteers cannot carry out verification on behalf of DSW.</p>	<p>Difficult for individuals to file complaints against GAD Officials.</p> <p><i>Development of an accessible, anonymous complaints mechanism with clear follow-up mechanism.</i></p>
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3.2.4 Recommended Registration System

The recommended Registration System is therefore as follows:

Figure 2: Recommended Registration System



Decision: Should the role of Registration Officers belong to the GAD, as is recommended? If so, the DSW should immediately begin discussions within MSWRR on how to proceed with such an agreement; the detailed roles from which an MoU could be drafted will be included in the Operations Manual.

3.3 Payment

Summary of Key Recommendations for Payment:

- The existing Myanmar Economic Bank (MEB) payment system for MoF-managed pensions is recommended for payment of the Social Pension in areas close to MEB Branches;
- The MEB outreach banking model should be strengthened to be used in manual payment of the Social Pension in other areas, at Payment Points on announced dates;
- DSW and MEB should design a robust MIS-based manual payment system to be used in this model, with the help of a technical expert;
- Payment should take place quarterly to allow for manual reconciliation and to keep costs of manual payment low.

International examples of social pensions (and other CTs) use a range of systems from bank accounts, smart cards, mobile money, to manual payment. A robust payment system must balance several factors, including transparency, accountability, security of cash during transport, outreach to remote areas, strong reconciliation system, cost-effective administration, etc.

While mobile money systems have begun to emerge in Myanmar, these systems are not yet sufficiently mature to be considered as potential payment systems for the Social Pension. There are also issues of the comfort level of beneficiaries with such systems, including their technological aspects, as well as level of mobile phone usage among the elderly. Likewise, coverage of banking facilities is quite low.

This section reviews existing systems for delivering cash to individuals or households, as well as potential new systems to do so, and recommends a system of mixed bank-based and manual payment delivered through MEB in areas covered by MEB Branches, with an outreach mechanism for rural and remote areas.

3.3.1 Proxy or Representative Payees

Regardless of which payment system option is selected, it is strongly recommended to include a mechanism through which beneficiaries can designate a Proxy Payee or Representative to collect benefits on their behalf. This type of mechanism is commonly used by other social pensions, and other types of cash transfers, to ensure that beneficiaries who might have difficulty in collecting their benefits due to mobility challenges or remoteness. While the risk that a Proxy Payee might misuse funds collected on behalf of a beneficiary, generally focused group discussion (FGD) participants felt this risk was low and could be managed by the community.

3.3.2 Payment System Options

In terms of existing government to person (G2P) payment systems, while the Department of Relief and Resettlement (DRR) of the MSWRR currently makes payments to Voluntary Organizations, it does not deliver regular cash transfers to households or individuals. The DRR makes cash payments to households who have lost a family member under exceptional circumstances. However, these payments are one-off and are very rare. Cash is delivered by the GAD and no real reconciliation process takes place, nor is a complaints mechanism in place.

While not under the MSWRR, the payment system for pensions delivered by the MoF using MEB provides an excellent starting point for a payment system for the Social Pension. Below, the MEB is assessed in terms of its suitability to also deliver Social Pension payments.

Two payment systems were assessed for their suitability to deliver Social Pension payments:

1. MEB
2. Manual Payment via:
 - a. GAD
 - b. Post Office
 - c. DSW
3. WFP Cash Transfer Payment System

3.3.2.1 Myanmar Economic Bank (MEB)

Pension programs (civil servant, military and political) managed by the Pensions Department under the MoF currently deliver cash to pensioners via MEB using a smart card system⁴. Until 2012, payments were made using a manual system. Payments are made on a monthly basis, but beneficiaries have the option of collecting payments less frequently, without penalties. Beneficiaries collect payments from the MEB Branch at which they are registered. Beneficiaries may designate a representative to act as a 'proxy' recipient to collect the benefit on their behalf for up to 6 months⁵.

MEB is a government agency and sits under the MoF.

The MEB is an excellent candidate to deliver Social Pension payments for beneficiaries living within a reasonable distance from an MEB Branch; the MEB currently has branches in the majority of the 325 total Townships. The main strengths of the MEB model are:

- Experience and demonstrated capacity to deliver pension payments;
- Existing technical system for G2P payments, either using a manual system, or using the smart card system introduced in 2012;

⁴ A small percentage of payments are delivered via bank accounts.

⁵ In addition to delivering cash, the MEB plays an important role in many other aspects of the program, including:

- Distributing and reviewing applications from potential beneficiaries;
- Forwarding applications to the Pensions Department for review and final approval;
- Ensuring exit (removal of deceased beneficiaries from the payment list) by regularly confirming that beneficiaries who fail to collect payment are still alive, including undertaking outreach visits to beneficiaries' residences.

- Lowest risk of corruption of all models assessed;
- Experience dealing with elderly people, and with problem-solving for common issues faced in pension programs (e.g. verifying proxy identities, confirming beneficiaries are still alive, etc.);
- Branches in most Townships across the country and existing mechanisms for ‘mobile outreach’ in some areas not covered by Branches.

However, the model is not without challenges. The main ones are:

1. While MEB Branches have good overall national coverage, it is not present in all Townships. Furthermore, many Townships cover a very large geographical area that will be difficult for beneficiaries or their Proxy/Representative Payees to reach. In the current model, beneficiaries must collect payment from the Branch.
2. It is not clear whether the ‘mobile outreach’ model, in which MEB staff set up temporary banking stations for the day in areas not covered by Branches, can be used for regular payment of the Social Pension. At present, this model is not used at all to make pensions payments, but instead to deliver other MEB services.

Also worth mentioning is that while the use of smart cards for elderly people might cause concern regarding beneficiary literacy or level of comfort, this risk is reduced by the use of Proxy/Representative Payees. In addition, a number of countries successfully use relatively advanced technologies including smart cards, bank-based, and mobile payment solutions among poor populations with low literacy. Smart cards therefore should not be excluded as a payment system option for the Social Pension in Myanmar based on this concern alone.

The MEB pensions payment system cannot be used in its current form to deliver the Social Pension to 100% of beneficiaries. It would have to be strengthened by the addition of an ‘outreach’ mechanism to ensure those living outside of reasonable traveling distance from the MEB Branch were provided with equitable access to benefits.

Scaling-up a strengthened version of the existing MEB ‘mobile outreach’ model for regular Social Pension payments would require MEB to engage new staff and would involve administration costs which could not be covered by the existing resources. A manual payment system involving receipts and clear protocols would be developed as part of the Social Pension Operations Manual (OM). The administration and operations budget for MEB comes from the national budget via the MoF. As MSWRR

has only budgeted for the cost of transfers, and not for administration costs, it is not possible to provide resources to MEB to implement this model.

3.3.2.2 Manual Payment

Manual payment involves physically carrying cash to payment points on specific dates, announced in advance, and distributing cash to beneficiaries against a payment list.

While more sophisticated payment technologies are increasingly being utilized for cash transfers in a range of countries, including number of remote and challenging contexts⁶, a number of social pension and other unconditional cash transfer programs continue to successfully use manual payment systems.

In Nepal, for example, social pension payments are delivered in cash via local government authorities. In Lesotho, social pension payments are delivered manually at the local Post Office. In Timor, the social pension is delivered on scheduled dates at a pre-announced location (normally the local government office) by a program staff member and a member of local government.

Risks of corruption and lack of transparency can be higher in manual payment systems compared to more technologically advanced systems in which payment and reconciliation are automated. Therefore, manual payment systems must be transparent and have robust reconciliation mechanisms in place, as well as mechanisms which allow beneficiaries to access missed payments, or at least ensure missed payment amounts are returned to the program. Functioning complaints mechanisms which allow for anonymity of those complaining and which have clear resolution processes also help mitigate the risks of manual payment systems.

Three candidates to carry out manual payment were assessed:

1. DSW
2. GAD
3. Post Office

DSW

⁶ For example, the Hunger Safety Net Program (HSNP) uses bank accounts accessed by MasterCard Debit Cards and a network of local shopkeepers who act as payment agents in the 4 poorest, least developed northern areas where very little infrastructure, let alone banking facilities, exists.

While DSW may seem like some to the obvious choice to deliver payments, there are many challenges with this. In addition to the fact that DSW structures only go to the State level (and 12 Districts), and that current staffing is low, it is preferable to use a third party payment service provider, as is common in social pensions, in order to add transparency to the process. DSW also has no experience with or existing systems for cash transfers to individuals or households. DSW is better positioned to monitor payment than to carry it out.

Post Office

The Post Office was also assessed as a possible payment service provider, both for a manual payment system and for cash transfers through their existing money transfer systems. The Post Office has good coverage of staffed physical office facilities (of varying size and capacity) across the country. The Post Office currently does offer electronic transfers and money orders, but to scale-up either of these systems to deliver regular Social Pension payments would be costly in terms of investment, but also in terms of transaction costs.

Transfers of up to 100, 000 Kyat can be sent via postal delivery, however, in some areas (including Kayah State) such operations have ceased because of security concerns⁷. The Post Office also currently carries out payments for its own pension scheme; however this system handles very few beneficiaries and requires beneficiaries to collect payments from Post Offices, rather than delivering payments.

Another major challenge in using the Post Office as a payment service provider is that national regulations stipulate that no amount over 100, 000 Kyat can be stored at a Post Office facility overnight⁸. Beneficiaries, particularly the elderly poor in rural areas, must be given a window of a few days to collect payment to accommodate for the challenges they may face in reach payment points, rather than a single day.

It is therefore not recommended to engage the Post Office as a payment service provider for manual payments.

GAD

⁷ This mechanism might be considered in future for exceptional circumstances (e.g. disabled beneficiary living alone), where the security situation permits.

⁸ 100, 000 Kyat is the maximum that can be stored at a General Post Office (GPO) overnight; this amount is smaller for Grade 2 to 7 post offices.

The GAD presents a good model to deliver payments, from a technical perspective. However, there are also some risks that should be considered by the MSWRR. The strengths of using the GAD to deliver payments in a manual system are:

- GAD has presence down to the Village level, with both a Village Administrator in each Village, and a Village Tract Administrator and Clerk at the Village Tract level. These structures are national in their coverage, apart from conflict areas;
- GAD structures have strong, established lines of supervision in place, with instructions and data flowing regularly from the Central level to the State, District, Township and Village Tract/Village levels;
- GAD State and Township Offices have established working relationships with the DSW State Office.

The risks, however, should also be considered:

- GAD will also be responsible for both registration and for reporting deaths in order that deceased beneficiaries can be removed from the payroll, which present accountability risks. While these risks can be mitigated by strong monitoring and complaints mechanisms, these areas are generally weak even in much better resourced programs with higher capacity;
- Given the strength and importance of the GAD structure throughout (most of) the country, there is a risk that individuals would find it difficult to complain against the GAD about payment-related issues (in Nepal some local authorities are reported to deduct a 10% 15% 'fee' from the benefit amount⁹). Even with an anonymous complaints channel, the number of beneficiaries in some Villages or Village Tracts are so low that anonymity could be compromised.

The main strengths of the GAD in a program implementation role are national coverage, proximity to beneficiaries, knowledge of beneficiary circumstances, and ability to problem solve at the local level. These traits are better suited to identifying beneficiaries, verifying eligibility, receiving and resolving complaints, and reporting the death of beneficiaries than they are to delivering payment.

While the GAD is the strongest of the three candidates assessed to carry out manual payment, it is recommended to work with MEB instead.

⁹ Social Protection for Older People: Social Pensions in Asia. Asian Development Bank, 2012.

3.3.2.3 WFP Cash Transfer Payment System

A third payment system currently being used by WFP was also assessed. In this model, Cooperating Partners (CP) with existing systems of cash delivery collect cash from financial institutions and distribute it locally to households. Payment is overseen by a Cash Management Committee consisting of 7 – 10 community members and beneficiaries are issued a receipt. This model was excluded as an option for the Social Pension because of the weak reconciliation system and because recruiting CPs for delivery of government benefits would be an overly complex and lengthy process.

3.3.3 Frequency of Payment

Determining the appropriate frequency of payment takes into account several factors, most importantly:

- The number and distribution of points of payment, as well as the availability and cost of transportation, and other factors influencing mobility (e.g. terrain, weather, etc.), particularly as elderly people are generally less mobile;
- Time required to carry out the payment and reconciliation process. If the payment process is being carried out manually (i.e. money is physically taken to a payment point for distribution) then completing the reconciliation process of the current payment cycle will take more time than in a bank-based system. Ideally reconciliation of the current payment cycle should take place before the start of the subsequent payment cycle. This implies less frequent payment.

3.3.4 Recommended Payment System

It is recommended to strengthen the existing MEB system of payment for MoF pensions to deliver payments for the Social Pension. The recommended model would consist of:

- Existing Branch-based payment system for areas close to MEB Branches;
- MEB Payment Officers/Teams dispatched to pre-announced Payment Points to deliver manual payment, in other areas;
- An adjusted system of Proxy/Representative Payees more suited to beneficiaries in rural and remote areas.

This system is similar to the one that has been used to successfully deliver social pensions in Thailand for many years. It is recommended that senior officials from MSWRR and other relevant agencies (e.g. MEB) undertake a brief study tour to Thailand to see this system in practise (see section 5: Study Tour).

A Branch-based model could be paid monthly, however, given that manual payment must also take place in the field it is recommended to make payments quarterly. This will allow time for a manual reconciliation process to take place, and will help keep costs of sending payment team to the field relatively low¹⁰.

This system would require DSW and MEB to design a robust MIS-based manual payment system for use at Payment Points, based on existing MEB operations and according to MEB regulations. Security arrangements could be made with local police or military, as is done in several other countries. The appropriate number of Payment Points and their locations should be determined based on the distribution of Villages with eligible people, which can be obtained from 2014 Census data (set to be released soon, or which can be requested in advance).

The diagrams below summarize the recommended processes; the first diagram presents the overall system while the second presents the details of the transaction with the beneficiary.

¹⁰ Beneficiaries should be given the option of collecting benefits at the MEB Branch if they miss payment by field teams.

Figure 3: Payment Process Overall

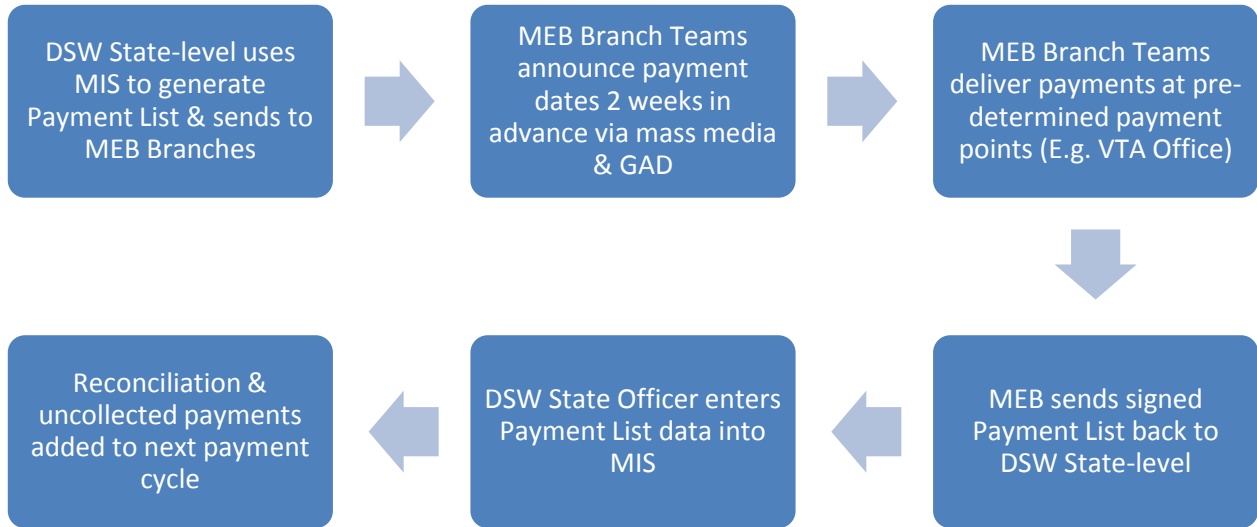
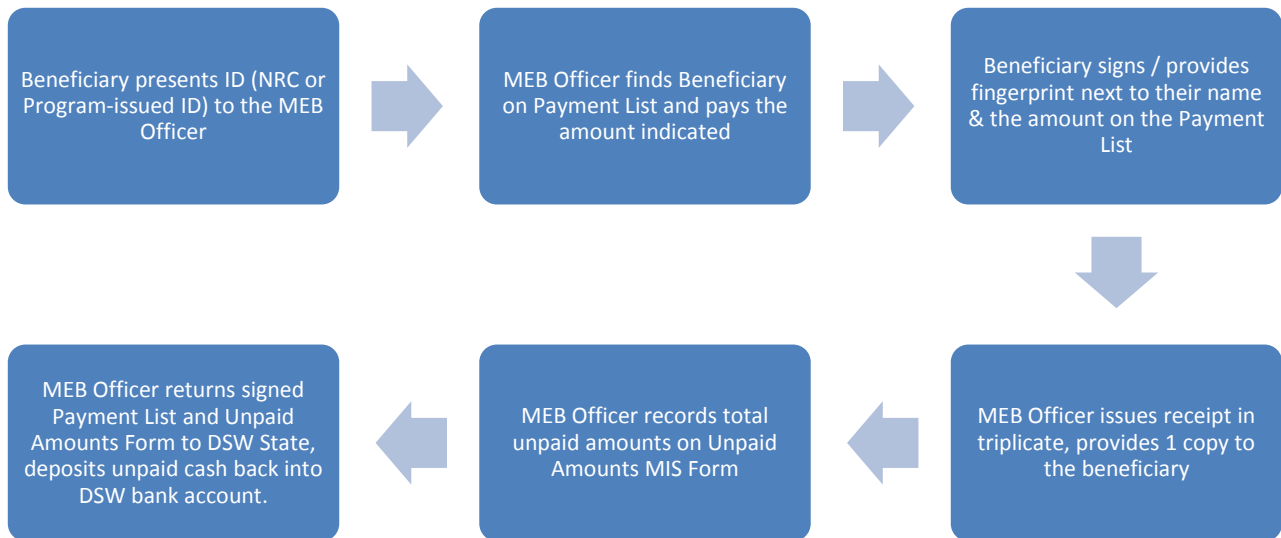


Figure 4: Payment Process: Cash Payment to Beneficiaries at Payment Point



In order to implement the recommended system, the DSW must work with the MEB to design a robust MIS-based manual payment system. This should take place as soon as possible, and should be supported by a technical expert.

Finally, the MEB requires that beneficiaries renew their designation of a Proxy/Representative Payee every 6 months. However, the pensioners currently being served by this system are generally younger and live in closer proximity to the MEB Branches than their Social Pension counterparts. As such, the MEB system will have to be adjusted. This is discussed further in section 3.4.1: Technical Options for Exit Mechanism.

Decision: If the recommended system is chosen, DSW urgently needs to meet with MEB to discuss:

- 1. Whether any agreement can be reached to deliver Social Pensions using the existing pensions payment model;**
- 2. Whether the ‘mobile outreach’ model can be scaled-up to deliver Social Pension payments in rural areas and areas without MEB Branches;**
- 3. Supply capacity assessment which determines whether an increase in the number of beneficiaries served by the Branch-based system can be served by existing staff and infrastructure;**
- 4. The estimated costs of a scaled-up ‘mobile outreach’ model and options to finance it;**
- 5. The nature of the agreement between MSWRR and MoF, or DSW and MEB to establish the payment system around clear division of responsibilities and accountability, including reporting.**

3.4 Exit

Summary of Key Recommendations for Exit:

- If the MEB is engaged as payment service provider, the existing system of exiting deceased beneficiaries should be strengthened for Social Pension beneficiaries in rural and remote areas;
- The introduction of a standardized Social Pensions Exit Form should be tested alongside the MEB model, as it will be much cheaper and easier to implement;
- However, there currently appears to be a risk of failure to report beneficiary deaths by GAD based on rates of death reporting in the existing model and examples of social/community pressures not to report from other countries.

It is essential to have a well-functioning mechanism to identify and remove beneficiaries who naturally exit the Social Pension when they pass away. Given that families of beneficiaries, and even the communities to which they belong, have disincentives to report the death of the beneficiary to the program, an exit mechanism is required.

In Lesotho the lack of an adequate exit mechanism to resulted in the number of beneficiaries on the Payment List to grow to levels that could not be sustained by the existing budget allocation. The use of a proxy / representative payee system exacerbates this risk, as this individual has an incentive to keep the program in the dark about the death of the beneficiary. Likewise, local authorities also have this same incentive to delay or fail to report deaths in order to collect payments intended for the deceased beneficiary. There are some examples of this, though rare, in the case of Nepal¹¹.

Where a strong system of reporting of death for civil registry purposes exists, it is possible to cross-reference this data against the beneficiary list. However, it depends on whether this data is consistently and accurately collected and whether it is aggregated into a searchable spreadsheet or database (at the Central or State level). While some pension programs cross-reference beneficiary lists with funeral benefit lists or national databases such as civil registry (i.e. death registration), tying reporting to exit from the pension program can reduce the incentive for households to report deaths, interfering with these existing systems.

GAD VAs are aware of all deaths in their Villages because they are involved in the funeral arrangements and process, and they are charged with reporting births and deaths on a standardized form; however, visits to the field found that this is not being done in some areas and therefore cannot be relied upon as an exit mechanism for the Social Pension. In addition, VAs may not be comfortable reporting deaths to the Social Pension. In Lesotho, Village Chiefs are supposed to report deaths of pension beneficiaries, however, they are reluctant to do so both due to concern that poor households would suffer if they lost the benefit, and due to social pressures within the community.

3.4.1 Technical Options for Exit Mechanism

Two options for ensuring timely exit of beneficiaries who are deceased, or who have been found to be benefitting from an MoF pension, are presented:

1. MEB
2. Standardized Exit Form completed by GAD

¹¹ Social Protection for Older People: Social Pensions in Asia. Asian Development Bank, 2012.

3.4.1.1 Adjusted MEB System

In the case of the MoF-implemented pension program, exiting deceased beneficiaries is one of the key roles of MEB. MEB follows-up with those who have not collected benefits in more than 6 months and removes deceased beneficiaries from the program. Beneficiaries must likewise renew their request to have a Proxy/Representative collect payment on their behalf every 6 months. MEB carries out this confirmation by telephone or by household visit.

While it is recommended to use this model for the Social Pension as well, if MEB is successfully engaged as payment service provider, the model should be adjusted to suit the Social Pension. Currently, the majority of pensioners dealt with by MEB live in relatively close proximity to the MEB Branch, which is normally found at the Township. Beneficiaries of the Social Pension will mainly live in rural areas, with a number living in remote areas.

If the payment system recommended above is used (i.e. MEB Branches plus MEB Payment Officers/Teams travelling to Payment Points), MEB Payment Officers/Teams can carry out household visits to confirm those who have not collected payment in person are still alive. However, for those using Proxy / Representative Payees it is recommended to request beneficiaries living within reasonable travelling distance of Payment Points to present themselves in person during the last payment of every year (i.e. once every 12 months). For those who are unable to do so due to distance or mobility issues, a household visit should be performed by MEB or DSW Officers to confirm the beneficiary is still alive.

3.4.1.2 GAD Reporting using Standardized Program Form

A second option to identify and remove deceased beneficiaries from the program is to introduce a standardized form to be completed by GAD VA or VTA/VTAC when a beneficiary passes away¹². In this model, the GAD VA or VTA/VTAC would be provided with standardized Exit Reporting Forms which he/she would be responsible for completing and submitting to the DSW via the GAD TA when a beneficiary passed away.

The risks of this model, as described above are that the GAD may have disincentives to report, including social/community pressures, and that even current attempts to collect birth and death data on standardized forms are not functioning well. The latter risk might be effectively reduced through appropriate training, and by the fact the data is used to carry out a clear function rather than for more

¹² If the MSWRR decides to use the GAD to deliver payments, the GAD should not also be reporting deaths.

vague or general purposes. The main strength of this model is that it will be much cheaper and easy to implement than the adjusted MEB model described above.

It is recommended to test this model alongside the MEB model during the initial stages of implementation, in order to assess whether it might work in the field.

3.5 Complaints Mechanism

A mechanism through which both beneficiaries and non-beneficiaries can file complaints against the program anonymously and expect follow-up and resolution is important to ensuring accountability. Complaints mechanisms receive a great deal of attention, but few cash transfer programs are implementing them effectively. As such, it is recommended to have a complaints mechanism in place, but keep it simple.

The form of the complaints mechanism for the Social Pension will depend greatly upon the implementation arrangements of the program. While the GAD is the best candidate to help resolve operational complaints, complaints related to fairness of beneficiary selection or corruption cannot go through this channel. Also, if the GAD is delivering payments, then GAD VTA and VAs cannot also accept payment-related complaints. If the recommended options outlined above are taken up, then the DSW is best positioned to accept complaints about targeting, payments and exit, as well as quality of service received. Corruption-related complaints should be forwarded to any national oversight mechanisms in place. A complaints mechanism should be articulated in the Operational Manual, once implementation arrangements become clear.

3.6 Monitoring and Evaluation

Monitoring and Evaluation (M&E) is an important but often overlooked aspect of effective cash transfer programs. While monitoring keeps program managers informed of potential issues with implementation, and the progress being made, evaluation provides insights into the results or outcomes of the intervention and can contribute significantly to the case for increased budget.

The MIS will provide key monitoring indicators as a by-product of operations; for example:

- Registration
 - Number of applicants
 - Percentage of expected applicants (compared to census data)

- Number of eligible individuals registered
- Percentage of applicants in receipt of MoF pensions
- Percentage of applicants with rejected documents
- Payment
 - Total amount paid per payment cycle/year;
 - Total number of beneficiaries paid;
 - Percentage of payments not collected;

In addition, because the Social Pension database will include all the information collected on the Registration Form, these indicators can be disaggregated at the State/Township/Village level, or by age, gender, etc.

In addition to MIS-based monitoring, it is recommended that DSW carry out field monitoring, including:

- Random operational spot checks to determine whether the program is being implemented correctly (i.e. as per the Operations Manual);
- Regular field visits to conduct key informant interviews (KIIs) and FGDs, to remain informed of perceptions of the program and other issues not captured by the MIS-based or operational spot check monitoring.

As the Social Pension MIS will be dependent upon the payment service provider to provide complete, timely data regarding payment, it is recommended that:

- the MoU (or equivalent agreement) between MSWRR and the payment service provider include clear provisions for reporting within a stipulated timeframe, per payment cycle;
- DSW (Social Pensions team MIS Officer) provide a template for regular payment and reconciliation reporting to the payment service provider.

3.7 Evaluation / Baseline Survey

There is a great deal of interest in the poverty impact of cash transfers in general, and of social pensions in particular. The introduction of a new universal social pension provides a rare opportunity to collect baseline data against which the effects of the intervention can later be measured. The lack of baseline data is a major hurdle in evaluating similar programs in other countries.

Impact evaluations measure the changes or outcomes (intended and unintended) which can be attributed to a particular intervention, compared to other types of evaluation which cannot filter out the contribution of other factors / interventions. Impact evaluations have become a popular tool to assess the effectiveness of cash transfers, including social pensions, as a poverty reduction tool and are very useful in policy-making.

However, there are risks for a new program to include an impact evaluation where the quality of implementation may suffer due to low capacity or other constraints. Poor quality of implementation can reduce the impact of the program and these kinds of results can significantly erode support for the program among decision-makers and development partners.

Regardless of whether the baseline survey is carried out as part of an impact evaluation or a simpler evaluation, an expert consultant (or Firm in the case of the Impact Evaluation) should be engaged to design the evaluation, collect data and carry out analysis and report writing.

Decision: Should an impact evaluation take place, or should the baseline be carried out as part of a regular evaluation that cannot necessarily attribute any poverty reduction to the Social Pension?

4 Organizational Structure

The Social Pension is a new program that is national in scope; establishing the program around a standard operational cycle implemented through robust, MIS-supported systems in line with international best practice will require a dedicated team (i.e. a team working exclusively on the Social Pension, at least for the first 2 years).

The minimum team required to implement the Social Pension includes at least (at the National level):

1. Team Leader / Program Coordinator
 - Responsible for overall coordination, management and leadership;
 - Guiding technical decisions and ensuring program quality;
 - Keeping DSW/MSWRR senior management informed and advised of any risks/problems and coming up with solutions;
 - Managing budgets, preparing work plans, etc.;
 - Ensuring completion and quality of training / capacity building of staff for implementation, monitoring and complaints mechanism;

- Exploring opportunities for coordination/cooperation with other ongoing social protection and poverty reduction initiatives,, and dealing with other government agencies to ensure integration with complementary activities (e.g. NRC Database development, Integrated MIS with social protection partners like UNICEF, etc.).

2. Operations Manager

- Responsible for establishing operational systems, including technical adjustment after field testing, and ensuring their smooth function;
- Leading planning and implementation of the operational cycle;
- Supervising and supporting State-level DSW and State/Township/Village level GAD to carry out core field operations;
- Working closely with the MIS Officer to continuously improve the MIS;
- Update Operations Manual and MIS Forms to reflect changes/adjustments made in the field;
- Investigate opportunities to pilot new technologies (e.g. payment solutions).

3. MIS Officer

- Ensuring MIS design is up-to-date with program design and actual operations;
- Support the team at the National and sub-National levels to use the MIS;
- Provide Help Desk-type support to the State-level actors to use the MIS for core operational functions, like entering Registration Forms, printing payments lists, entering reconciliation information, etc.;
- Maintaining beneficiary database, handling requests for information by other agencies.

At the State level, key operational activities would be carried out by:

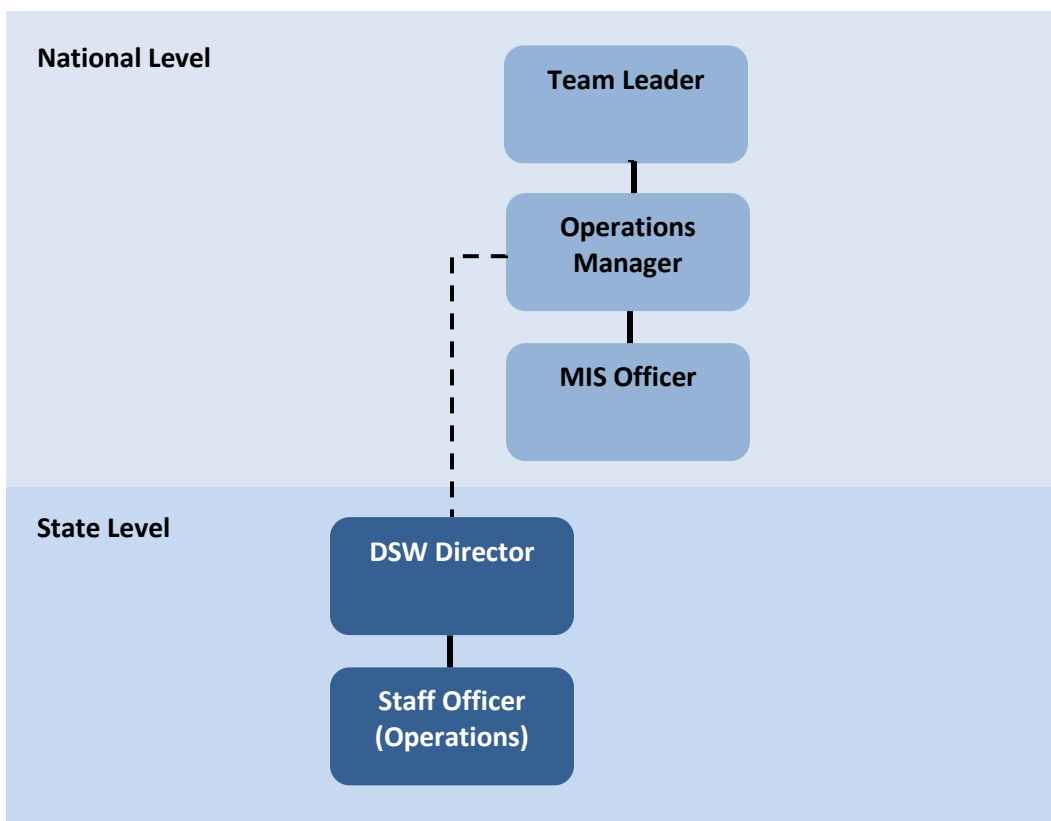
1. Supervisor (State DSW Director or Assistant Director)

- Coordination of GAD and MEB for implementation (planning, field work, data sharing, etc.);
- Supervising the Operations Officer (Staff Officer);
- Reporting any field issues to the Operations Manager, and any coordination or monitoring issues to the Team Leader;
- Monitoring GAD and MEB in the field.

2. Operations Officer

- Using the MIS to generate operational lists, forms and reports;
- Entering data from the field into the MIS (i.e. Registration Form, completed payment list, tc);
- Traveling to the field to carry out operational spot checks and obtain feedback from beneficiaries/other community members.

Figure 5: Recommended Team for Social Pension



It is recommended that the positions at the National level be filled by technical expert consultants with international experience in similar programs, for the initial 2 years of implementation of the Social Pension. This team would be temporary and would focus on setting up the program and transferring knowledge and skills required to effectively manage and operate the program to Ministry staff.

After the period of initial technical assistance, the MSWRR would assess whether their responsibilities can be transferred to existing staff, whether there was a need to recruit additional staff to fill these

roles. This assessment should be carried out with inputs from the Technical Assistance team and should include a capacity assessment of the individuals to whom core responsibilities will be handed over. The assessment may form the basis of a case for the recruitment of additional government staff with sufficient capacity to effectively manage and implement the program.

The main objectives of the National team would be to:

1. Support the Ministry to implement the initial round of the operations cycle;
2. Refine and update the technical design (systems, tools, communications materials, manuals and documentation, etc.) to ensure program performance;
3. Design an MIS-based monitoring and internal reporting system;
4. Work closely day-to-day with key Ministry staff identified to take over the core roles of the dedicated team to ensure knowledge transfer and capacity building;
5. Advise senior Ministry officials on management and strategic development of the program, as well as providing technical support for lobbying for greater budget allocation and additional staff, if deemed necessary;
6. Identify and develop key strategic partnerships with other government agencies/Ministries and non-government actors (e.g. for such things as systems improvement in line with international best practise, external evaluations, etc.).

The team would work directly at the Ministry office, based in Nay Pyi Daw. However, given the difficulties in recruiting and retaining qualified staff to live in this location, some flexibility should be given during contract negotiations. This might include financial benefits or the option of working from Yangon part of the time. The budget found in Annex 2 includes maximum salaries to attract qualified candidates and financial bonuses to incentivize team members to spend more time in Nay Pyi Daw. Consultants would pay for their own accommodation and would not receive a per diem in addition to their salary.

The Team Leader/Program Coordinator should have at least 3 years' experience in coordinating a government-implemented social program or pilot, preferably in social protection, and at least 10 years' total professional experience.

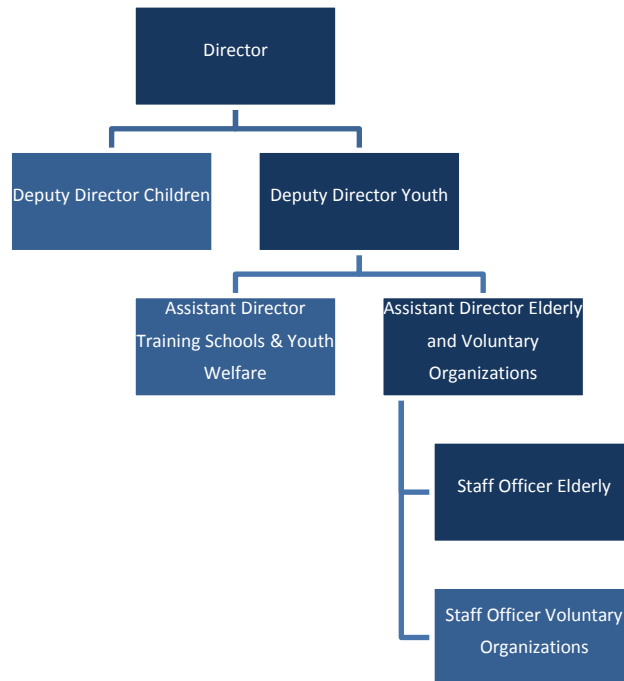
The Operations Manager should have at least 3 years' experience working on the operations side of an MIS-supported cash transfer program or pilot.

The MIS Officer should have a degree or diploma in an IT-related field and at least 3 years' experience in IT for social programs.

4.1.1 Appropriate DSW Division for Social Pensions Unit

In terms of the appropriate Division of the DSW where this unit should be housed, as noted above in section 1.1: Institutional Arrangements for Social Protection, issues affecting older people are handled by the Division of Children and Youth. This Division is led by a Director and two Deputy Directors. Each Deputy Director has two Assistant Directors reporting to him/her. One of the Assistant Directors is responsible for Elderly People's Issues; the same Assistant Director is also responsible for Voluntary Organizations. One Staff Officer is assigned to issues and activities related to elderly people, and reports to the Assistant Director of Voluntary Organizations and Elderly People's Issues.

Figure 6: Division of Children and Youth, Department of Social Welfare



The main challenge in locating the Social Pension under the Assistant Director for Elderly and Voluntary Organizations is the lack of staff at the Staff Officer level or higher. While the unit recently received

additional staff, this was limited to junior positions. The single Staff Officer dealing with Elderly People's Issues handles cash payment to Voluntary Homes for older people, as well as providing technical assistance on how to deal with older people to the Homes. It does not appear that this staff member would have sufficient time to also dedicate to establishing a new national program requiring close oversight and operational management on a daily basis.

It is recommended to consider placing the Social Pensions team under the Division for International Relations temporarily, until the capacity constraint at the Division of Children and Youth can be addressed.

Decision: Under which Division should the dedicated Social Pensions Unit be placed? Can the Social Pension be placed under the Division for International Relations until additional Staff Officer level staff (or higher) can be recruited to deal with Elderly People's Issues?

5 Study Tour

It is recommended to send senior decision-making officials from the MSWRR, as well as the Budget and Planning Commissions, and relevant members of the State Government on a study tour to Thailand to see the universal social pension that has been successfully implemented in that country. The program should be presented to them with particular focus on similar challenges that might be faced in Myanmar.

The objective of this activity is to foster an understanding of the important poverty reduction potential of the pension program, and to create champions of the program within strategic government bodies. The study tour should last no more than 3 days, and should include meetings with senior officials involved in the Thai pension scheme, including the Bank through which payments are provided.

The study tour would be organized by staff at the HelpAge International (HAI) Chiang Mai-based Regional Office. An HAI staff member from this office should be designated to organize logistics and scheduling, including requesting specific officials from the Thai side. A senior HAI staff member should be designated to accompany the delegation of senior officials.

6 Next Steps

This section outlines the next steps that should take place urgently in order to move towards the establishment of the Social Pension in order to make payments in August 2015. The estimated work plan can be found in Annex 1.

Census data for all those over the age of 80 should be requested as soon as possible.

A. Report Feedback and Key Design Decisions:

1. Hold an internal workshop to consolidate report feedback and discuss key decisions (highlighted in the report);
2. Hold meetings with MEB and GAD to discuss their respective roles in the Social Pension, and agree on way forward and mode of cooperation (i.e. MoU, contract, Terms of Reference, etc.);

B. Identifying Funding Sources

3. Discussion with HAI to determine who will fund the non-transfer costs of the program (see Estimated Budget in Annex 2).

6. Detailed Program Design

3. Review and finalize Registration Form in Annex 3. While DSW has begun compiling lists of potential beneficiaries from the field, verification of age through documentation or community verification must take place. The data collected from the field so far can be used for planning purposes, however, the Registration Form should be used in the verification process. The Registration Form will enable the program to build a stronger beneficiary database;
4. Complete simple/basic supply capacity assessment of MEB to determine whether an increase in the number of beneficiaries served by the Branch-based system can be served by existing staff and infrastructure;

5. Agree with MEB on the staffing and cost requirements to carry out manual payment in areas not within reasonable distance of the MEB Branches, and determine how the resource gap can be bridged.
6. Map Villages within reasonable walking / traveling distance from each MEB Branch, and tally the remaining Villages. Once Census data is available, the number of beneficiaries can also be tallied, and the number of staff required to carry out payment on a quarterly basis determined. Payment points can then be mapped based on distribution of beneficiaries (by Village).
7. Complete Operations Manual and MIS Forms
 - a. Document the MEB payment system, including designation and renewal of Proxy/Representative Payee, and exit mechanism. Collect samples of completed standardized forms used in these processes;
 - b. Complete the detailed design of the payment system in close coordination with MEB, as well as the registration system, exit mechanism and monitoring system.

7. Recruitment of Experts

8. Recruitment of a qualified MIS expert to undertake the design and development of the MIS, as soon as possible. The MIS will take approximately 3.5 to 4 months to develop. The candidate should have demonstrated experience with MIS for non-emergency cash transfer programs, and should be able to present at least one example of his/her work to MSWRR;
9. Development of ToRs for the 3 members of the Technical Assistance team should take place immediately, in order to begin the recruitment process as soon as possible. Qualified experts who have worked on national cash transfer programs in other countries should be sought. Given the anticipated difficulties in recruiting qualified staff for Nay Pyi Taw-based positions, the advertisement period should be as long as possible without compromising timelines for implementation;

10. Recruitment of qualified consultants or a firm to design and collect baseline data, or design an impact evaluation, should also begin as soon as possible to ensure data is collected before implementation begins.

Annex 2: Estimated Budget

	Item	Unit	Number	Cost/Unit	Cost (USD)
I	OPERATIONS COSTS				
A	TRANSFERS				
1	Transfers (Current Budget Allocation Jan 2015)	Transfers	TBD	TBD	500,000
2	Administration Cost		TBD	TBD	TBD
3	Office Space		0	0	0
4	Internet (DSW State level)		TBD	TBD	TBD
	<i>SUBTOTAL A (Transfers)</i>				<i>500,000</i>
II	INVESTMENT COSTS				
B	MIS				
1	Consultant Fees				
1.1	Scoping Study	Days	15	600	9,000
1.2	MIS Design & Development	Days	30	600	18,000
1.3	Testing, Installation & User Guideline	Days	20	600	12,000
1.4	User Training (Design and Delivery)	Days	6	600	3,600
2	Other Consultant Costs				
2.1	Flights (2 Return)	Ticket	2	2,000	4,000
2.2	Hotel & Per Diem	Rate	40	150	6,000
2.3	Business Visa	Visa	2	50	100
3	Hardware & Licenses				
3.1	Stand-alone Server	Server	1	5,000	5,000
3.2	Laptops (3 National, 1 each Pilot State)	Laptops	5	1,000	5,000
3.3	Licenses and Other Costs	Various	1	10,000	10,000
	<i>SUBTOTAL B (MIS)</i>				<i>72,700</i>
C	TECHNICAL ASSISTANCE TEAM				
1	Consultant Fees (Maximum)				
1.1	Team Leader / Program Coordinator	Salary	18	7,000	126,000
1.2	Team Leader / Program Coordinator	Bonus	7	2,000	14,000
1.3	Operations Manager	Salary	24	6,000	144,000
1.4	Operations Manager	Bonus	10	1,500	15,000
1.5	MIS Officer	Salary	24	5,000	120,000
1.6	MIS Officer	Bonus	10	1,500	15,000
2	Other Consultant Costs				
2.1	1 Return Ticket (per Team Member)	Ticket	3	2,000	6,000
2.2	1 Month Hotel & Per Diem (per TM)	Rate	3	4,500	13,500
2.3	1 Multiple Entry Visa	Visa	3	300	900
	<i>SUBTOTAL C (TECHNICAL ASSISTANCE TEAM)</i>				<i>454,400</i>
D	STUDY TOUR				
1	Return Flight (Business Class)	Ticket	6	1,000	6,000
2	Hotel (4 nights x 7 people)	Room Rate	28	250	7,000
3	Per Diem (4 x 6 people)	Rate	24	200	4,800
4	Local Car Rental (x2)	Car Rate	8	300	2,400
	<i>SUBTOTAL D (STUDY TOUR)</i>				<i>20,200</i>
	TOTAL WITHOUT TRANSFERS			547,300	
	TOTAL WITH TRANSFERS			1,047,300	



Annex 3: Example of Registration Form
Government of the Union of Myanmar
Ministry of Social Welfare, Relief and Resettlement, Department of Social Welfare
Social Pension Registration Form

Section A: Basic Applicant Information

Please copy the information directly from official document, if available

- 1. First Name _____
- 2. Middle Name _____
- 3. Last Name _____
- 4. Father's Name _____
- 5. Date of Birth (DD/MM/YYYY) ___/___/____
- 6. Village _____
- 7. Township _____
- 8. District _____
- 9. State _____
- 10. House Number and Street _____

Section B: Age Verification Information

11. Document used to verify age (Please check box):

- National Registration Card (NRC)
NRC Number _____
- Form 66/6
- Horoscope
- Birth Certificate
- No document available (go to question 11)

12. If no document to verify age is available please verify the applicant's age by checking with community members.

Section C: Receipt of Other Pensions

13. Is the applicant currently a beneficiary of another government pension? Please check box below indicating which pension the applicant is receiving:

- Civil Servant
- Military
- Political

Section D: Designated Recipient

If the applicant wishes to designate a trusted person (e.g. family member, neighbour) to collect payment at the Myanmar Economic Bank Township Branch on his/her behalf, please complete this section. Please explain to the applicant that the person should be trustworthy, and that if they wish to change their Designated Recipient or make a complaint against them they can do so via (TBD). Please complete the details of the Designated Recipient:

- 14. First Name _____
- 15. Middle Name _____
- 16. Last Name _____
- 17. Father's Name _____
- 18. Date of Birth (DD/MM/YYYY) ___/___/____
- 19. Village _____
- 20. Township _____
- 21. District _____
- 22. State _____
- 23. NRC Number (if available) _____

Section E: Village Tract Administration Clerk Information

- 24. First Name _____
- 25. Middle Name _____
- 26. Last Name _____
- 27. NRC Number _____
- 28. Signature _____
- 29. Date _____

Section F: Registration Receipt (retained by applicant)

Form Number: 1234567

- Applicant First Name _____
- Date (DD/MM/YYYY): _____
- Applicant Last Name _____
- NRC Number _____
- Village Tract Administration Clerk Signature _____