



Evaluation of EU support to social protection in external action 2007-2013

Final Report
Executive summary
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Evaluation carried out on behalf of the European Commission

The evaluation was carried out by:
Landis MacKellar – Team Leader

Contributions from:
Ana Maria Femenia Garcia – Team Member
Zehra Kacapor-Dzihic – Team Member
Tino Smail – Team Member
Lena Zezulín – Team Member
Georg Ladj – Quality Control
Ana Vilar – Backstopping
Dominika Socha & Jana Bobokova – Evaluation
Managers

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The author accepts sole responsibility for this report, drawn up on behalf of the Commission of the European Union. The report does not necessarily reflect the views of the Commission.

Executive Summary

The evaluation's purpose, scope and background

The evaluation has three objectives:

- Provide an assessment on the attained results, their impact and sustainability, the good practices and pitfalls in Instrument for Pre-accession Assistance I (IPA I), European Neighbourhood Partnership Instrument (ENPI), Development Cooperation Instrument (DCI) and European Development Fund (EDF) programming and implementation.
- Assess the Intervention logic of IPA II, ENI, DCI (2014-2020) and 11th EDF planning documents addressing social protection, in order to assess their coherence with the relevant policy frameworks and programming guidelines. In particular, the evaluation assesses how the planning documents take on board past lessons, have moved towards Sector Approach and Sector Budget Support and to which extent they have established clear objectives, targets, indicators, baselines and monitoring mechanisms.
- Where possible, analyse current (i.e., post-2013) social protection programmes/projects to assess how well they reflect new approaches at this early stage of their implementation.

The evaluation has a strategic focus and assesses to what extent the EU support to social protection contributed to achieving the objectives of EU cooperation in the area of social protection. The assessment identifies key lessons and best practices, and produces recommendations in order to improve the current and future EU strategies, policies and actions. The evaluation covers the period 2007-2013. The geographical scope includes all third regions and countries under the mandate of the EU Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and of the EU Directorate-General for International Cooperation and Development (DG DEVCO) that are covered by the IPA (including Croatia but excluding Iceland), ENPI/ENI (except Syria and Libya), DCI and EDF.

The thematic scope of the evaluation is on the social insurance and social assistance measures to address the following risks and

needs: unemployment, parental responsibilities, sickness and healthcare, work accidents/employment injuries, disability, loss of a spouse or parent, old age, and social exclusion.

Methodology

The evaluation is based on DG NEAR guidelines on linking planning/programming, monitoring, and evaluation. It was conducted in four main phases: inception, desk, field, and synthesis. The evaluation was managed by the DG NEAR A4 MFF, Programming and Evaluation Unit, incorporating all relevant EU services in an Inter-service Steering Group (ISG) responsible for overseeing the process. The design chosen for the evaluation was a multiple case study design, based on the use of a mixed-methods approach. Eight Evaluation Questions (EQs) were formulated following a structured process based on an analysis of the EU policy framework and reconstruction of the EU's intended intervention logic related to social protection. Evaluation Questions, Judgement Criteria (JCs) and Indicators were defined to guide data collection and analysis. To achieve a reasonable balance between accumulating a rich evidence base and keeping the study to feasible proportions, it was decided (in consultation with the ISG) to focus on a sample of 14 cases during the desk phase. 11 countries were selected for field visits. The evaluation used a combination of tools and techniques for primary and secondary data collection, such as online surveys to 33 EU Delegations, analysis of all Regional and Country Strategy Papers to identify focal areas of support and an in-depth analysis for a selection of 36 Country Strategy Papers, literature review, meta-analysis of evaluations/audits, and interviews with stakeholders (around 320 persons were interviewed).

The evaluation was implemented between April 2016 and February 2018.

Overall assessment of EU support to social protection

Social protection (SP), as the EU has recognized in its Communication (2012) 446: Social Protection in European Union External Support, is a human right. It is conventionally divided into two spheres, social insurance, usually based contributions associated with

formal employment, and social assistance, non-contributory schemes available to all. Social insurance allows persons to manage risks that are broadly perceived to be social in nature – unemployment, disability, sickness, etc. Social assistance ensures that every person will have a basic minimum income and will have access to basic health care and basic social services. Taken together, social insurance and social assistance are important to achieving the Sustainable Development Goals that are central to the EU's external support. Social insurance promotes risk-taking, hence growth, and reduces inequality. Social assistance is a necessary tool to prevent social exclusion.

Europe has long been seen as a leader and a model for all forms of SP. Not surprising, then, this evaluation has found that the EU has supported SP in many forms – programmes to fight social exclusion at the local level in the Western Balkans, cash transfer social assistance programmes in Africa, the European Neighbourhood, and Latin America; social protection system reform in Latin America and the Neighbourhood East. Yet, with limited financial resources allocated to SP and staff constraints at HQ and in the EUDs, the EU is not broadly regarded as a major player in international promotion of SP.

The EU support to SP has contributed to alleviating poverty as well as to the broader EU agenda – human rights including gender and promoting European values and interests. But, if the EU wants to realise the potential of support for SP, it is going to have to engage in a consequential internal debate about the resources that it plans to devote to the area. Overall, EU support to SP has not built on a broad strategic view on how to integrate SP into its external support, one that spans social assistance and social insurance recognizing that they are complementary and that each fills a necessary role. To date, the EU has concentrated very largely on social assistance; a decision consistent with its focus on poverty reduction. At the same time, a longer-term perspective would be required that foresees a time when economic growth and formalization will have stimulated the demand for social insurance. The evaluation team has found that there is relatively little coordination or cooperation between the EU and the major global SP organisations, the World Bank, the International Labour Organization (ILO), and

selected UN agencies such as UNICEF. Historically, the first two institutions took ideologically opposing views of SP, but that tension is now significantly reduced. If the EU wishes to become a global player in SP, it would do well to work with those players already on the field.

Member States also have a role to play. SP is a highly technical field, meaning that there is a body of specialized knowledge of what has worked well, what has not, why, and on the pros and cons of various approaches. A large share of that global expertise is European. Through twinning and other approaches, the EU is uniquely placed to make that expertise available to partner countries and, in so doing, to promote European values.

Main conclusions

Cluster 1 – Policy framework and strategic focus

Conclusion 1: EU support to social protection has concentrated very largely on social assistance and social inclusion. This is consistent with the EU's focus on poverty and vulnerable / marginalized populations. The EU has mostly steered clear of supporting the reform of weak or failing social insurance systems.

In some countries, the EU contributed to comprehensive reviews of SP schemes at the country level, which helped to better identify challenges related to harmonisation. However, such analyses were not systematically carried out and the strategic focus of EU support corresponded to an explicit division of labour in only a few countries.

Conclusion 2: Prior to 2012, the EU did not have a policy to guide social protection in its external assistance, although this did not prevent it from pursuing the poverty alleviation and social inclusion agenda. In fact, the putting in place of an explicit strategy in 2012 does not appear to have greatly affected the EU's scope of interventions.

The evaluation has found a considerable degree of continuity in the nature of support to social protection during the 2007-2013 Multiannual Financial Framework and the 2014-2020 period. The analysis of SP found in the 2012

Communication 446 on Social Protection in EU External Support and in policy documents prepared at EU headquarters has placed social assistance and social inclusion in a broader context but has not led to any fundamental changes in direction or scope. EU support to social protection in all programmes evaluated has aligned to government priorities. Many of the greatest challenges to social protection, as well as many of the most innovative approaches, are in Upper Middle Income Countries. EU SP strategy has not been greatly evident in these countries, nor have opportunities for knowledge sharing and peer-to-peer exchanges been fully exploited, with some exceptions.

Conclusion 3: Social protection has remained a relatively minor part of the EU's cooperation portfolio. In line with partner country priorities, it has only rarely been a focal sector. There has been some effort to link social protection interventions to other interventions (e.g. humanitarian assistance, food security), with mixed results.

In only a few countries has social protection been a focal sector. This has limited opportunities for budget support operations. In some cases (mostly DCI/EDF countries), social protection actions were embedded in broader strategies; however, they have rarely been integrated into the sort of broad strategic approach that would be consistent with the 2012 Communication. In the Western Balkans, EU financial assistance focussed on local projects with very specific social inclusion themes. This is consistent with the EU emphasis on decentralization and support for Local Authorities. At the same time, policy dialogue in the context of accession negotiations addressed challenges related to social protection in areas such as labour law, inclusion, and social policy. There have been attempts to link social protection to humanitarian assistance (e.g., ECHO interventions). While there have been specific success stories, a broad strategic linking-up of social protection with humanitarian aid remains elusive.

Conclusion 4: EU support to social protection has been coherent with the European values and the EU's dedication to a human rights-based approach to development, but there has been insufficient gender mainstreaming.

The European Social Model regards social protection as a human right, a view embodied in the EU's 2012 Communication 446 on Social Protection in EU External Support. Specific aspects include the right to a basic minimum income sufficient to allow a household to live in dignity, the right to access to basic health care, the right of those in need to basic social services, and the right to be free from discrimination and social exclusion. This evaluation has found that EU cooperation in social protection has covered all three of these areas, consistent with partner country priorities. In line with partner country needs, not all areas have been covered in all countries. Gender aspects have been reflected in all EU social protection external support reviewed, however, there is no evidence that gender aspects have been mainstreamed in SP.

Cluster 2 – Effects of EU support

Conclusion 5: EU actions have contributed to tangible progress in the fight against social exclusion and alleviation of poverty but country-level effectiveness has not been at the level of social protection as a broad system, rather at the level of components of a comprehensive SP system.

EU actions in social protection reviewed have been moderately effective. In the Western Balkans, socially excluded populations have gained greater access to basic social services and the quality of such services has improved. Especially in the area of children and the disabled, there was progress on policy reform and de-institutionalisation in a number of IPA, ENI and DCI countries. EU-supported cash transfer programmes in the examined DCI, EDF, and ENI countries have produced tangible results in enhancing income security and thus alleviating poverty, as attested to by rigorous impact assessments. They have ensured access to basic human needs, thus have promoted social inclusion and reduced inequality. That said, benefits are too low to actually lift households out of poverty; they alleviate poverty but do not reduce its incidence. The main value added of these programmes has been the regularity and predictability of benefits, not their size. Moreover, EU impacts have been mostly at the level of components of the broad SP system, not at the level of the system itself.

Conclusion 6: The sustainability of many effects/benefits achieved remains fragile. Ministries responsible for social protection are short of resources, even as the demand for social protection rises.

With EU support, some countries reviewed in this evaluation have put in place national social protection policies that have been widely praised: El Salvador, Palestine* and Ethiopia. Yet implementation of these ambitious plans lags behind policy formulation. Ministries responsible for social protection must compete with other ministries that have historically had a stronger claim on resources. While the constraints are ultimately fiscal, proximate constraints on policy implementation are often related to basic capacity issues – a need for more social workers at decentralised level, more vehicles and petrol to effect household visits, etc. The EU has contributed to sustainability by providing technical assistance (TA) aimed at analysing future resource needs. At the same time, sustainability in many countries would be enhanced by more thoroughly analysing future resource needs, and by better involvement of civil society, social partners, the private sector, and Parliaments.

Cluster 3 – EU institutional environment and implementation approaches

Conclusion 7: Due to staff capacity constraints in all three DGs directly involved in social protection (DEVCO, NEAR, and EMPL), the EU has not fulfilled its potential to contribute to major international policy debates on SP. Contributing to insufficient visibility in international policy dialogue is the weak coordination on SP between relevant EC services, EEAS, and EU Member States.

International policy debate on social protection continues to be dominated by the World Bank, the ILO, UNICEF, and a scattering of other institutions including some bilateral donors. While the EU participates in important policy groups such as SPIAC-B, it is not perceived by other players as doing so as effectively as it could or should. Some reasons for this are due to governance of the relevant fora; others to

* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

factors internal to the EU including staff capacity constraints and weak coordination between the major actors, including EU Member States.

Conclusion 8: The quality of policy dialogue at country level has been variable.

Technical expertise is in short supply in EU Delegations (EUD) and the quality of policy dialogue is dependent on the level of interest of the personality who is assigned the dossier, who will typically be handling a number of areas. In some countries reviewed, the EUD's level of interest in the subject has been high and there has been good policy dialogue in the area. Where there has been long engagement and the EU is seen as a neutral external partner, it has been possible for the EU to facilitate dialogue between national partners responsible for SP. The EU has also played a valuable role in donor coordination in countries where a substantial number of EU Member States are active in SP. The EU has supported the implementation of large analytical studies in the past, which have received some attention, especially among EU actors. But the EU has not positioned itself as a key supporter of analytical work in the area of social protection (which would have enhanced its visibility). The quality of analytical technical assistance provided by the EU has, however, been high. See *Conclusion 3 for policy dialogue in the Western Balkans*.

Conclusion 9: Implementation modalities have been used in a reasonably effective and efficient way. In particular, the use of budget support has contributed to policy reforms while supporting the implementation of specific social protection schemes with a range of partners, e.g. NGOs and UN agencies. However, a number of strategic gaps and missed opportunities have been identified.

The interventions studied have been implemented using a range of modalities, and all have been reasonably effective and efficient. The project modality has been usefully applied to fighting social exclusion and has been successful in building capacity of CSOs and local authorities. Budget support has resulted in institutional re-organisation, capacity building, and improved policies. At the same time, a number of strategic gaps have been identified – for example, unavailability of budget support in under IPA I, leading to small, scattered projects

(a problem being addressed by the sector approach in IPA II); insufficient deployment of EU Member States' expertise in the form of twinning and SOCIEUX, and insufficient attention to SP in global thematic programmes and regional programmes. A range of implementation channels was used. In one instance (Malawi), the EU resorted to delegated cooperation because the concerned Member State had long experience in the country. In Palestine, direct financial support through the PEGASE programme was a logical source of funds for social protection because of the EU's broad commitment to serving as a financial lifeline to the Palestinian Authority.

Conclusion 10: While there has been complementarity between the instruments used by the EU to support social protection and the EU has made efforts to link social protection interventions to other interventions (e.g. humanitarian assistance, food security), the level of synergy achieved has remained limited. Moreover, the use of global thematic programmes to support SP has been limited.

Global programmes such as the Social Protection European Union Expertise in Development Cooperation (SOCIEUX) were little used in the countries reviewed. SOCIEUX is essentially demand-driven, suggesting that policy dialogue failed to advocate effectively for greater use of EU Member States technical expertise in SP. The EU Social Protection Support programme (EU-SPS) is still too recent to observe important results. Despite some evidence of social protection-related projects under EIDHR and other thematic budget lines, there has been little or no systematic linkage between SP interventions and projects financed under thematic programmes. There have been scattered linkages between SP, health, migration, refugees and gender, but no organised efforts to link SP with, e.g., climate change via the resilience agenda. Except when there was budget support, there has also been little linkage between social protection interventions and EU support to policy reform provided in areas such as public finance management (PFM). As mentioned above, there have been some success stories in linking cash transfer programmes to humanitarian assistance.

Conclusion 11: At project level, the EU has established sound monitoring and evaluation (M&E) and learning mechanisms, but some interventions lacked a result focus and there were mixed results in strengthening national M&E and statistical capacities. At global level, monitoring and learning were hindered by limited EU institutional knowledge of its support to SP and the low profile of SP in EU bilateral and global strategic cooperation frameworks.

EU-funded interventions generally relied on sound M&E, with embedded technical assistance often helping to enhance monitoring mechanisms and learning loops, despite a weak result focus in some instances. At a more global level, the EU institutional perspective on support to SP has been weak as illustrated by the absence of a clear overview of the EU portfolio in this area and limited examples of cross-fertilisation between experiences from different countries/regions. Recent initiatives such as the publication of EU reference documents on SP (e.g. the 2017 DEVCO Concept Paper No. 5 on the measurement of SP) are useful elements to improve the overall monitoring of EU support to SP at a technical level. However, their impact on adopting a more strategic institutional perspective on SP across EU institutions is likely to remain limited if resources mobilised and the profile of SP in bilateral and global strategic cooperation frameworks stay as they are.

Main recommendations

Cluster 1 – Policy framework and strategic focus

Recommendation 1: The EU should continue to focus its social protection support on social assistance and social inclusion and at the same time promote – whenever possible – a broad, reasoned, and sequenced strategic approach with due attention to sustainability, including social insurance schemes.

The EU should continue to focus its social protection support on social assistance and social inclusion. At the same time, it should step up efforts to promote a broad strategic approach which stresses the relationship between the programmes it supports and social protection as a whole, including social insurance schemes.

The range of SP concerns addressed by the EU at country level has been narrower than a reading of Concept Paper No. 4 on supporting social protection systems would suggest is required. Reasons for selecting particular areas for action should be made clear and overall sector concerns such as sustainability of the SP policy framework as a whole should be better addressed (see also Recommendation 6). When SP reforms are linked to a particular sector (e.g., health), the link between SP aspects and broader sector reform should be identified and taken into account. Sequencing, sustainability, and coherence of the overall SP policy framework should be better taken into account. Opportunities for closer cooperation with the ILO and World Bank should be identified and pursued when possible. In DCI/EDF countries, EU's focus on social assistance and social inclusion should foresee a universal and longer term perspective strengthening social protection systems whenever possible. In many ENI countries, which inherited from the socialist era functioning social insurance systems that have become impaired by structural flaws and economic crisis, provision of EU social insurance expertise could add value. In IPA beneficiaries, increased use of twinning and the promotion of partnerships with EU Member States institutions in the context of both IPA financial support and through policy dialogue in closely related areas such as labour codes could strengthen EU support to bring social insurance systems in line with European good practice. Throughout the EU's SP programmes, there is need for better mainstreaming of gender and the application of European gender expertise.

Recommendation 2: The EU should further develop the social protection support in post-conflict and fragile states, humanitarian emergencies, and refugee situations.

In line with the stated goal of better differentiation, the EU should continue to work on developing approaches to social protection that are appropriate in post-conflict and fragile states, including the better integration of social protection and humanitarian assistance.

Recommendation 3: The EU should consider scaling up its support to social protection.

If the EU wishes to make a serious impact in the SP area, it will need to consider larger programmes, probably in the form of budget

support or programmes supporting sector-wide approaches, and more actively advocate for increased fiscal space for SP at the national level. If it does not scale up resources devoted and systematize its support in the area, there is a danger that its portfolio will consist of scattered actions which have an immediate impact, but fail to achieve institutional stability and fail after international donor support is withdrawn.

Cluster 2 – EU support, institutional environment, and implementation approaches

Recommendation 4: The EU should increase its visibility in international cooperation on social protection.

If the EU wishes to make a serious impact in international SP discussions, it will require higher visibility. This could be achieved by increasing its contribution to international policy dialogue on social protection, building on its comparative expertise in social assistance, social inclusion, and humanitarian assistance. EU external visibility requires that it leverages its presence by structured consultation and coordination during programming and implementation among EC services, EEAS and EU Member States.

Recommendation 5: The EU should better use thematic budget lines (human development, food security, migration, etc.) and regional programmes to complement bilateral geographic cooperation.

The EU should take better advantage of thematic (in addition to SOCIEUX and EU-SPS) and regional programmes to promote knowledge sharing and regional peer-to-peer exchanges. Social protection has a pronounced regional character, with shared demographic and economic challenges, shared approaches to SP inherited from the past, and shared needs for reform. As SP is a technical field, the sharing of experiences and policy responses can play a crucial role.

Recommendation 6: The EU should increase attention to sustainability in social protection support.

In all social protection actions, greater emphasis should be given to early and continuing dialogue with partner governments on the transition to national financing (see also Recommendation 1).

TA related to fiscal sustainability should be provided from the programming stage forward. Moreover, social assistance schemes supported by the EU should contain elements related to economic empowerment with the goal of eventually moving recipients into decent work, thus relieving budgetary pressure on the scheme. On the social insurance front, including regarding social protection from a system-wide perspective, the EU needs to be in closer contact with the private sector.

Recommendation 7: The EU should better explore the potential of the Partnership Instrument to address social protection weaknesses in Upper Middle Income Countries and promote triangular cooperation.

Looked at in sheer numbers of the poor, there is more poverty in Middle Income Countries than in Low Income ones. In many Upper Middle Income Countries, social protection systems are seriously deficient. Other countries, such as Mexico and Brazil, have been the source of some of the most innovative and widely copied social assistance schemes. As the EU tries to better address cooperation with graduated countries in the new multi-financial framework (MFF) using the Partnership Instrument (PI), it should consider social protection as a Partnership Instrument focal area, including promoting triangular cooperation.

Recommendation 8: The EU should mobilise adequate resources at country level to accompany social protection reforms on a continuous basis and understand well the political dimension of such reform processes.

Countries where the EU has added substantial value in SP have been those in which there was continued, long-term policy dialogue at country level. Under such circumstances, the EU has been perceived as a neutral external partner facilitating the dialogue between national institutions involved in SP reform. Therefore, the EU should mobilise adequate resources for its structures at country level to accompany SP reforms.

Recommendation 9: The EU should increase efforts to support the development of monitoring and evaluation systems tailored to the national context and institutions, with greater emphasis on understanding barriers

to the effective implementation of SP schemes.

M&E systems need to be adjusted to reflect institutional realities in SP. Standard western SP models may not be suitable for achieving institutional ownership and buy-in. Moreover, M&E has been heavily oriented towards the development of sophisticated databases, resulting in a bias towards detailed quantitative data. The EU should work with national partners to support them in developing national M&E systems appropriate to their context and institutions, and continue increasing the attention given in M&E activities to assessing performance from an outcome rather than a process perspective. This requires not only assessing quantitative indicators, but carrying out in-depth qualitative analyses to understand beneficiaries' perceptions and attitudes towards SP schemes.