



## IRAQ: A MULTI-COUNTRY SOUTH-SOUTH KNOWLEDGE EXCHANGE ON SOCIAL SAFETY NETS

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**Introduction:** South-South knowledge exchanges are increasingly recognized as one of the most effective learning and development tools. While it is important to facilitate such exchange of first-hand experiences and lessons across developing countries, what is even more important is *what is actually done with the outcomes of the learning and knowledge sharing that take place across boundaries*. So in this Quick Note we would like to take it a step further and share the Iraq country experience, which has recently benefitted from South-South knowledge exchange facilitated by the World Bank. In this case, the World Bank not only acted as a facilitator and convener, but also as a solution provider.

These learning visits come at the heels of the recent success in Iraq in deploying the social safety net information system to all governorates in Iraq, a process that to date has saved the Iraqi budget some US\$30 million. Without the knowledge sharing facilitated by the World Bank, it would have not been possible to build this database of beneficiaries across the whole country, particularly given the prevailing conflict affected environment in Iraq.

**The Challenges in Iraq:** Iraq suffered from over 30 years of conflict and embargo, which

have affected the overall population. In recent years, the Government has been engaged in reforming the social protection programs, to rationalize subsidies and transition from universal food subsidies to a better targeted cash transfer program. The cash-based Social Safety Net program administered by the Ministry of Labor and Social Affairs has expanded to reach nearly one million families (based on categorical targeting), with a budget of about US\$800 million. Overall, Iraq spends close to 10 percent of its gross domestic product on social safety net programs, of which 7.7 percent is spent on food and fuel subsidies.

Current cash transfers are not very effective in reaching the 22 percent of the population that lives below the poverty line (2007), many of whom are concentrated in rural areas. Only 6 percent of the bottom economic quintile in Iraq is covered by cash transfers. The use of broad social categories rather than more effective targeting mechanisms (such as proxy-means testing or geographical targeting) to determine eligibility has resulted in the majority of the poor falling through the cracks of the non-subsidy safety net. There is an urgent need to improve the efficiency of the targeting of the cash transfer system.

**From Knowledge Exchange to Policy Dialogue to Action:** As part of the Social Safety Nets reform efforts in Iraq, and in the framework of the Iraq Emergency Social Protection Project

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(ESPP), a Policy Forum for Social Protection in Iraq was held in Istanbul, Turkey on 17-19 November, 2012. The Forum was organized as a follow-up to a series of South-South learning visits that the project had facilitated to Turkey, Georgia, Lebanon, and Indonesia), with the goal of translating learning into concrete policy directions and development solutions that best fit the Iraqi context. The most recent learning visit took place mid April 2013, with a delegation from the Ministry of Labor & Social Affairs (MOLSA) to the Turkish Employment Agency (ISKUR).

Ghassan Alkhoja, Senior Operations Officer, and Task Team Leader for ESPP noted that *"As Iraq emerges from years of conflict, the World Bank is well placed to partner with the Government of Iraq to provide solutions to their most pressing development challenges, through a process of learning and policy development"*.

The Iraqi Minister of Labor & Social Affairs Dr. Nassar Al-Rubaiee when asked about his expectations of the forum stated that *"Five different Iraqi delegations have undertaken study tours to Georgia, Indonesia, Lebanon, and Turkey to look into their social protection/assistance policies and programs. The expected outcome of this forum is to draw positive lessons from the experiences of the countries visited which we can apply in Iraq. The feedback I have received from the delegations has been very positive and we have high expectations that we will be able to benefit from many of the lessons and positive experiences of these countries"*.

**What has been achieved?** The Forum was attended in its entirety by the Minister of Labor & Social Affairs, along with a senior delegation of Director Generals from MOLSA, the Ministry of Planning, and the Ministry of Finance. Practitioners from the visited countries also participated in the Forum. The discussions during the Forum were designed to include a balanced mix of sessions: presentations, panel discussions, and plenary and group work, to ensure a high level of interactive participation

and learning for all participants. Aside from learning and the knowledge shared during the Forum, the key output was drawing the broad roadmap (priority areas) for social protection reforms in Iraq.

**Lessons learned:** The importance of the lessons learned are not only what other countries are doing well, but also how these practices can be applied within the context of Iraq. Participants narrowed down these lessons learned to the following: (i) The success of social protection programs requires an integrated societal involvement by all stakeholders, and a strong need for involvement by civil society; (ii) enhanced targeting mechanisms are essential to ensure efficiency and equity in the distribution of resources, and a need to have a unified registry to harmonize across programs; (iii) while targeting mechanisms are essential, the capacity to implement enhanced programs is essential, particularly relevant for Iraq was the enhanced role for social workers, working closely with communities, to identify needs and provide better social services; (iv) linked to the above is the need to link social safety net system with employment programs, and put in mechanisms for activation; and (v) a greater focus on fiscal sustainability is needed, even though Iraq does have vast oil-wealth, it is recognized that this wealth will not last.

Recommendations emerged based on the three 'thematic areas' that are deemed to be a priority in Iraq: (i) the institutional linkages among social protection programs, (ii) targeting mechanisms, and (iii) conditional cash transfers (CCT). The Forum produced the following recommendations that the Minister will act upon in coordination with other entities:

- Establish a higher council responsible for social protection and social service policies at the level of the Prime Minister.

- Issue a unique social insurance ID number/assign a national ID number for each Iraqi citizen.
- Increase coverage of the social insurance system.
- Connection among databases of concerned ministries by enhancing information technology infrastructure.
- Enhance employment policies as complementary to social safety net programs and adopt an integrated perspective for the labor market, taking into account the labor market needs and available qualifications in order to close the gap between the supply and demand sides.
- Reconsider the targeting criteria and increase available financial allocations.
- Enhance the skills and capacity of those working in the social protection system and build-up capacity of social workers.
- Examine eligibility criteria for social protection by enhancing the role of the MOLSA under the poverty map committee.
- Implementing the CCT pilot program in selected areas.

**Leadership is Key:** The participation of the Minister of Labor and Social Affairs in this Forum was instrumental in its success as it allowed for quick decisions, greater accountability and motivated the participants. Achieving results at the policy level is impossible without committed leaders, and having the Minister attending the Forum and participating in every session, including group work, was a key factor in its success.

*“The support of the Minister has been instrumental in the results the project has achieved over the past few years. Without his personal commitment and continuous follow-up on progress, it would not have been possible to build the database of beneficiaries*

*across all governorates in such a short period” Mr. Jamal, ESPP Project Manager, MOLSA, Iraq.*

**Involving Stakeholders:** This was the first forum that brought together stakeholders across different government agencies to discuss the way forward on social protection. The forum included key staff from MOLSA, including Director Generals of Labor/Training, Social Security agency, the Special Needs agency, representatives from the governorates, and members of the Iraqi teams who participated in the learning visits. In addition to key staff from other concerned agencies in Iraq, including the Director General of the Budget Department in the Ministry of Finance, the Director General for Poverty Reduction in the Ministry of Planning, and the Director General of the State Pension Fund.

In addition to practitioners from Indonesia and Turkey show-casing their first hand experiences, the World Bank’s Social Safety Net (SSN) Global Expert Team members presented international best practices and added a valuable new dimension to the discussion. This can be seen in the salience and relevance of the recommendations that emerged from the Forum and in the lessons highlighted by other countries’ representatives:

*“One of the most important, inspiring and pioneering turning points for us was to construct a fully computerized social assistance program, for the conditional cash transfers. Since the CCT program has conditionalities, it forced us to integrate and construct a social assistance program which is IT based. So now we have been using this social assistance program as a base for other programs, even the broader social safety nets program. So we are aiming to reduce poverty rates by the means of the social assistance program”* said Mr. Caner Esenyel, Expert from General Directorate of Social Assistance, Ministry of Family and Social Policy, Turkey.

Mr. Sudarno Sumarto, Policy Advisor, National Team for Accelerating Poverty Reduction, Office of the Vice President of Indonesia noted that *“the most important component of integration is leadership and coordination with the line ministries implementing the programs.... In the case of Indonesia, because it's directly under the vice president, it made it easier to coordinate, synchronize and harmonize the program across the line ministries. This is of critical importance because even if you have well-designed programs, implementation is a different thing. So the key is how to synergize and synchronize all these different programs, to accomplish integration”*.

**Mutual Learning:** While the Forum and learning visits are meant to benefit Iraq, such visits and gatherings very often bring about two-way learning. Practitioners from other countries emphasized how it was an opportunity for mutual learning, and being introduced to Iraq’s experience had provided them with useful insights. Indeed, while Iraq is looking to draw from other countries’ experiences in order to improve aspects of its social protection system, in some areas such as using smart cards in the implementation of programs, Iraq has been further ahead than some of the countries visited.

**Conclusion:** This was a successful example how the World Bank acted as a *connector* by establishing a platform for South-South knowledge exchange, a *customizer* by translating the learning visits and country experiences within the context of Iraq, and as a *producer* through the knowledge produced in the process. This is the solutions Bank at its best.

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