

SOCIAL BUDGETING FOR ACHIEVING THE SDGS,

With an illustration of Timor-Leste's Case

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- Timor-Leste: Key Challenges for the SP related SDGs
- Timor-Leste: Social Protection Investments Distribution
- Timor-Leste: Social Transfers Gaps
- Timor-Leste: Policy Options to Close the Gaps
- Timor-Leste: Results
- Overall conclusions, data requirements and follow-up

Conceptual framework (1)

What is a Social Budget?

Social Budgeting is a (powerful !) planning instrument.

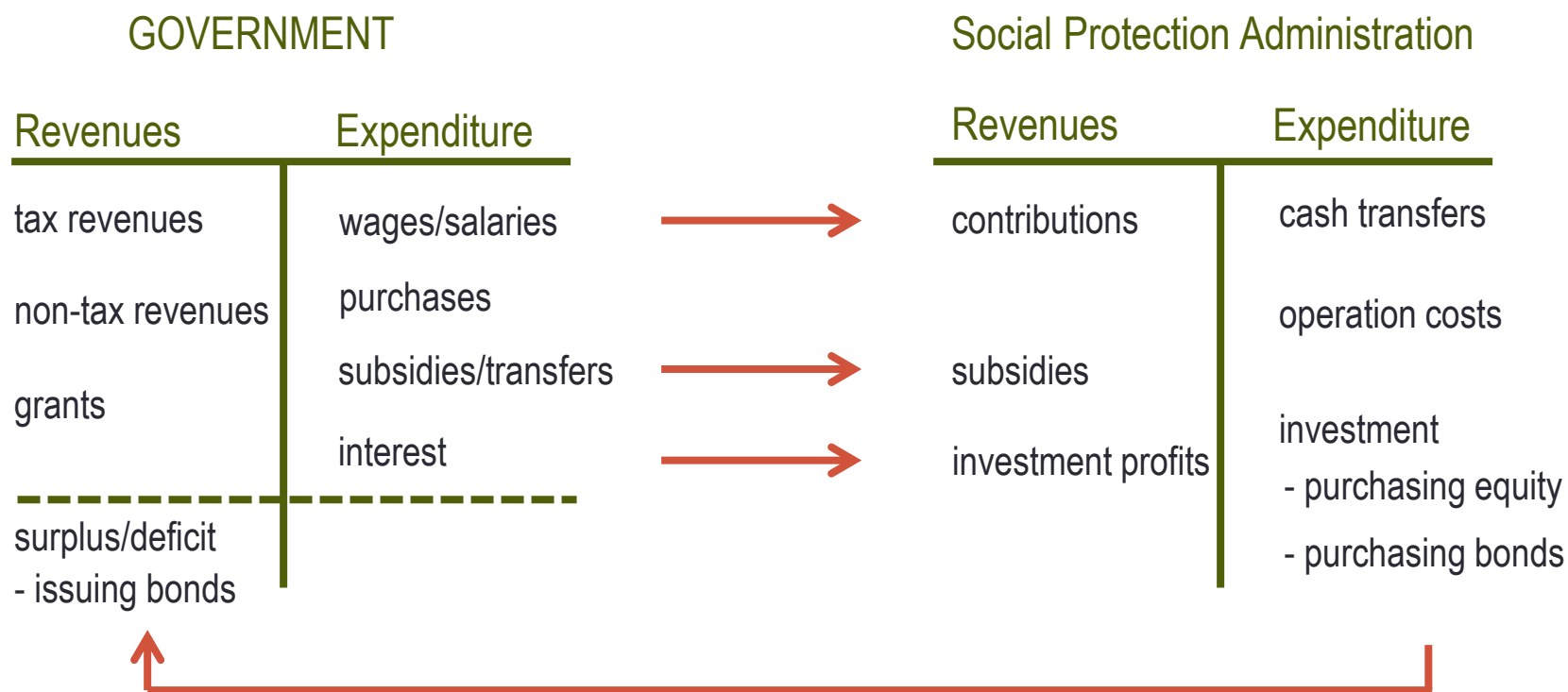
It constructs a complete series of accounts representing the financial flows between

- sources of funding (for example: taxes and contributions),
- funding agents (for example: central and local government),
- social protection administrations (for example: pension funds, social assistance administrations),
- and beneficiaries.



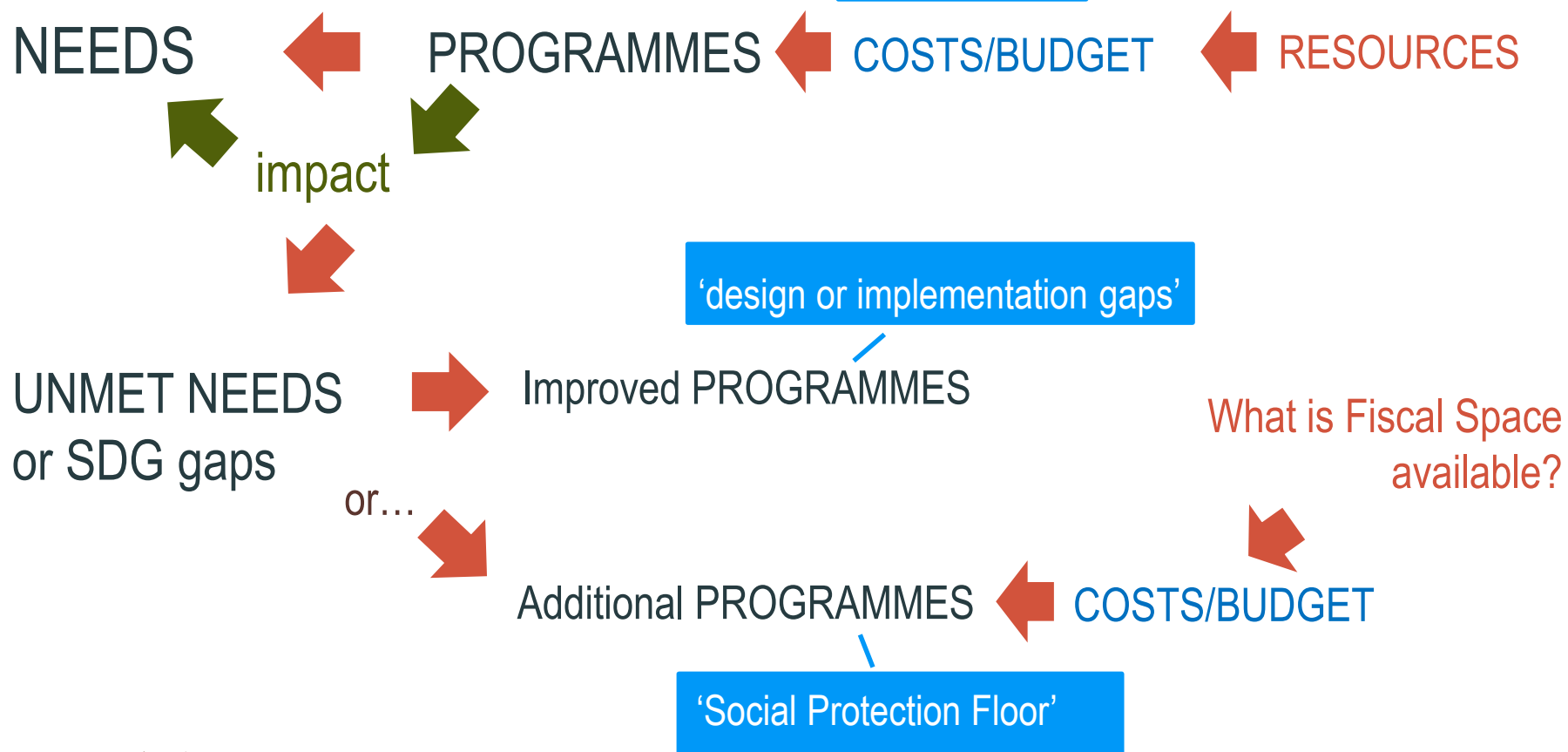
Conceptual framework (2)

What is a Social Budget? Linkages between budgets



Methodology

Our approach:



What are Timor-Leste's Key SP related SDG gaps?

- Widespread poverty - few good jobs; low agricultural productivity and lack of access to markets;
- Malnutrition – Affects more than half of children under 5; Estimated to hinder economic growth by 1 to 2 percentage points, per year;
- Difficulties to access health services, but also lack of demand;
- Severe lack of pre-primary and secondary education supply - schools and teachers;
- Other services = reaching isolated communities with reliable services;

What are Timor-Leste's Key SP related SDG gaps?



- In 2007 = 50.4% poverty rate
- In 2014 = 41.8% poverty rate
- **By 2030 = 20.9% poverty rate**

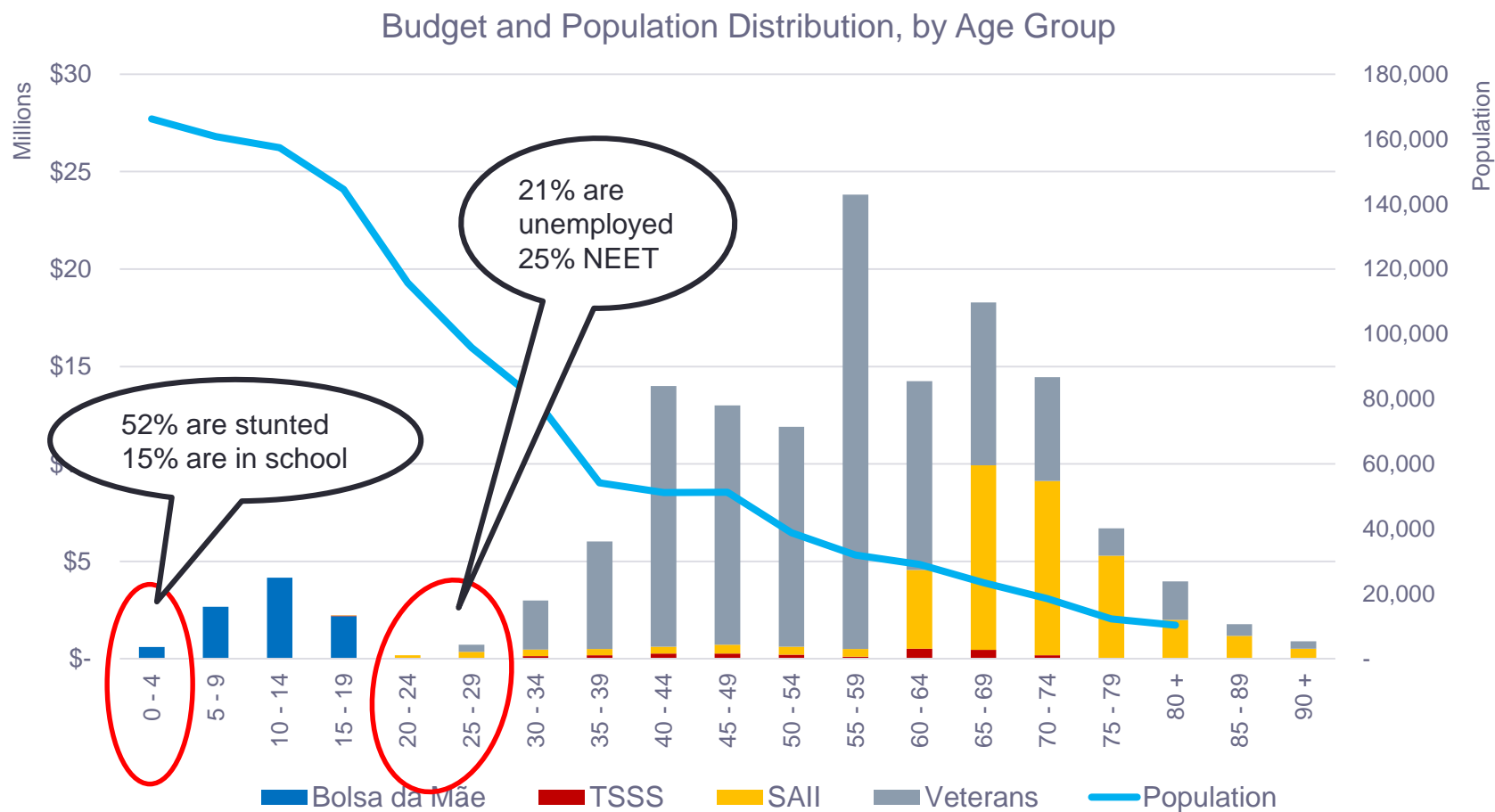
*“By 2030, **reduce at least by half** the proportion of men, women and children of all ages living in **poverty in all its dimensions according to national definitions**”*

*“Implement nationally appropriate **social protection systems and measures for all**, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”*

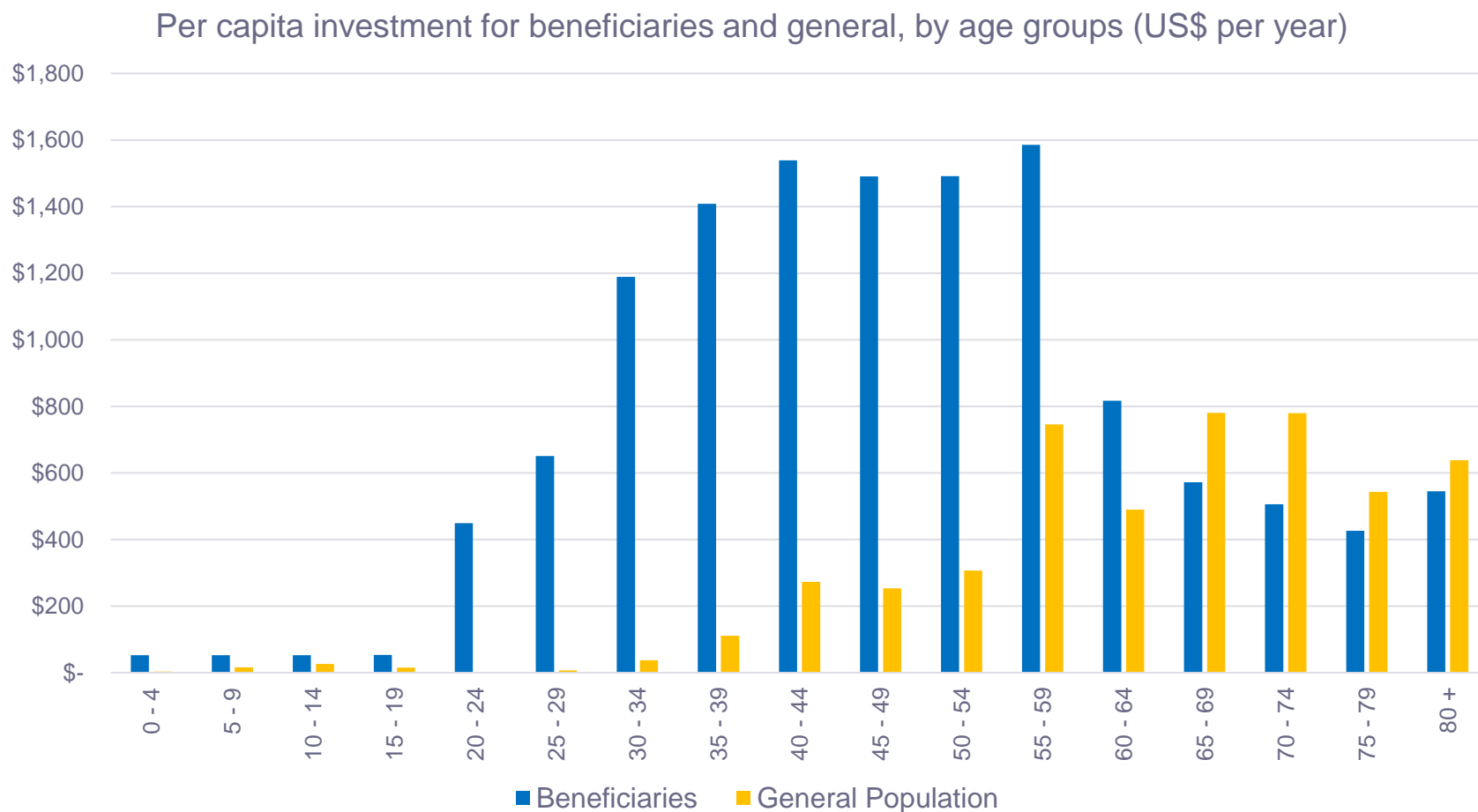
Between 2007 and 2014, poverty reduction of 1.2 p.p. per year.

Until 2030, poverty rate needs to reduce by 1.5 p.p. per year.

Investment of Social Transfers

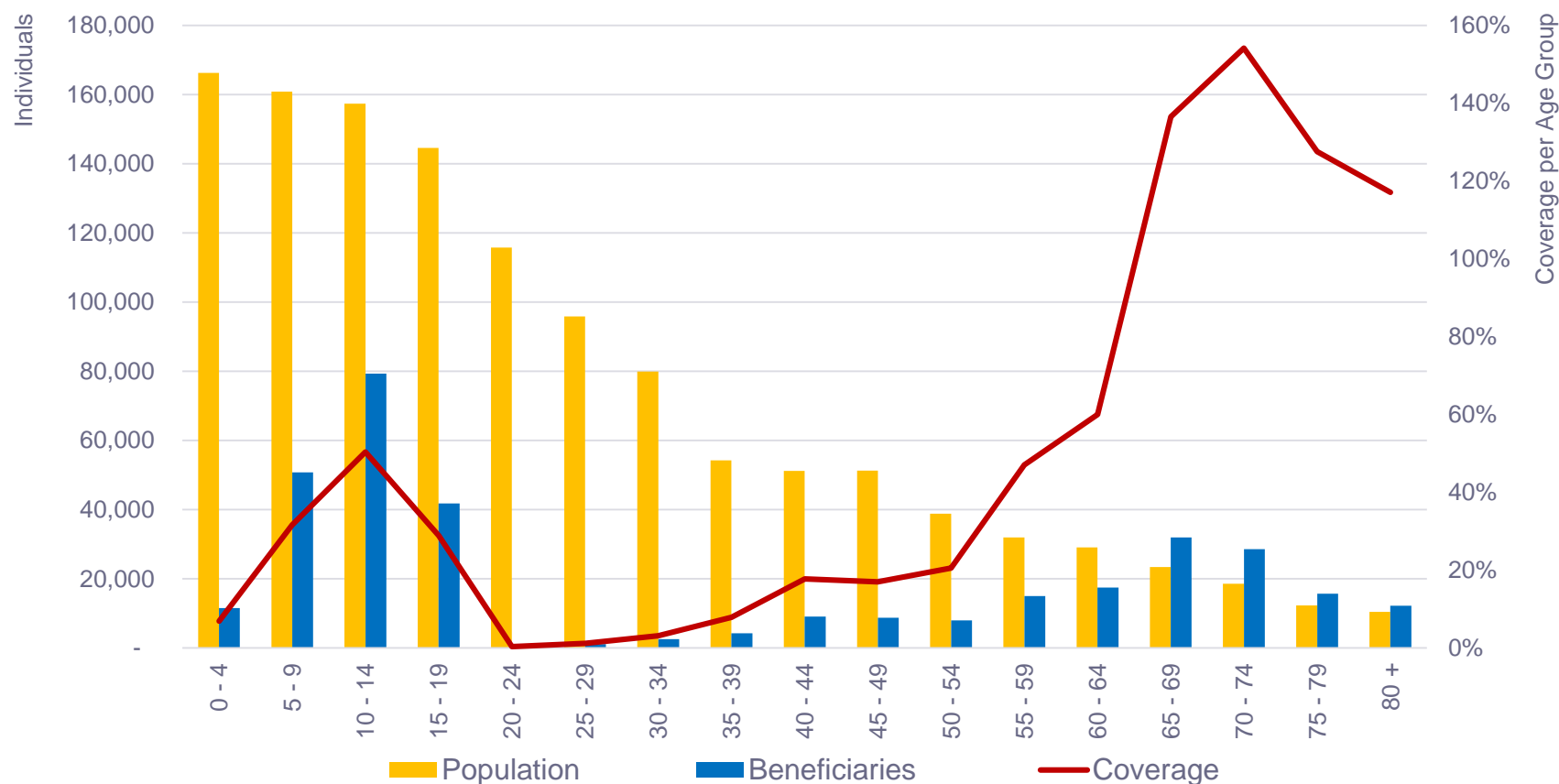


Investment of Social Transfers



Coverage Gaps of Social Transfers

Beneficiaries and Coverage of Social Transfers, by Age Groups



Options to close these gaps

The recent ABND exercise in Timor-Leste identified potential reforms that can help close the social protection gaps for children below 5 and working age. We look at two of these.

Reform Bolsa da Mãe, **Universal** for Children below 5 y/o (starting at pregnancy), increase benefit amount

US\$ 10 per child per month

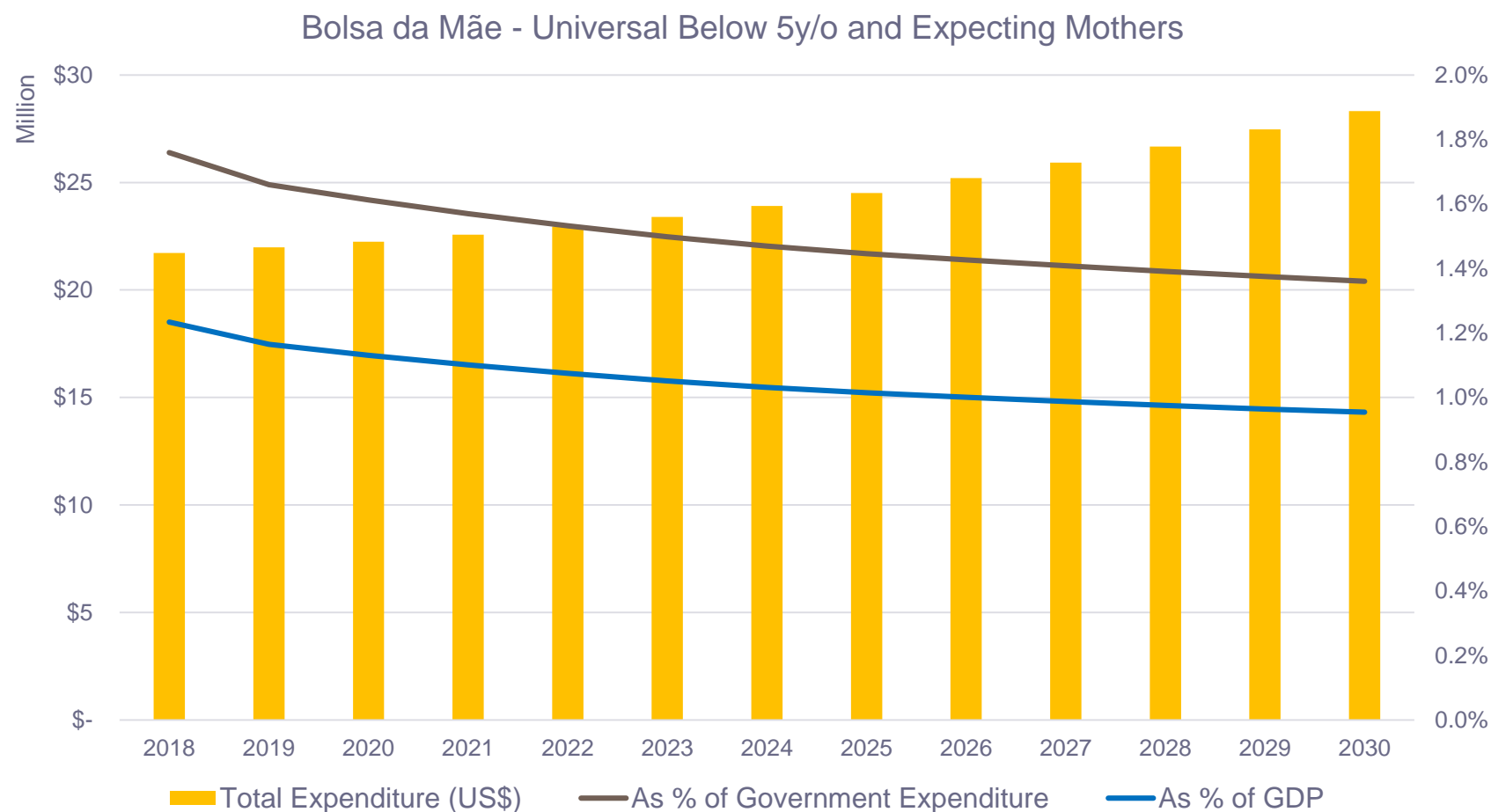
Starting 6 months before birth

Expand Public Works programmes, particularly for rural areas

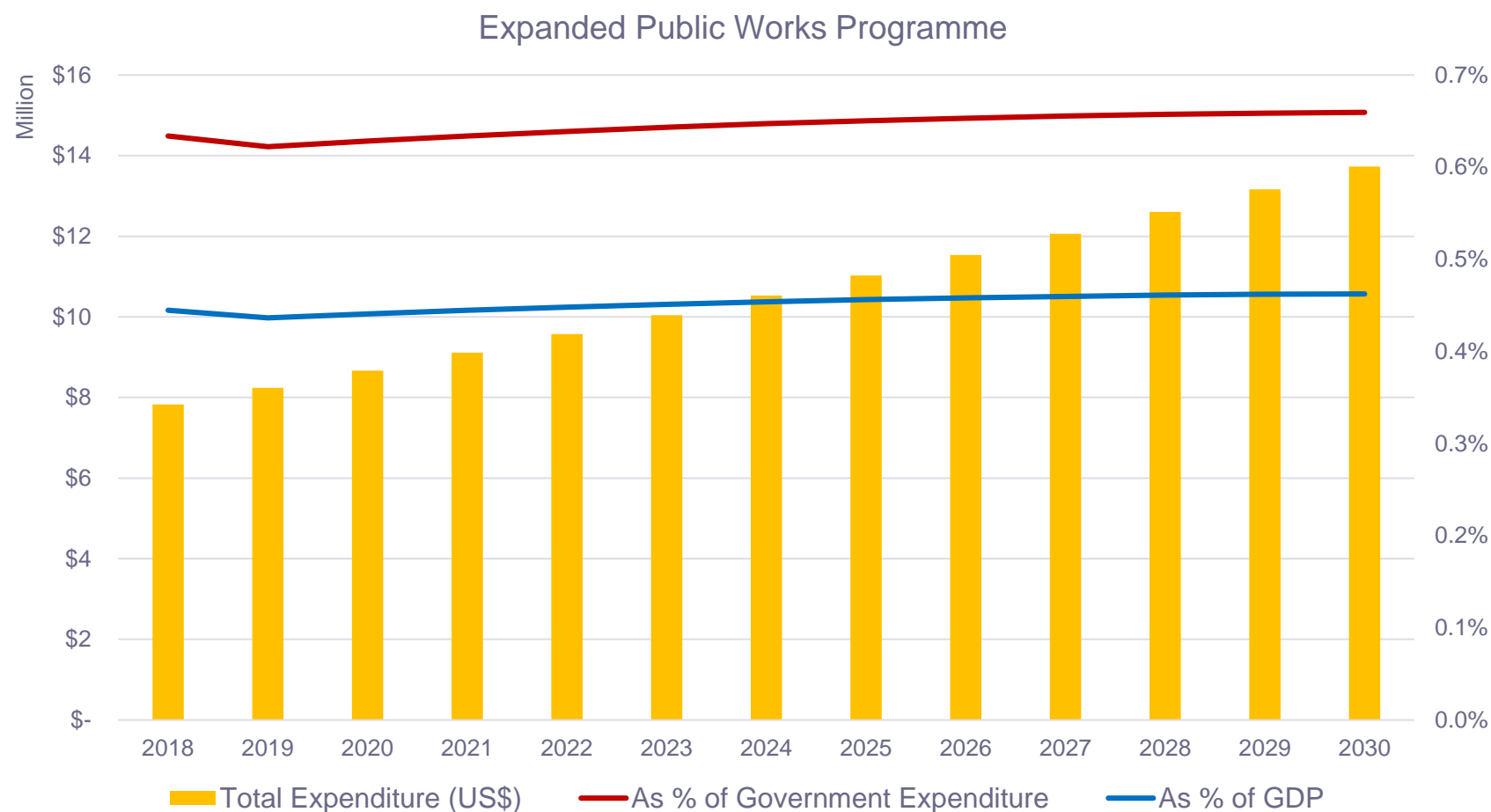
Target 10% of working age

US\$ 375 average yearly transfer

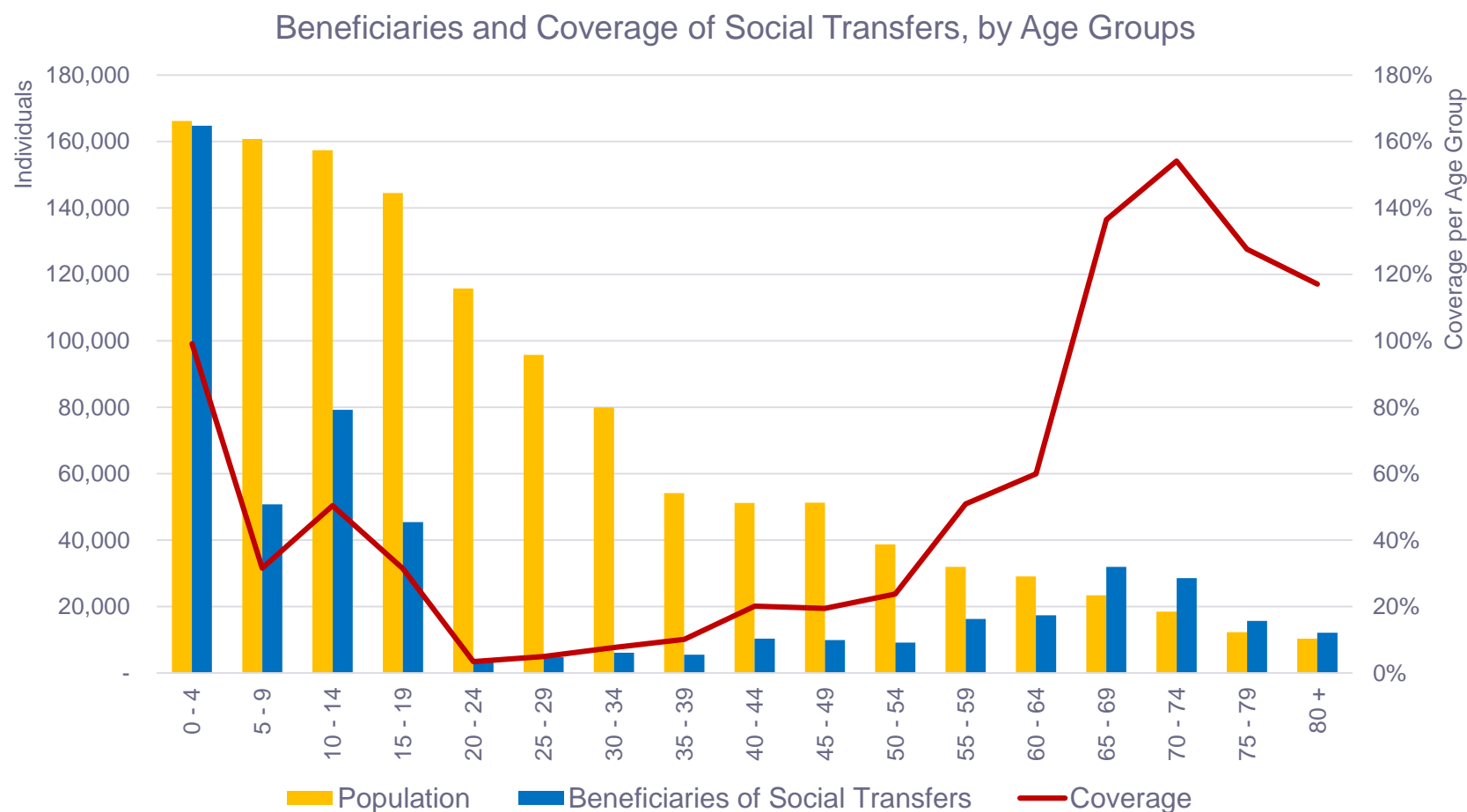
Costing these reform measures



Costing these reform measures



Gaps after Reforms



Key Challenges to Advance the Study – Timor Leste

- Disaggregated data for Health Care use;
- Disaggregated and recent data for Veterans' Programmes;
- Tackle the discrepancies on Budget Data from different Government Sources.

Key Challenges to Advance the Study - Overall

For each of the three countries (DMCs) we will construct a database with the following components:

- population structure and trends
- macroeconomic time series (GDP, inflation, labour productivity, rate of interest, etc.)
- labour force and labour market time series
- fiscal time series (economic and functional classifications)

Social protection programme data:

- expenditure and revenue (flows of funding and linkages with Gov't budget)
- beneficiaries (coverage)
- conditions of entitlement, legal basis, governance/administration, etc.

RESULTS / DELIVERABLES

Training/capacity building:

- after the summer ADB will conduct 3 to 5 days training seminars for government officials and stakeholders
- these will provide hands-on training on the model + a means to finetune the assumptions and scenarios
- the aim is to create and/or stimulate **national ownership!**



THANK YOU!
