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دات

REFORM OF SOCIAL PROTECTION IN EGYPT

Takaful and Karama Programme (TKP)

A pro-women programme

Egypt

ACKNOWLEDGEMENTS

DOCUMENT TYPE

Documenting programmatic good practices and lessons learned

AREA OF WORK (OUTCOME AREA)

Social protection

COUNTRY

Egypt

TITLE

Takaful and Karama programme (TKP)

DURATION COVERED UNDER THE DOCUMENTATION

March 2015 – Jan 2018

REACH

2.04 million HHs (11 million beneficiaries and over 20 million applied)

FINANCIAL

10.8 billion EGP including (400 million USD from the World Bank as a loan)

STAKEHOLDERS

Main stakeholders:

- ▶ Government of Egypt (Ministry of Social Solidarity MoSS) in collaboration with other governmental bodies (Ministry of Finance, Ministry of Education, Ministry of Health, Egypt post office)
- ▶ UN bodies: (World Bank, UNICEF, WFP and UNDP)
- ▶ Scholars and consultants.

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Background and context

Conditional Cash Transfer (CCT) programmes are designed to alleviate and break the poverty cycle by providing direct cash transfers to families based on their fulfilment of certain conditions. The number of cash transfer (CT) programmes in the world has expanded substantially. International experience has shown that well-designed CT programmes can be a cost-effective way to reach the poorest and most deprived households, and represent an effective alternative to poorly targeted and inefficient subsidies. The idea behind CCT is that while conditioning the receipt of cash and services with certain obligations, this will change the overall behaviour of the targeted households to continue with these conditions even after the cash transfers have ceased.

Egypt has undergone profound economic, social and political transformations since 2011, which have resulted in increased inflation and unemployment rate and have contributed to increasing poverty. Despite the Egyptian government's efforts and strategies to reduce poverty, monetary poverty has been on the rise over the past 15 years, both in absolute numbers and percentages, with a marked acceleration since 2010/2011.

The Egyptian early design of CT programmes was particularly experienced at the successful pilot of "Ain El Sira CCT programme" in 2009, following this, the Ministry of Social Solidarity (MoSS) partnered with the Social Research Centre (SRC) of the American University in Cairo to pilot a conditional cash transfer (CCT) programme in 65 of villages in the rural districts of Sohag and Assiut in Upper Egypt, however, activities ceased with the January 2011 revolution. Several studies have suggested the importance of CT social protection interventions in protecting children and households from the potential negative impacts of economic shocks. In 2012, UNICEF Egypt worked to put the spotlight on child poverty through a study on multi-dimensional child poverty in urban areas, supporting the National Statistical Agency (CAPMAS) in producing statistical briefs on child monetary poverty and continues to strive to support the CAPMAS in strengthening its child poverty measurement and analysis capacity to institutionalise child poverty monitoring both, monetary poverty and multidimensional poverty.

Like CCTs internationally, the Egyptian CCT concept is to target the poorest families (through both, geographic "district level" and "individual targeting" within those districts. Cash transfers have conditions on child health and education and go to the female-head-of-household. This design followed many large-scale, successful CCT programmes worldwide that have been evaluated and found to be effective (For e.g. Bolsa Familia¹ and Opportunities²). However, a conditional programme requires that there is an adequate supply of services to enable beneficiaries to comply with the conditionality, which can be a challenge in the poorest regions where the program was rolled out. A conditional programme can also impose some administrative challenges related to the need for education and health providers to report on service usage by beneficiaries and verify their compliance with the conditions.

In 2014, the political stability favoured the approval of long-awaited structural reforms to be implemented over the following years. The economic and social reforms included both streamline and expand social expenditures and pro-poor investment with the aim to reduce poverty, address historical regional and socioeconomic disparities and mitigate the impacts of structural reforms on the lower-income groups. Consequently, social protection became an important strategy in Egypt's efforts to reduce poverty. This vision was later emphasised in the national Sustainable Development Strategy: Egypt Vision 2030, which places social protection in the central position of the development agenda

¹ is a social welfare programme of the Brazilian government.

² is a government social assistance (welfare) programme in Mexico founded in 2002

What is Takaful & Karama Project (TKP)?

TKP was developed as a national targeted Social Safety Network “SSN” programme aimed at protecting the poor through income support.

Takaful is a family income support programme to families with children (0-18 years) it aimed to produce human development outcomes, specially nutrition, maternal and child health, and school enrolment and retention.

Karama is a social inclusion programme to persons, specifically the elderly 65+ and the disabled who cannot work. It aimed to provide social protection and decent life for the most vulnerable persons. It also includes orphans (0-18) who are living outside institutions and whose caretakers are their extended family members.

The TKP project aimed to support the establishment of the government’s national CCT programme, which was planned to benefit about 1.5 million poor households by the end of 2017. The programme beneficiaries are poor households with children under 18 years, poor elderly (aged 65 years and above), and poor persons with severe and permanent disability. Takaful is a family income support with co-responsibility (conditional) CT programme aimed at reducing poverty and producing human development improvements in health and education. Karama is an unconditional income support and social inclusion sub programme that aims at the protection and inclusion of the poor elderly (above age 65) and persons with severe disability. The project consists of three components: (i) provision of conditional and unconditional CTs under the Takaful and Karama programme; (ii) support for SSN targeting and operational systems; and (iii) project management, monitoring, and evaluation.

TKP enjoyed strong political support, it was designed as a national programme to eventually become Egypt’s national SSN programme to protect the poor and vulnerable population and support them to invest in their human capital. There is a powerful political commitment from the government, and support from the international organisations (World Bank and UNICEF), to the programme since the early stages, as the government sees this programme as the vehicle to shift from inefficient untargeted subsidies to targeted social assistance mechanism, contributing to the government’s social and economic reform programme.

UNICEF SUPPORT

UNICEF supported TKP at the start of the project before the involvement of the World Bank – as stated by the TKP team-, this was through seed funding of 20,000 USD at the start of the initial phase, which enhanced the launching of the programme. This funding contributed to learning visits to understand the CCT programme principles and the know-how of running such programmes through the exposure to others such as the “Tayseer programme” in Morocco, and many other experiences in other Arab countries. The role of the World Bank was obvious through being the main financial and technical partner. The World Bank provided a loan (400 Million USD) in addition to (25 Million USD) as an operational grant that supported the following: the development of a Proxy Mean Testing “PMT” tool, the operational costs of consultants’ team who led the implementation of the programme, the trainings of social local units at field level on the programme implementation, procurement (Tablets for the units, PCs, IT infrastructure ...) in addition to the information and communication materials. The Egyptian Ministry of Finance (MoF) allocated an additional EGP 500 million (US\$67 million equivalent) in the fiscal year (2014-2015) and began disbursing to the MoSS, which has been directed to fund the initial round of TKP beneficiaries.

The programme was implemented into geographical waves. Such phases approach was crucial not just for the outreach of beneficiaries, but also for the maturity and institutionalisation of the programme’s different components. Such waves added a lot of learning to the different programme components such as selection of beneficiaries, system development, grievances system, social accountability committees, disability assessment, conditionality and other aspects. In 2015 the programme was implemented in 9 governorates, where the poverty rate exceeded 60%. In just less than three years, the programme has managed to reach over 2.04 million HHs and to expand to all districts and governorates nation-wide, as of January 2018. With such an impressive growth rate, the programme is expected to benefit 3.5 million HHs by end of 2018. For the effect of the programme, it was enough to hear such statement from the field “TKP saved huge percentages of the HH not just from poverty but from death”

Interview with field directorate at MoSS



“TKP saved huge percentages of the HH not just from poverty but from death”

Interview with field directorate at MoSS

Outreach and financial contribution

Up till the end of 2017, TKP has achieved tremendous outreach progress, with a total number of 4,688,194 registered households (19,138,233 individuals), of whom a total number of 2,386,148 HH applications (53.9%) were rejected, and 2,042,704 HHs were enrolled (46.1%). Of the enrolled households, 237,766 (11.6%) were males HH heads while 1,804,938 HH heads (88.4%) were females. Enrolled HHs incorporated 8,627,645 individuals, of whom 4,379,776 (50.8%) were males and 4,247,869 (49.2%) were females. The programme managed to roll out in all governorates, covering 345 districts, 5,630 villages, and 2,529 social units. The programme is being supported locally by a national task force of 12,000 social workers and 10,000 outsourced researchers.

On the reach level, there are major variation between the two programmes, Takaful beneficiaries reached 1,781,184 (87.2%), whilst Karama beneficiaries reached 261,520 (12.8%), of whom 38,791 (14.8%) were elderly, 221,586 (84.7%) were disabled, and 1,143 (0.4%) were both elderly and disabled. Payment to beneficiary households is managed by the post office through individual (virtual) accounts. Beneficiaries have to attend to the post office to withdraw their cash- delivered on a quarterly basis for Takaful and monthly in Karama - using Takaful and Karama Smart Cards, they cannot use any other automated teller machines (ATMs), which create traffic at the post offices. The disbursement mechanism for the entitled cash is available through over 4500 branches of post offices across Egypt.

To offset the targeting inefficiency and avoid selecting all beneficiaries in all villages under the districts with the targeted poverty rate, TKP used a combined targeting method including geographical (poorest districts) and the PMT mechanism to identify the eligible poor HHs within the selected districts. Simulations of the PMT adjusted to geographical targeting. The MoSS, hired external researchers who played critical role in expanding programme registration services in support to social workers taskforce that expanded itself with additional offices operated in newly accessed locations, totalling a number of 2,000 social workers, all trained and operating system registration applications.



Such huge programme needs a powerful feedback mechanism, which was established as a system for grievances. As of accumulating all grievances and queries addressed to the programme up to June 2017, a total of 268,483 transactions appear to have been made of which 175,528 are classified as grievances whilst 92,955 are classified as general enquiries, all cases were documented and answered by the MoSS as well as automation firm staff to date.

Financially, over the project's life (up till Jan 2018), TKP covered about 2.04 million HHs, representing more than 10% of the population and about 40% of the poor. The annual cost of the programme once it reaches the full coverage of 3.5 million HHs will be over EGP 20 billion (US\$1.42 billion/year). One of the other factors leading to reaching out higher target enrolment numbers was the commitment of the government to finance the programme. The programme is 100% funded by the government (about 88% directly under the state budget and 12% through a World Bank loan).

Pro-women program

The programme is pro-women and pro-children. Around 89 per cent of the cash payments are made to the mothers within the households based on the notion that women tend to put funds to better use than men and will more probably direct them to their children's welfare. Additionally, Takaful is now preparing the ground for putting into effect the "soft conditionality" of the Takaful programme starting September 2018. Through the application of health and education conditionality the programme aims at improving mother and child health, also children education. The additional subsidy through cash transfer to fulfil conditionality is in essence compensating the households for the indirect or opportunity costs of using these "free" services and act as an incentive for them to utilise these services and putting pressure on them to improve the supply-side and quality of the health and education services.

The programme has positive social impacts on women with emphasis on women from the poorest areas as it targets the poorest and most vulnerable groups, who are the primary beneficiaries of the project. The impact on women is immense, from the income support and provision of higher incentive for schooling at higher levels where usually girls' dropout rate is the highest in poor and rural families. The gender-differentiated impacts are being monitored using the M&E framework with focus of the social accountability measures to allow for adjustment during implementation to improve the impact on women and girls.

Cash transfers was seen as an effective policy instrument to enhance the well-being of women and girls. The vision from this programme is to have positive impacts on women through reducing monetary poverty, increasing school attendance and improving health conditions. In some cases, cash transfers lead to female-headed households making greater investments in economic assets and increased productive investment, most likely because they often have lower initial levels of productive assets than male-headed households. TKP empowered women to take leadership roles and participate in economic activities in the community; also, they are core members of the social accountability committees which is the community body that support verification, implementation and publicity of the programme on the community level.

During the interview with the different stakeholders, there were some assumptions related to the effect of the cash to women and if it can lead to a change in household decision making process. As a recommendation, an alternative outcome measures such as women's savings, labour force participation, education or GBV need to be investigated for the TKP beneficiaries.



Policy level

The programme evolved from a simple cash transfer to a complex programme that integrates complementary interventions. The progress achieved in these fronts is the result of a strategic leadership/buy-in on social inclusion agenda by the country leadership.

At a policy level, the government has established the 'Ministerial Committee for Social Justice', headed by the Prime Minister. The role of this committee is policy formulation and coordination to transform social policies and social programmes into decisions in order to proactively tackle social inequality. At the institutional level, the project is being implemented through the MoSS' existing structure. The MoSS personnel showed a positive attitude to accept the approaches of "TKP" to replace "Daman" approaches in handling data and assessing beneficiaries, which was key for the programme success. On the other hand, there is a vision to integrate Daman "Social pension" with TKP. Daman is covering 1.7 million HH around 5 million persons. The data of those beneficiaries will be reviewed and validated and most of those beneficiaries will be either removed or moved to TKP where they will be entitled to higher payment and more financial support to education.

The MoSS led the coordination efforts with both, the MoE and the MoH, which resulted in signing a Memorandum of Understanding to apply conditionality rules starting September 2018. The MoSS is working in parallel with the Ministry of Health (MoH) and UN agencies, for example, the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP), to improve health care service delivery, with an initial focus on nutrition, and expand into prenatal and postnatal services to improve the capacity and resources of the health sector. Additionally, there is an aim to support the readiness of systems to respond to the conditionality needs. UNICEF supported the MoSS through conducting a study on the conditionality readiness, in parallel, the MoSS started the planning of a media campaign to raise awareness on conditionality, targeted TKP beneficiaries as well as public audience to foster the concept of conditionality before applying it.



Conclusion and the way forward

The key feature of TKP is that it is not just a cash transfer programme targeted to extreme poor households, but it can be a core for the country social protection system. In 2017, TKP facilitated the integration of some social protection interventions/services in place to help the most vulnerable groups, those components used TKP database as a way to identify the vulnerable population. An example is that, TKP contributed to a National Health Insurance Scheme, providing free health insurance to priority groups including children, pregnant women, the elderly and disabled, and extreme poor families.

To support systems for the long-term reform, the Government has launched a Unified National Registry (UNR) initiative, led by the Ministry of Planning and Administrative Reform (MoPAR). The objective of the UNR is to establish a national database platform to support consolidation of SSN programmes and facilitate coordinated targeting and delivery mechanisms. The UNR initiative has already made some progress toward linking the Family Smart Card (food subsidy) and social security databases through the national ID. The completion of this mission will help to filter out those ineligible beneficiaries and assign a welfare ranking for all those registered based on asset ownership and consumption trends.

The government vision is to institutionalise the programme by integrating Daman with TKP. The plan is to have only (400,000) beneficiaries under Daman by end of 2018, a majority of those shifted beneficiaries will be persons with disability (800,000), who will be assessed and will be added to TKP if they are eligible. Overall, building on the success of the programme for the upcoming years is of paramount importance not only for its success, but most importantly to the reform of the social protection system and for establishing a model which links social protection and social services (including TKP) to the (UNR) data.

