THE ISPA TOOL:
The application of the ISPA Payments tool in Tanzania

7th September 2016

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#ISPA_payments
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AGENDA

1. What is ISPA?
2. Why assessing Payment delivery in Tanzania?
3. Application of SP Payment Delivery Mechanisms tool in Tanzania
4. Questions and Answers
A set of practical tools that help countries improve their social protection system by analyzing its strengths and weaknesses and offering options for further action.
WHAT DOES A TOOL INCLUDE?

1. **“What Matters” Guidance**
   - Lays technical foundation for assessment
   - Provides good practices from international experience
   - Provides instructions to gather information
   - Describes how the assessment is organized

2. **Questionnaire**
   - Gathers qualitative and quantitative information

3. **Assessment Matrix**
   - Assesses against the agreed criteria on a four point scale

4. **Country Report**
   - Presents the findings
   - Highlights strengths and weaknesses in relation to good international practice
   - Summarizes complex landscape of policies and institutions
   - Provides policy options to be used as jumping off point for future dialogue between stakeholders

- **Implementation Guidelines**
  - Outlines the process of application of ISPA tools from start to completion
ISPA Payments tool

• Tool objective
Assess the mechanisms to deliver cash or near cash SP transfers, primarily targeted to poor and vulnerable populations

Framework:
- Supporting environment for SP G2P
- Country SP system
- Payment delivery mechanism for specific program

CRITERIA

ACCESSIBILITY  ROBUSTNESS  INTEGRATION
WEBINAR SERIES

7 September 2016
An introduction to the ISPA Social Protection Payment Delivery Mechanisms tool

28 September 2016
Experience of the application of the tool by TASAF in Tanzania

26 October 2016
How to use the tool for successful delivery of SP payments
Tanzania

- Low income country.
- Population: 51.8 million
- GDP growth: Apr. 7% per annum
- Poverty Headcount: 61.49%
- Food poverty: 9.7%
- Chronic malnutrition (stunting): 42.5%
- Primary education completion: 81.2%
- Total unemployment: 7.1%
- Life expectancy at birth: 61.5%
Productive Social Safety Net Program (PSSN)

- Implemented by TASAF.
- Objective: To create comprehensive, efficient, well targeted productive SSN system for the poor and vulnerable.
- Launched in August 2012.
- Community based targeting: Extremely poor and food insecure households, with children <18 years old, and adults able to work.
- 3 components:
  1. Unconditional basic transfer + CCT (health and education)
  2. Seasonal PW during lean season,
  3. Livelihoods enhancement
Payments delivery

TASAF

161 Project Area Authorities (district)

10,000 Payment points (village)

Beneficiary households

Commercial banks (elect. Transfer)

CMCs received cheques

HH receive cash

Beneficiary households

Commercial banks (elect. Transfer)

CMCs received cheques

HH receive cash

161 Project Area Authorities (district)

10,000 Payment points (village)

Beneficiary households
Institutional framework and Flow of funds

- Direct Payments to suppliers or contractors
- GoT
- Commercial Bank Local Currency (NMB)
- CMC
  - PWP Beneficiaries 75%
  - CT/CCT Beneficiaries 88%
  - Regional - Monitoring & Supervision 1%
  - Village Council - Facilitation 1%
- Local Govt. Authority
  1. 25% PWP materials
  2. (Supervision, facilitation, monitoring, and admin. funds. 8.5%)
  3. Admin. Fund for Ward 1.5%
Application of the tool

- **Planning and preparation**
  - Preparatory Mission
  - June 2015

- **Desk research**
  - June-November

- **Field mission**
  - November 2015

- **Assessment**
  - November 2015

- **Country report**
  - February 2016

"Don't talk unless you can add value to the silence.”

- Jorge, poet and translator
## Application of the tool

<table>
<thead>
<tr>
<th>Desk research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country at a glance</td>
</tr>
<tr>
<td>Financial sector: Policy, Regulation and Providers</td>
</tr>
<tr>
<td>Financial Inclusion</td>
</tr>
<tr>
<td>Types of government payments and means of delivery</td>
</tr>
<tr>
<td>Country Social Protection Background</td>
</tr>
<tr>
<td>Basic information SP programs</td>
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</tbody>
</table>

### Key performance Indicators:
Essential data to monitor payments delivery performance
## Application of the tool

### Questionnaire – Key Respondent Interviews

<table>
<thead>
<tr>
<th>Respondent Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program administrators – implementing agency</td>
</tr>
<tr>
<td>SP policy makers</td>
</tr>
<tr>
<td>Program funders (donors, NGO, IFIs)</td>
</tr>
<tr>
<td>Financial sector/ Payment system regulators &amp; Specialist</td>
</tr>
<tr>
<td>Payment systems providers (existent and potential)</td>
</tr>
<tr>
<td>Beneficiaries</td>
</tr>
</tbody>
</table>

Contact: contact@socialprotection.org  
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www.socialprotection.org
## Assessment findings

<table>
<thead>
<tr>
<th>Area</th>
<th>Latent</th>
<th>Emerging</th>
<th>Moderate</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
Assessment findings
Supportive environment

<table>
<thead>
<tr>
<th>Area</th>
<th>Indicators</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy, Regulation and legislation</td>
<td>Agency rules for banks and non-banks</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Proportionate KYC requirements</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>E-money guidelines</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Basic bank accounts</td>
<td>Emerging</td>
</tr>
<tr>
<td></td>
<td>Financial inclusion</td>
<td>Advanced</td>
</tr>
<tr>
<td>ID</td>
<td>National ID</td>
<td>Emerging</td>
</tr>
<tr>
<td>ICT</td>
<td>Mobile Network Coverage</td>
<td>Advanced</td>
</tr>
<tr>
<td><strong>Financial sector</strong></td>
<td>Financial institutions</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Financial access points</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Interoperability</td>
<td>Moderate</td>
</tr>
</tbody>
</table>
## Assessment findings

### PSSN’s payments delivery mechanism

<table>
<thead>
<tr>
<th>Area</th>
<th>Indicators</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>Cost of access</td>
<td>Emerging</td>
</tr>
<tr>
<td></td>
<td>Appropriateness</td>
<td>Emerging</td>
</tr>
<tr>
<td></td>
<td>Rights and Dignity</td>
<td>Emerging</td>
</tr>
<tr>
<td>Robustness</td>
<td>Reliability</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Security</td>
<td>Emerging</td>
</tr>
<tr>
<td>Integration</td>
<td>Financial inclusion</td>
<td>Latent</td>
</tr>
<tr>
<td></td>
<td>Coordination</td>
<td>Latent</td>
</tr>
</tbody>
</table>
Main results

- Assessment was good input for **internal dialogue** on the need to move towards e-payment and on the importance of promoting financial inclusion.
- Assessment also **confirmed the gaps in current manual payment** with regard to security, accountability and high transport cost.
- TASAF is making good progress towards the establishment of e-payment system.
- Important government responsible bodies on social protection (including MOF and the Prime Minister’s office) provide positive feedback.
- The tool may be used in the future to **monitor** progress on payments delivery.
Lessons learned

• The approach adopted is holistic entails both social protection and financial perspectives
• The tool facilitates and initiates dialogue within the Government agencies and between development partners and the Government.
• The dialogue is aimed at identifying options for further action
• One of the options for PSSN is the introduction of e-payments to improve on financial inclusion.
• The assessment tool stimulated discussion on expediting approval of the National Social Protection Framework
• The tool would further enhance coordination mechanism on social protection aspects.
WHATS NEXT?

HAPPENING NOW!
- Payments tool available @ www.ispatools.org

COMING SOON
- Inventory of SP Payments delivery mechanisms: 30 metrics in 40 countries

UPCOMING WEBINARS
Oct 26 – How to use the tool for successful delivery of SP payments? (TBC)

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