

History of the SSN Project

In December of 2005, the Government of Iraq (GoI) approved the Social Safety Net (SSN) Program. The Program is intended to provide cash benefits to most vulnerable and poorest Iraqis. In February 2006, USAID and the Ministry of Labor and Social Affairs (MoLSA) agreed to develop an integrated IT system for the administration of the SSN Program. In June, 2006, The World Bank (WB) allocated a trust fund grant of \$6.3 million to support the procurement and setup of infrastructure to facilitate nationwide rollout of the SSN Program

Phase I of the SSN Program began in August 2006 with the opening of the SSN Pilot System in the MoLSA complex in Baghdad. USAID allocated and spent over US \$ 1 million for the installation of the SSN Pilot System and Phase I software development training modules for IT and non-IT staff. Although technical issues complicated the roll-out, Phase I of the SSN Pilot System was completed late 2007.

The Pilot System, commonly known as SSN Phase I Software MS SQL Server 2005 application was installed and tested, and covers key functionalities required for the new business process, such as registration, eligibility testing, calculation of benefits and payment management. Additional functionalities include:

- Identification number generation for each Beneficiary and Family Member;
- Audit tracking capability to identify end users capturing and processing applications;
- Application retrieval function to access and update beneficiaries' personal information;
- Automatic benefits calculation to reflect legal provisions and eliminate calculation errors;
- Duplicate application check to ensure that none of the family members of concerned applicants is already receiving SSN benefits;
- Exception reporting in cases of (i) conflicting results in eligibility testing between the system and the Fund Committee, (ii) duplication detection or (iii) any other automatically generated reason;
- User validation to control access at the stored information;
- Income eligibility check following eligibility rules set by law;
- Front-end data entry using the application form template to expedite data capturing and processing;
- Application data storage maintaining SSN beneficiary application information for all committee approved applications;
- Management Information System (MIS) generating reports on data and information stored in the database to support documented, evidence- based decisions;
- Image document capture and storage to capture and store applicant photos and other paper documentation;
- Change address file application to make changes in addresses on file and to provide benefit payments to new address locations;
- ID card generation information.

In January of 2008, EGII and the MoLSA held the first SSN Phase II enhancement workshop from January 21 - 25. The teams define new requests and agree to a new design form provided by the MoLSA. The new requests in addition to the form have the approval of the SSN DG who is also part of the workshop. Another workshop took place in with the change requests were finalized and formally accepted.

In June 2008, the MoLSA agreed to resume the processing new applications in both the Pilot system and the Access database system. Both systems will run in parallel for a period of time before transitioning fully to the Pilot system. The MoLSA and EGII advisors agreed that MoLSA will send EGII the newest dossier for each category of beneficiaries. EGII will prepare a check list for each category in addition to the standard required documents for a new applicant. This check list will be sent to each of the Local Council to guide the Local Council in ensuring completeness of the dossier before submission to the checkers.

An in-depth training program has recently begun to train MoLSA employees in key IT skills required to maintain the SSN system. These courses will be taught both at the EGII camp and the Ministry itself.

SSN Draft Law Overview

General information:

- In 2005 the GoI initiated a mandate that established a Social Safety Net program;
- Enforcement is currently based on the spirit of the draft law (2007) while awaiting enactment by the Council of Representatives (CoR);
- Pending passage of the SSN law/2007, no legal basis exists to support public expenditure on SSN program;
- The new SSN draft law's first reading took place on May 2008 in the CoR;
- The SSN Program is one of key achievements according to International Compact with Iraq (ICI) Annual Review 2008;
- The MoLSA has issued SSN program guidelines for 2008 to the SSN Program Administrators.

SSN Expanded Beneficiary Coverage under Proposed SSN Law/ 2007:

- Low/No Income families;
- Unemployed;
- Incapacitated/Handicapped;
- Widows/Divorced;
- Disabled by reason of sickness or age (60/65);
- Minor Orphans;
- Prisoner/Detainee families;
- Married students pursuing four year program.

Unemployment Support Programs:

- Job Seeker Registration;
- Job mediation through inter-ministerial cooperation with MoLSA;
- Vocational Training;
- And Career Counseling.

Program (Beneficiary and Benefit Detail)

Means-testing package of benefits in place:

SSN Income ceiling per Family size per month						
Family Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons
2007 Benefits ceiling	50,000 IDs	70,000 IDs	90,000 IDs	100,000 IDs	110,000 IDs	120,000 IDs
2008 Benefits ceiling	65,000 IDs	90,000 IDs	115,000 IDs	125,000 IDs	140,000 IDs	150,000 IDs

Increased SSN Budget Allocation:

SSN Annual Budget					
Yr	2006	2007	2008	2009	2010
Annual Budget	500B IDs	800B IDs	812Billions IDs		
Annual Budget (KRG)	Unknown	120Billions IDs	138Billions IDs		
Coverage (Families)	835,000	850,000	1,250,000 Target		
Coverage (KRG)	32,0000	38,000	200, 000 Target		

* KRG has been allocated 138 Billion IDs through the 17% in KRG's 2008 budget. However, KRG still insists the KRG's SSN program should be funded from MoLSA's Annual allocation. It is most like that KRG has been using the SSN allocation to fund other programs other than SSN and the funds never get to KRG, MoLSA.

World Bank Role

In terms of the World Bank's role in the SSN program, it has allocated \$6.3 million to facilitate the national roll-out of the system. The Bank's funds have provided assistance by building the national SN infrastructure, providing capacity building through training, monitoring and evaluating the roll-out, as well providing advisory services on SSN policy formulation and SSN law implementation. Due to slower than desired action on MoLSA's procurement, the Bank has urged the Ministry to accelerate the procurement process and, as a result, funding expenditures have increased from 2% to 23% over the past six months.

Additionally, the Bank has provided an \$8 million grant through the Emergency Social Protection Project (ESPP) due to a request from the MoLSA Minister. This program has the following goals: (i) establishment of a basic information system within the MoLSA to record and process information on safety nets as a foundation for policy design; (ii) consolidation and expansion of the information base for the SSN program managed by MoLSA to permit development of targeting strategies; (iii) design and implementation of a monitoring and evaluation system for the expanded SSN program; (iv) development of an updated digitized database on beneficiaries, contributors and employers in the pension system; (v) building of technical capacity within MoLSA and MoF for policy analysis and design in the area of safety net and pensions; and (vi) development of a draft pension reform strategy.

Memorandum of Understanding, USAID and the MoF

The signing of a Memorandum of Understanding (MoU) between the MoLSA Minister, Mahmoud Jawad Sheikh al-Radhi, and USAID marked an important step forward in implementing the SSN program. The MoU establishes that USAID and the MoLSA wish to cooperate in this mutual effort and it outlines the framework in which the two parties will work together in order to deploy SSN Phase II. As stated in the MoU, they will undertake steps to "expand the operation of the SSN Pilot Program of the current site in Baghdad and add the IT software solution to the following additional support sites: Karkh, Rusafa; Basra, and Najaf."

USAID agreed *inter alia* to take on the following key steps:

- Assist in strengthening technical capacity for implementing and administering the integrated SSN IT system and modernized business processes through training programs to include IT Staff, data entry staff and non-IT staff assigned to the SSN system at the local and central levels;
- Undertake to designing and testing the SSN Phase II software systems application to ensure consistency with new legal provisions and functionalities;
- Assist in converting the Baghdad MS Access based beneficiaries' data into the Pilot system in Baghdad support site on or before December 21, 2008, provided the existing database structure closely matches the SSN database structure and the data conforms to the SSN business rules;
- Engage in Phased deployment of the SSN Phase II into the five support sites taking into consideration the World Bank supported IT equipment procurement schedule ;
- Provide the MoLSA with the necessary legal resources to support the SSN draft law where necessary;
- And provide the MoLSA with an annual SSN IT budget estimate for 2009, 2010 and 2011 in order to ensure sustainability of the SSN system nationally and enable the MoLSA to budget for its funding.

MoLSA agreed *inter alia* to take on the following key steps:

- Supply and distribute the new SSN Annual and Eligibility application forms to the SSN committees in local councils and assist in the application and verification process and subsequent entry into the SSN System;
- Supply the necessary hardware and software for the connectivity of the additional Pilot sites in Karkh, Rusafa, Najaf, and Basra support offices to ensure data capture and storage;
- Ensure that SSN offices within Karkh, Rusafa, Najaf, and Basra are prepared according to the agreed standards as determined and agreed to by USAID Advisors and with no objection from the World Bank for cabling and internet connectivity, un-interrupted power supply and the necessary hardware and software have been procured in advance of the deployment schedule;
- Facilitate USAID training to the Local Councils regarding assistance to the beneficiaries application process including training locations;
- Commit to develop and maintain a dedicated SSN staff to ensure the system stability and success;
- And assume, beginning in January 2009, ownership of the software, hardware and SSN application maintenance costs including the required internet connectivity services costs for the additional Pilot sites and any other additional support sites throughout the country.

Upon completion of these key steps, the two parties expect that all support sites will have the necessary infrastructure, a database which can identify duplications will be developed, an internal system to prevent fraud will be implemented, and 25,000 new beneficiaries will be processed at the expanded pilot sites.

The signing of the MoU and the commitment by the MoLSA to use the SSN system will ensure a more efficient use of Iraq funds, of which over \$1.3 billion has been allocated this year alone, to support the poor sector of the Iraq population by ensuring benefits are tracked centrally, standard business processes are adopted and statistical analysis is performed to assist the government in policy formulation and conduct economic reform particularly in the area of public distribution systems.

The government will also be in a position to eliminate leakage in benefit provision of which it is estimated 40% is being lost through fraud. This will come about through ability to detect beneficiary duplication where people attempt to register more than once to receive benefits. In addition, the government will be in a position to integrate the system into other public systems such as public and private payrolls, pensions, and small businesses to which beneficiaries are not entitled to receive benefits in order to reduce further leakage that may not be detected by national duplication systems.