



# **The Republic of Kazakhstan**

## **Inception report on Targeted Social Assistance Scheme**

### **Decent Work: Integrated Approach to Social Sphere in Kazakhstan**

#### **Bilateral Project for Technical Cooperation**

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**International Labour Office (ILO)**

- Subregional office for Eastern Europe and Central Asia -

**UNDP Country Office in the Republic of Kazakhstan**

## **Currency Equivalents**

(as of 3 June 2003)

Currency Unit : Tenge

USD 1 = 151.2 Tenge

## **Abbreviations**

ADB	-	Asian Development Bank
EUROSTAT	-	Statistical Office of the European Communities
HBS	-	Household Budgetary Survey
ID	-	Individual Database
ILO	-	International Labour Office
KILM	-	Key Indicators of the Labour Market
LED	-	Local Economic Development
LFS	-	Labour Force Survey
MOLSP	-	Ministry of Labour and Social Protection
NGO	-	Non-Governmental Organization
OECD	-	Organisation for Economic Co-operation and Development
PAYG	-	Pay-as-you-go
PHS	-	Poor Households Survey
SIF	-	Social Insurance Fund
SSD	-	Social Security-related Database
SPPC	-	State Pension Payment Centre
TSA	-	Targeted Social Assistance
TA	-	Technical Assistance
UNDP	-	United Nations Development Programme
WB	-	World Bank

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## Introduction

The Government of the Republic of Kazakhstan requested the Technical Assistance to the United Nations Development Programme (UNDP) Kazakhstan and the International Labour Office (ILO) Moscow Office to assess and improve its Targeted Social Assistance (TSA) scheme in Kazakhstan. The main objectives of this study are to (1) examine the current TSA system, (2) develop methodological frameworks for TSA which suit the present situation in Kazakhstan, and (3) strengthen the capacity to implement the appropriate TSA methodologies.

A fact-finding UNDP/ILO joint mission to Astana and Almaty was undertaken from March 17-21, 2003.<sup>1</sup> The mission participants from UNDP Kazakhstan were:

Ms. Svetlana Islamova, Senior Programme Coordinator of the UNDP Kazakhstan Almaty Office,  
Ms. Dina Nurshaikhova, (participated in Astana round only), Poverty Dialogue Project Manager, UNDP Kazakhstan Astana Office, and  
Ms. Maral Sheshebekova, (participated in Astana round only), Poverty Dialogue Project Assistant Manager, UNDP Kazakhstan Astana Office.

The mission participants from ILO Moscow were:

Ms. Martina Lubyova, Senior Employment Specialist of the ILO Moscow Office,  
Ms. Mariko Ouchi, Associate Expert on Social Security of the ILO Moscow Office,  
Mr. Talgat Umirzhanov, the ILO National Correspondent in Kazakhstan, and  
Ms. Svetlana Misikhina, External Collaborator of the ILO Moscow Office.

Based on discussions with various bodies related to the TSA scheme, the mission team reached a thorough understanding with the Government on the objectives and scope of, and possible ways to implement, Technical Assistance.<sup>2</sup>

The Technical Assistance on the TSA scheme will focus on reviews of (1) household-related concepts, and (2) TSA in Kazakhstan, within a framework of comparison with international experience with social assistance schemes. The review of household related concepts would clarify the definitions of household and household income. These definitions will then form the basis of a proposal to calculate actual household income using existing databases. The review of TSA in Kazakhstan by drawing on international experience with social assistance schemes will be based on case studies with different systems in several countries both in Europe and in the CIS.

This report presents the main findings of the UNDP/ILO joint mission and indicates the future steps of Technical Assistance (TA) concerning the TSA scheme in Kazakhstan. Chapter 1 provides an in-depth explanation of the present TSA scheme as well as background information about social security schemes in Kazakhstan. Chapter 2 presents the main findings of the joint missions, related to the TSA scheme in particular. Chapter 3 gives an outline of TA by explaining the focus, methodology and planned activities under the implementation of the project. Chapter 4 shows the list of legislation related to social assistance in Kazakhstan, and Chapter 5 and 6 provide lists of publications and other documents collected throughout the mission.

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<sup>1</sup> Refer to Annex 1 for details of the programme of the UNDP/ILO joint mission from March 17-21, 2003.

<sup>2</sup> Refer to Annex 2 for details of the list of persons contacted during the fact-finding mission.

# Chapter 1 Background information

## 1.1. The social safety net system – social benefits and social assistance

There are 22 types of social benefits in addition to targeted social assistance (TSA) currently available in Kazakhstan. The social safety net system in Kazakhstan mainly consists of state social benefits, special state social benefits and TSA.<sup>3</sup>

State social benefits, financed from the central budget, are a part of the state social protection system and represent periodical monetary transfers to citizens in need due to disability, loss of the family breadwinner, or old age.<sup>4</sup>

Special state social benefits, seven types financed from the central budget and nine types financed from the local budgets, are monetary transfers to those who need social protection, and are given regardless of other types of benefits.<sup>5</sup> Persons eligible for the benefits include those who participated in or were disabled during the Great Patriotic War, families of lost military/policemen, families of persons lost as a result of the Chernobyl disaster and other radiation disasters and accidents, persons rewarded with orders and medals of the Former Soviet Union for their hard work during the Great Patriotic War, disabled persons classified in three degrees, depending on the degree of disability, disabled children under the age of 16, mothers of large families, families with four or more children, and victims of political repression.<sup>6</sup>

State TSA is a monetary transfer to persons or families with monthly incomes below the poverty line, as established in each oblast, and in Astana and Almaty cities.<sup>7</sup> Citizens of Kazakhstan, refugees, foreigners and persons without citizenship having a residence permit and permanently residing in Kazakhstan are eligible for TSA if they have an average per capita income below the poverty line.

## 1.2. The Targeted Social Assistance (TSA) scheme in Kazakhstan

### 1.2.1. Characteristics of Targeted Social Assistance

The Social Assistance scheme, a decentralised means-based social assistance scheme for poor households, has started its operation in Kazakhstan in 2000. The Targeted Social Assistance (TSA) scheme was introduced only in January 2002 to improve the existing social assistance scheme. The Law “On the State Targeted Social Assistance”, effective January 1, 2002, is considered a part of the poverty alleviation programme in Kazakhstan, and regulates the provision of targeted benefits to the poor.

Local governments are fully responsible for organizing and delivering TSA. Under the local governments are divisional commissions responsible for determining TSA recipient families. The decisions to provide TSA are made by examining family information on social cards. These social cards have detailed information such as family composition and income (including in-kind income, consumption from land plots, and calculations of benefits if they are TSA recipients).<sup>8</sup> The main purpose of the social card is to identify those who need TSA, based on individual and household income levels. At present, all

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<sup>3</sup> In addition, there is so-called “state special benefits”, financed from the central budget. State special benefits are provided to those working under harmful and or hazardous conditions.

<sup>4</sup> Law “On State Social Allowances Due to Disability, Loss of Bread Winner and Old Age in Kazakhstan”, dated June 16, 1997.

<sup>5</sup> Law “On Special State Allowance in Kazakhstan”, dated April 5, 1999.

<sup>6</sup> Law “On Special State Allowance in Kazakhstan”, dated April 5, 1999.

<sup>7</sup> Law “On Targeted Social Assistance”, dated July 17, 2001.

<sup>8</sup> Refer to the sample social card, attached to the statistical annex.

information on the social cards is compiled at the district level, but the Information and Analysis Center under the Ministry of Labour and Social Protection (MOLSP) has developed software to compile all the information on the social cards at the national level.

Families with an average per capita income below the poverty line are entitled to receive TSA, and the poverty line is currently defined as 40 percent of the subsistence minimum. The Law “On the Subsistence Level”, effective January 2000, defines subsistence minimum. The items in the food basket as well as consumption norms for each food item are determined by the Kazakh Nutrition Institute<sup>9</sup>. Based on age, sex and consumption norms, an average consumption norm is calculated for each food item. The subsistence minimum is calculated for regions and for the country as a whole.<sup>10</sup> For the calculation of national average subsistence minimum, the average consumption norm for food item is multiplied by the average retail prices fixed by the Agency of Statistics and this determines the national average cost of a food basket. However, in case of regional subsistence minimum, the retail prices used for determining subsistence minimum in each region (oblast) vary with the region. Therefore, the subsistence minimum differs from region to region because of different retail prices in each region.

Until 2000, a uniform standard subsistence minimum was applied in Kazakhstan. The current system allows all regions to fix their own subsistence minimum based on the retail prices. At the national level, the average subsistence minimum is approximately 4,761 Tenge, hence the average poverty line based on the average subsistence minimum is 1,904 Tenge (refer to the statistical annex for a regional breakdown). The amount of TSA given to recipients is determined every quarter but the assessment of TSA entitlement and actual payments of TSA are done monthly. TSA deliveries are made through post offices (90 percent) and banks (10 percent), with some exceptions made for those living in extremely remote areas without financial facilities. Decisions made by the divisional commissions can be contested by individuals and families in court. If a member of a family receiving TSA refuses three job offers, TSA will not be offered further.

In 2002, the cash expenditure for TSA in Kazakhstan amounted to approximately 9.2 billion Tenge. Of this, 5.2 billion Tenge was spent for the benefit of children. The number of recipients in Kazakhstan in 2002 was approximately 1.18 million people (about 320 thousand families), which increased from 0.65 million in 2000, and 0.69 million in 2001. The average amount of TSA provided to each recipient in 2002 was about 989 Tenge, which has also increased from 644 Tenge in 2000, and 675 Tenge in 2001.

Until 2002, only children under 18 were entitled to receive social assistance benefits. In addition, a maximum of 2 children in one family could receive social assistance. Although the whole population of Kazakhstan, including adults living below the poverty line, is now entitled to receive TSA, it is still children under 18 who remain the main TSA recipients. The amount of TSA given to the recipients is the difference between household income and the poverty line. The amount of TSA is calculated as follows:

$$\text{Household income} - (\text{poverty line} \times \text{number of family members}) = \text{total TSA for one household.}$$

Table 1.1 shows TSA recipients by social status in Kazakhstan in 2002. 668.3 thousand people (56.5 %) are children, 214 thousand people (18.1 %) are unemployed, 83.9 thousand people (7.1 %) are working poor, 25.7 thousand people (2.2 %) are pensioners, 20.6 thousand people (1.7 %) are invalids, 16 thousand people (1.3 %) are students, and 155 thousand people (13 %) fall into other categories.<sup>11</sup> 64 percent of TSA beneficiaries live in rural regions and only 36 percent in urban regions.

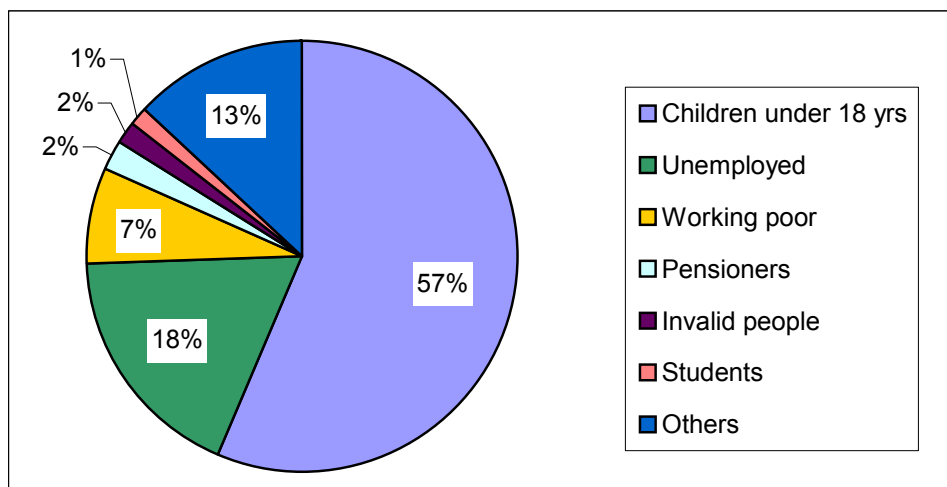
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<sup>9</sup> The food basket includes 20 food items and each food item has 14 consumption norms for different categories of people by age and sex.

<sup>10</sup> From this year, the subsistence minimum is calculated at the district level also.

<sup>11</sup> Others include single parents, disabled people and caretakers of disabled people.

Table 1.1 TSA recipients in Kazakhstan by social status, 2002 (by percentage)



Source: Data from the Ministry of Labour and Social Protection

### 1.2.2. Defining eligibility to receive TSA

The use of different prices to calculate the subsistence minimum and different standards to calculate household income in each region has generated a lot of discussion.<sup>12</sup> The Agency of Statistics is only able to determine prices and some other minor factors such as climatic zone factors affecting the household income calculation. A major part of decision-making for calculating household income applicable for TSA has been passed to Akims (local Administration Heads or Governors) and the local commissions. Local commissions are established upon the decision of the Oblast's Akim and the rules of its operation have to be basically approved by Akim as well. They have a right to determine what should be included in a family income by taking into account the regional specifics. For instance, based on regional specifics, Akims and local commissions decide which and how many domestic cattle/animals and part of land (personal, dacha (second house) or for farming use) plot should or should not be counted as contributing factors to household income/family income. Akims and local commissions have a right to change the norm-based average productivity and operational cost as well as prices, which are given by the Agency of Statistics. As a result, the calculation of household income can be sometimes affected by external factors not directly related to the living situation of the population in the region.<sup>13</sup>

To assess TSA eligibility, all kinds of income, including assistance from relatives, charity and holiday meals, except targeted housing subsidies, are taken into account.<sup>14</sup> Some people declare they have zero income to be eligible to receive TSA. A household income survey that indicates real income levels is necessary to avoid this type of problem. In some regions, all families receiving TSA are subject to surveys for this purpose.

Family composition and size, which also affect eligibility for TSA, are usually determined by the number of actual family members living together. However, there are some cases where lodgers and/or distant relatives live with a family without declaring their income, but make joint expenditures. Pensioners are

<sup>12</sup> For example, prices can be differentiated by seasonal factors and geographical factors and standards can be differentiated by each cow's milking capacity and crop capacity of land plot.

<sup>13</sup> For example, some Akims take their budgetary situation into account. Akims with better budgetary situations may exclude part of a family land plot and one or two cows from the means testing. Regions without sufficient budget to finance the TSA scheme, on the other hand, seek additional subsidies from the state government.

<sup>14</sup> In some regions, there is a special system to register charities in order to include them into their income.

considered to be part of a family if they live with their children. But pensioners are against this approach, as they consider their pensions to be only for themselves, not included in the calculation of household income. A clear definition of household is essential to deliver TSA to those truly in need.

### 1.2.3. Measures to combat poverty

The Government of Kazakhstan assessed that in 2002 the income of about 200 thousand people rose above the poverty line. This figure was based on two housing surveys conducted by local authorities at the beginning and end of 2002. These surveys assessed whether a family was needy and, if so, its level of neediness (i.e. whether or not it was acute). The effectiveness of all the anti-poverty measures in Kazakhstan, including the TSA scheme, was evaluated on the basis of these survey results. A comparison of the figures of January and December 2002 shows income below the poverty line has decreased from about 1.5 million people as of January 1 to 1.3 million at the end of the year.

The Government of Kazakhstan has started to implement an active labour market policy within the framework of poverty alleviation. The establishment of social working places by providing public works is one prominent example; this has already taken place in the Pavlodar, Atyrau and Kostanai regions. MOLSP considers decreasing the percentage of working TSA recipients by implementing an active labour market policy to be one of its most important tasks. The main reason to establish social working places is to offer public financial assistance to employers who are ready to create new working places or legalise informal working places. Under this programme, any difference between subsistence minimum and the salary offered by the employers is provided. About 134 thousands people participated in this programme in 2002, and the average individual annual wage for these works was about 4,000 Tenge.

The increase in self-employed TSA recipients is another concern, and 1.5 million Tenge have been allocated for financing vocational training in order to alleviate this. There is a mid- to long-range concern that many self-employed are not covered by the state social security system, and therefore a decent income after retirement, as well as in the event of work injury, is not appropriately guaranteed to them. TSA spent on working-poor recipients can be shifted to the unemployed in the private sector. Here again, effective implementation of active labour market policies is the key to raising the income of the working-poor to the point where they no longer need TSA.

There are several TSA-related problems in rural regions. First, the TSA scheme sometimes acts as a disincentive to engage in farm work. Second, even though people are motivated to work, it is rather difficult to implement effective labour market policies in rural areas with limited employment opportunities. Difficulties in conducting successful micro-credit schemes in rural areas have been identified, but no effective remedy to solve this problem has yet been found.

Although TSA is basically meant to provide direct financial assistance to the poor, each local government has the authority to spend TSA funds on employment-creation activities such as micro-credit and advocacy work for raising social awareness. The ratio of budget allocation of TSA to employment creation activities depends on each local government.<sup>15</sup> Currently, the National Bank is drafting a law on micro-credit for the poor, as only non-governmental bodies, namely NGOs, are authorized to conduct micro-credit schemes under the current legislation. In fact, there is a strong intention to use TSA funds to support entrepreneurs with micro-credit schemes.<sup>16</sup>

Proper employment strategies need to take into account the short-, medium- and long-term perspectives on labour demand and supply. The difficulty lies in precisely forecasting labour demand and unemployment in different sectors and professions. All national and regional development programmes in

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<sup>15</sup> For example, the ratio can be 90 percent for TSA and 10 percent for micro-credit for employment creation.

<sup>16</sup> According to the MOLSP, approximately 2/3 of micro-credit recipients are women in Kazakhstan.



the fields of employment and poverty alleviation should be linked, and fit within the context of common economic and social goals.

### 1.3. Social security benefits in Kazakhstan

Except for the TSA, the State Pension Payment Centre (SPPC) under the Ministry of Labour and Social Protection (MOLSP) controls most of the social benefits, such as pensions and special state benefits. At present there are 9 social benefits financed by local budgets and 7 social benefits financed by the state budget.

#### 1.3.1. Retirement pension scheme

The Government of Kazakhstan initiated a drastic pension reform to move from a pay-as-you-go (PAYG) to funded system. This reform was enacted by the law “On Pension Provision in the Republic of Kazakhstan”, adopted in June 1997, and effective January 1998. Its main objectives were to decrease the state budget burden, and avoid demographic problems which were expected to have negative effects on the PAYG scheme. Basically, the Kazak pension system consists of two main pillars, but the voluntary supplemental accumulation pension system is sometimes considered to be the third pillar. The PAYG system itself was eliminated in 1998 but most people over the next several decades will be covered by two pensions. One is the PAYG pension reflecting their work history at least six months before July 1, 1998 and another one is an accumulated pension under the funded system, based on mandatory contributions to the private accumulation pension funds since January 1, 1998. The funded system requires a contribution of 10 percent of salary by the workers themselves, which is directly deducted from their salary and placed in their individual account, and self-employed workers are also obliged to contribute to the current funded pension scheme.<sup>17</sup>

The present PAYG system is financed by a social tax (payroll tax), which is 21 percent of the salary paid by employers. Under the current system, all social taxes go directly to the state budget. Once the Social Insurance Fund (SIF) starts its operation, social taxes will be divided into 18 percent for the state budget and 3 percent to the SIF. The draft law related to the SIF is now at the stage of final discussions in Parliament. The rate of social tax is expected to decrease by 1.5 percent in 2005, 2.0 percent in 2006, and 3.0 percent in 2007. However, the problem of finding other financial resources to compensate for the gradual decrease of social tax income still remains a major concern. Under the PAYG system, the pensionable ages are 63 for men with 25 years of contribution, and 58 for women with 20 years of contribution.<sup>18</sup>

With the support of the World Bank (WB), the Government of Kazakhstan is currently reviewing the first period of implementation of its newly introduced funded pension system. Originally, the Kazak pension system was expected to switch entirely to a fully funded system by 2040. The review of the funded system is in fact meant to provide alternative policy scenarios in the event that the current pension contribution, 10 percent of earnings, is not sufficient to guarantee retirement income.

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<sup>17</sup> According to the World Bank, the administrative cost is assumed to be 10 percent of the contributions.

<sup>18</sup> Early retirement is available to people in the following categories: age 55 if living in ecologically damaged zones with a maximum radiation risk; age 52 and 6 months for mothers living in rural areas with 5 or more children above the age of 8.

### 1.3.2. Other social security benefits

The SIF, which will encompass survivors' pensions, unemployment benefits and work injury benefits, is expected to create a comprehensive structure of social security benefits, with the exception of old-age benefits. Providing a decent and well-functioning health insurance scheme is considered to be one of the most urgent tasks. The government is working on this agenda very carefully, as in the past the health fund went into bankruptcy. Currently the Ministry of Health is working on a draft law concerning health insurance and it is expected that medical insurance will be introduced in 2005. Medical insurance will probably be provided by the SPPC during the initial period, but this function is likely to be transferred to the SIF.

Maternity benefits started in January 2003. The Government plans to provide three types of benefits: (1) a one-time benefit upon the birth of a child, (2) benefits during maternity leave (every month for a year following the birth), and (3) a child allowance for children up to 12 years old. At the moment, only the first one is available but the introduction of the second and third benefits is expected in the near future. The Government has been allocated a budget of 2.9 million Tenge to finance the one-time maternity benefit upon the birth of children in 2003.

## **Chapter 2 Findings of the UNDP/ILO joint mission**

### 2.1. TSA-related findings during the mission

#### 2.1.1. Data collection and availability

The Agency for Statistics basically conducts four types of surveys: the Quarterly Household Budgetary Survey (HBS), Poor Households Survey (PHS) (both done by the Department of Social and Demographic Statistics), Labor Force Survey (LFS), and Prices Survey, for the calculation of subsistence minimum (both done by the Department of Prices and Labour).<sup>19</sup> The Agency is responsible for monitoring prices and calculating the subsistence minimum, which is based on the composition of the food basket, share of non-food items, and services that are fixed by law. The Agency also monitors prices on regional levels separately for rural/urban settlements. It is possible to monitor and calculate prices even on a district level. With the cooperation of the Ministry of Agriculture, the Agency can measure the productive milking capacity per cow, and crop capacities of the land plots in different regions.

The main problems of the HBS are that consumption and incomes fluctuate with the seasons, and it is difficult to estimate the income (including in-kind) from individually owned land plots (which account for about 18 percent of total consumption). The fluctuations can cause people to move frequently between the categories of poor and non-poor within short periods of time. The PHS is supplementary to the HBS, and the Agency conducts it in the households assessed as poor pursuant to the HBS results. Some findings of the PHS are as follows: 30 percent of poor households do not know that the TSA scheme exists; and the average answer to the question "What is the lowest acceptable level of income per capita?" was 8,000 Tenge. The Agency for Statistics has conducted the Labour Force Survey with KILM (Key Indicators of the Labour Market) methodologies used by the ILO and has been given comments by EUROSTAT and TACIS. It has also sent the questionnaire to the ILO for further comment.<sup>20</sup>

The Informational and Analytical Centre (IAC) of the MOLSP is trying to establish a comprehensive structure for data collection and analysis on a national scale. The MOLSP is interested in creating a

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<sup>19</sup> Sample number of the HBS was 12 thousand households.

<sup>20</sup> Standard criterion for employment used by the Agency of Statistics in Kazakhstan is 1 hour of work per week.

database of information on TSA recipients by connecting the existing database with another one on pensions and special state benefits. The problems include determining the kind of data on each family and individual needed to conduct the analyses required to make the system work efficiently, the kind of programme to be used for data collection and data processing, and the best way to analyse the results and efficiency of the scheme. In some regions data are collected at the district level in electronic form and in others in manual form. To compile a comprehensive database, uniform data collection has to be implemented at the national level. Training for officials from the IAC and those working in regional social protection departments responsible for the TSA will help to solve these problems.

### 2.1.2. Wages and unemployment in Kazakhstan

Apart from social security issues, wages and unemployment issues were also discussed in the context of economic development and labour market policies. The minimum wage in Kazakhstan is currently set at 5,000 Tenge, equal to the amount of the minimum pension but higher than the average amount of subsistence minimum (4,500 Tenge). The Government intends to decrease the gap between the minimum wage and subsistence minimum.

During 2002, the unemployment rate (as defined by the ILO) has decreased from 13.4 percent to 9.4 percent, whereas the official unemployment rate, based on registration, was around 3 percent. There is an electronic database of the registered unemployed and of vacancies in regions that are connected to the computerised system in the MOLSP. The total number of registered unemployed is 193 thousand and 60 percent of the unemployed are people of working age. There is a programme of offering credits of up to 16 thousand Tenge to the unemployed for different types of income-generating activities. In addition, there is a retraining programme offered to unemployed people. This programme does not seem to be very successful as only 15 percent of the retrained unemployed found new jobs afterwards.

## 2.2. Other findings resulting from meetings during the joint mission

### 2.2.1. Requests of other departments of MOLSP

During the fact-finding mission, some departments in the MOLSP made requests for information, materials and training not within the scope of the TSA scheme. These consisted of (1) materials on the international experience with regulating the regional differentiation of wages (regional coefficients for wages, wage rate fixing for different regions), (2) materials on the experience of the Russian Federation with wage rate fixing for different regions, (3) training, materials and models for forecasting social indicators, actuarial analysis and social budgeting (materials and training could be in Russian or English),<sup>21</sup> and (4) materials on the international experience with disability insurance: rates, premiums, limits, risks, and methods of taking prosthetic needs into account when providing disability insurance.

### 2.2.2. Findings of the meeting with the World Bank in Astana

The WB has a project to assess social expenditures on education and health care, and also provides loans for projects in the areas of agriculture, infrastructure, and the environment. All the projects related to social safety nets have slowed down as the WB considers that the state as well as local governments in Kazakhstan are interested in and capable of financing the projects related to social safety nets. For this reason, the loan for a health care project has been cancelled. In addition, the WB has a 3-year technical cooperation agreement to co-finance economic research with the Government. The following subjects are

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<sup>21</sup> The Center for System Research of Administration of the President of the Republic of Kazakhstan also showed its interest in participation.

covered under this agreement: pension study, agriculture, environment, and the health sector. Although Kazakhstan has its own poverty assessment strategy, the WB is doing a poverty assessment by providing comments for the household survey. The Ministry of Economic Development and Budgetary Planning (MOEDBP) serve as the counterpart agency for most of the WB activities.

### 2.2.3. Findings of the meeting with the Asian Development Bank in Astana

Activities by the Asian Development Bank (ADB) are based on a five-year country programme and the Millennium Development Goals are serving as a benchmark for all activities in Kazakhstan. The ADB's assistance for the next 3 years has been already discussed with the Government. The ADB is a development partner of the country with tasks specially targeted to the following sectors: transportation, infrastructure, water supply/resource, and rural development and management.

Under the country programme, the ADB is planning to provide some projects in the following sectors: small and medium enterprise support, employment generation, education, and human resource development as well as research on sectors which may potentially grow in rural regions. Close cooperation with Russia in the form of regional cooperation (as Russia is not an ADB member country) is foreseen in some projects. The Ministry of Agriculture is expected to act as the focal point for technical cooperation on rural development, such as agriculture, agri-processing, rural infrastructure and employment generation. Additionally, the ADB conducts a social expenditure study on education in two oblasts (one oil-rich oblast and one normal oblast), and the MOLSP as well as MOEDBP are working as coordinating agencies.

## **Chapter 3 Technical Assistance on the Targeted Social Assistance scheme in Kazakhstan**

### 3.1. Purpose of the Technical Assistance on the Targeted Social Assistance scheme

The main goal of TA is to assess and make recommendations concerning the TSA scheme to the Government of the Republic of Kazakhstan. To achieve this goal it seems necessary to define and improve the concepts of household and household income, improve the methodologies used to determine the subsistence minimum and poverty line, create an effective linkage between the existing databases (household budget, individual household and social security related database), and evaluate the role and capacity of local governments on the financial and administrative aspects of TSA. The results of this project are expected to serve as background information to help the development of further projects on Local Economic Development (LED) in the Karagandy region. The LED project is expected to establish strong links between the TSA scheme and active labour market policy, including the schemes on micro-credit and training, as ways to reduce poverty.

### 3.2. Methodology of implementation and key activities

The first key activity of the project is to define household and household income, which serve as the basis for TSA. Until 2002, the delivery of social assistance was based on family composition as well as household income. Per capita income below the poverty line still serves as a prerequisite for receiving social assistance, but only children below the age of 18 were eligible to receive social assistance under the previous system. Since 2002, more importance has been attached to the entire household income to determine eligibility for TSA, which has had both positive and negative effects on the entire scheme. On the positive side, all family members are entitled to be TSA recipients, meaning that households under poverty have gained more access to public finance by means of a social assistance scheme. However,

vague concepts and definitions of households have provided better access to TSA by free-riders by registering extra lodgers without financial capacity as family members.<sup>22</sup>

Defining household income is another critical factor. In general, 'equivalised household income' is used for income-based analysis, including the measurements of poverty and living standards, and equivalent scales are normally applied to adjust household income in differently sized households. Under the Organisation for Economic Co-operation and Development (OECD) scale, one of the most widely used, the first single adult is given an equivalent value (weight) of 1, the second (who can be a spouse) and subsequent adults are given a weight of 0.5, and a weight of 0.5 is also given to each child. Eurostat uses the 'modified OECD scale' that assigns a weight of 1.0 to the first person, 0.5 to each subsequent person aged 14 or more, and 0.3 to each child under 14. The household's total income is divided by its 'equivalised size' and the resulting 'equivalised income' is assigned to the household and to each of its members.<sup>23</sup> Therefore, the development and determination of an equivalent scale suitable to the country situation will be further examined in the course of the project implementation.

The second point is the improvement of methodologies to assess the subsistence minimum and poverty line, which are used as the baseline criteria to determine eligibility for TSA. Improvement of the existing methodologies is a prerequisite for defining poverty and making further economic and social advances against poverty. Roughly speaking, three approaches are used to define the poverty line: the absolute approach, relative approach and subjective approach. In general, the absolute and relative approaches are used for economic-based analysis.<sup>24</sup> The absolute approach is based on normative methods including calorie intake calculation and weighting of food expenditures, whereas the relative approach is based on a relative method. In Kazakhstan, the subsistence minimum as defined by law is based on the components of consumer baskets and the poverty line is set at 40 percent of the subsistence minimum. The definition of poverty line needs to be clarified in order to give a comprehensive and logical explanation of the discrepancy between the poverty line and subsistence minimum.

Taking different retail prices for determining the subsistence minimum in each region are another concern. Under the current system, Akims and local commissions have a right to change, based on regional specifics, norm-based average productivity and operational cost as well as prices. Akims and the local commissions working on TSA in each region are basically in charge of determining what should be included into a family income by taking area factors (urban and rural) and seasonal fluctuation factors into account. The development of a methodology on taking proper prices for setting the subsistence minimum in each region requires overall reviews on price-taking process in the regional offices. Brief reviews of the contents of a consumer basket (both food and non-food items) which assesses whether they reflect national eating habits, the calorie value of national food items, the methods of pricing the basket components, and the seasonal fluctuation factor will also help to clarify some specific features of the subsistence minimum in Kazakhstan.

The third point is the establishment of effective links among household budget databases, individual household databases and social security related databases. Information concerning household income serves to refine one criterion of TSA delivery, and it needs to include all types of cash income (salaries, pension, social security benefits, support from relatives) and non-cash income from assets (including cattle, land, stocks etc), charity, etc.. At the moment, databases necessary for the estimation of actual individual and household income are maintained in different institutions. The Ministry of Labour and Social Protection keeps a database on individual households as well as records of individual social security-related delivery (under the State Pension Payment Center) and the Agency of Statistics keeps a

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<sup>22</sup> Pensioners are considered as a member of family if they live with their children.

<sup>23</sup> The 'equivalised size' of a household is the sum of the weights assigned to each person.

<sup>24</sup> Absolute poverty exists when the income level is below the absolute minimum, which is set by objective criteria. Relative poverty exists when the income level is lower compared to others; subjective poverty exists when the income level is lower than necessary to fulfill all the needs of that individual/household.

database containing information collected by the HBS. The implementation of quantitative analysis of actual household income is strongly proposed in order to provide a consistent and logical explanation of the methodologies developed under TA, and to be able to base policies on sound data analysis.

Improvement of data collection and data processing to empower the technical capacity in the regions is another important factor. Data compiled by social cards concerning family composition, household income and the calculated sum of TSA serve as the baseline information for delivering TSA at the moment. In the course of discussion with the Asian Development Bank during the mission, the possibility of providing Technical Cooperation grants through the Ministry of Economy for the development of hardware and software related to data processing was suggested.

The final point is the evaluation of the role and capacity of local governments regarding the financial and administrative aspects of TSA. One specific characteristic of TSA in Kazakhstan is its decentralized nature and expenditures on TSA are fully financed by each local government. The decentralized nature of TSA financing means that TSA may not be deliverable when budget revisions or deficits occur. The decision making structure of TSA has also been decentralized; many TSA-related decisions are made by local commissions. A major problem of decentralization is that it creates an environment that lacks financial transparency and responsibility. So long as TSA is implemented under the initiative of local government, empowerment of the technical capacities of local offices is particularly desirable.

### 3.3. Expected output

Based on the activities mentioned in the previous section, a set of technical recommendations will be prepared in the form of a final report. The following technical agendas are expected to be included in the final report: definitions of household and household income, methodologies used to determine the subsistence minimum and poverty line, methodology of the means test, reviews of regional and seasonal fluctuation factors, and a review of the data collection methods and estimation of actual household and individual income assessment based on statistical calculation. In order to evaluate the actual TSA operation in the regional offices, an assessment of at least two oblast/city case studies are expected (at this moment, Karagandy region and Almaty or Astana are planned to be included for case study). The economic and social specifications of Kazakhstan and its regions will be taken into consideration when making all recommendations.

The second part of the final report is expected to be a compilation of case studies showing international experiences with social assistance schemes. The selection of countries for case studies will be based on geographical factors and the characteristics of the schemes. It is planned to include at least one to two countries from CIS and two countries from developed countries. The characteristics of the social assistance schemes, in terms of their centralized, decentralized or hybrid structure will be considered prior to their selection.

A tripartite-based round table to discuss the social protection and employment issues raised in the report is planned. At the same time, some workshop and/or training activities for regional staff working on TSA will be implemented with close collaboration with the UNDP Kazakhstan Almaty and Astana offices.

## **Chapter 4 Legislation related to Social Assistance in Kazakhstan**

- 4-1. Government Decree No.1440 of 29 December 2002 on changes in statement on the law on state targeted social assistance of 24 December 2001 No.1685
- 4-2. Government Decree No.31-n of 13 February 2002 on approval of regulation on calculation of aggregate income of individual (family), potential beneficiary of TSA

- 4-3. Government Decree No.1685 of 24 December 2001 on measures for the realization of the Law of the Republic of Kazakhstan “on state targeted social assistance” and the Regulations on the granting of social assistance to families with children - revised from Government Regulations No.382 of 21 March 1997
- 4-4. Law No.246 of 17 July 2001 on state address on social assistance
- 4-5. Government Decree No.886 of 27 June 2001 to approve the Fundamentals of social protection of the population
- 4-6. Government Regulations No.1164 of 31 July 2000 on the Plan of measures for the realization of the Programmes to fight against poverty and unemployment in the years 2000-2002
- 4-7. Government Regulations No.855 of 6 June 2000 on the Commission for the reform of social services attached to the government of the Republic – revised from No.686 of 3 June 1996
- 4-8. Government Decree No.833 of 3 June 2000 on the Programme to combat against poverty and unemployment for the years 2000-2002
- 4-9. Government Decree No.738 of 17 May 2000 on levels and sources of social assistance to citizens during the period of their education
- 4-10. Government Decree No.537 of 8 April 2000 on approval of regulation on poverty line calculation
- 4-11. Law No.474-1 of 16 November 1999 on subsistence minimum
- 4-12. Government Regulations No.999 of 19 July 1999 on National plan of actions on improvements of status of women in the Republic of Kazakhstan
- 4-13. Government Regulations No.665 of 30 May 1996 on measures of social medical and other assistance to homeless people who have no documents

## Chapter 5 Publications (including statistical publications)

- 5-1 Statistical Yearbook of Kazakhstan 2002 (English and Russian), Agency on Statistics of the Republic of Kazakhstan
- 5-2 Kazakhstan and its regions 4/2002 (Russian), Agency on Statistics of the Republic of Kazakhstan
- 5-3 Demographic Yearbook of Kazakhstan 2002 (Russian), Agency on Statistics of the Republic of Kazakhstan
- 5-4 Industry of Kazakhstan and its regions 1998-2001 (Russian), Agency on Statistics of the Republic of Kazakhstan
- 5-5 Economics and Statistics 1/2002 (Russian), Agency on Statistics of the Republic of Kazakhstan
- 5-6 Results of Population Censuses 1999 year in Karaganda region (Russian), Agency on Statistics of the Republic of Kazakhstan
- 5-7 Strategic Plan of Development of the Republic of Kazakhstan up to 2010 (English and Russian), UNDP Kazakhstan and Islamic Development Bank, 2001

- 5-8 Ecological projects under the small grant programmes of Global Ecological Fund (GEF): the Kazakhstan cases and lessons learnt (Russian), UNDP Kazakhstan and GEF, 2002
- 5-9 Donor Assistance to Kazakhstan – An Overview 2002 (English), UNDP Kazakhstan, 2003
- 5-10 Coverage of Poverty in the Kazakhstani Press (Russian), UNDP Kazakhstan and Asian Development Bank (ADB), 2002
- 5-11 Overview: 10-year progress in Kazakhstan on implementation of 21<sup>st</sup> century agenda (Russian), Republic of Kazakhstan, 2002
- 5-12 Training course on poverty reduction (Russian), Ministry of Economy and Budget Planning and UNDP Kazakhstan, 2002
- 5-13 Republican state enterprise “State centre on pension payment” (Russian), Ministry of Labour and Social Protection of Republic of Kazakhstan, 2002
- 5-14 Republican state enterprise “State centre on pension payment” (Russian), Ministry of Labour and Social Protection of Republic of Kazakhstan, 2003
- 5-15 Materials of the Conference of Reduction of Poverty April 25-26, 2002 (English and Russian), UNDP Kazakhstan and ADB, 2002
- 5-16 Rural regions of Kazakhstan: new aspects of characteristics (Russian), UNDP Kazakhstan, 2002
- 5-17 Non governmental organizations of Kazakhstan: Past, Present, Future (English and Russian), UNDP Kazakhstan, 2002
- 5-18 Millennium Development Goals in Kazakhstan (English and Russian), UNDP Kazakhstan, 2002
- 5-19 Human Development Report – Kazakhstan 2002 (English and Russian), UNDP Kazakhstan, 2003
- 5-20 Volunteering in Kazakhstan – Key Findings of a National Survey 2001 (English and Russian), UNDP Kazakhstan, 2002
- 5-21 Population living standard (Russian), Agency on Statistics of the Republic of Kazakhstan, 2002
- 5-22 Computerized information system of “Targeted Social Assistance” (Russian), Ministry of Labour and Social Protection of Republic of Kazakhstan, 2003
- 5-23 Atlas – rural development in Kazakhstan (Russian), UNDP Kazakhstan, 2003

## **Chapter 6 Statistics and documents (handouts and copies collected during the mission, all in the Russian language)**

- 6-1 Comparative data on labour market in the Republic of Kazakhstan on 01.03.2002 and 01.03.2003 (breakdown by regions)



- 6-2 Comparative data on public works, number of trained and number of partially employed for 01.03.2002 and 01.03.2003 (breakdown by regions)
- 6-3 Summary report on number of employment placed in the private firms (Jan.– Feb., 2003)
- 6-4 Social Card
- 6-5 Information for social card (Appendix)
- 6-6 Structure of TSA beneficiaries in the Republic of Kazakhstan in 2002 (on the basis of data of plenipotentiary bodies of social protection)
- 6-7 Information on number of people granted TSA benefits as of 01.01 2003 by categories of beneficiaries by Information and Agricultural Center of MOLSP
- 6-8 Number of registered unemployed, 01.01.2002 and 01.01. 2003
- 6-9 Number of people appeared to employment bodies in 2001 and 2002
- 6-10 Information on number of participants of public works and payments for every participation in 2000 – 2002
- 6-11 Information on number of trained and retrained unemployed and the costs of these activities in 2001 and 2002
- 6-12 Information on number of people placed in a job by employment bodies in 2000 – 2002
- 6-13 Information on decisions about TSA for period from 01.01 to 30.11.2000 in Southern Kazakhstan region
- 6-14 Level of subsistence minimum by age and sex an poverty line in 2000 - 2002
- 6-15 Information on number of beneficiaries of TSA, average size of TSA benefit and amount of financing TSA for 2000 to 2002
- 6-16 Share of TSA beneficiaries in total number of people with moderate income (poor)
  - 7-16-1 Number of poor population
  - 7-16-2 TSA beneficiaries
  - 7-16-3 Share of TSA beneficiaries in total number of poor
- 6-17 Share of TSA beneficiaries in total number of people with moderate income (poor) - by quarter
- 6-18 Performance of local budget expenditures for 01.01.2003
- 6-19 Population with income less than the subsistence minimum and cost of food basket for 3rd quarter of 2002 (on the basis of data of Agency on Statistics of the Republic of Kazakhstan)
- 6-20 Population in 2002
- 6-21 Information on payment of money for TSA from January to December 2002 and for reporting in November for Northern Kazakhstan region

## Annex 1 Programme of the UNDP/ILO joint mission to Kazakhstan (17-21 March, 2003)

### 17.03.2003 (Astana)

- 11.00-11.30** Meeting at Ministry of Labour and Social Protection (MOLSP), Mr. B.Ashitov, Vice-Minister and senior staff
- 11.30-13.00** Meeting with State Pension Payments Center, Mr A.Kurmanov, Director-General
- 13.30-14.30** Lunch
- 15.00-15.30** Meeting with Ms T.Duisenova, Vice-Minister, Social protection issues
- 15.30- 17.30** Meeting with social protection unit on targeted social assistance scheme

### 18.03.2003 (Astana)

- 10:00-10.30** Information and Analytical Center of the MOLSP RK, Ms.A.Dautova, Director
- 10.30-11.30** Meeting with Pension and Income Department
- 11.30-12.30** Meeting with Labour and Employment Department, Ms D.Shaidildinova, Director
- 12.30-13.30** Lunch
- 14.00-17.00** Working tripartite discussion on TSA and Decent Work Pilot Programme issues (MOLSP, Karagandy, Social partners)
- 18:00** Ministry of Economy and Budget Planning, Ms A.Meshimbayeva

### 19.03.2003 (Astana)

- 10.00-11.00** Branch on social normatives, Ms K.Kopbayeva, Head Pension and Income department (for Ms. Ouchi)
- 11.00-12.30** Center for Systematical Researches, Ms B.Nusupova, Mr Abyessov
- 13.00-14.30** Lunch
- 15.00-16.00** WB country office in Astana , Ms Zh.Abdildina
- 16.00** ADB country office in Astana, Mr.K.Higuchi, Director
- 17.00** Conclusion meeting with Ms T.Duisenova, Vice-Minister
- 21:10** Flight from Astana to Almaty

### 20.03.2003 (Almaty)

- 10.00-10.45** Meeting at UNDP Kazakhstan Almaty office, Mr F.Akcura, Resident Representative
- 11.00-12.30** Meeting at National Statistic Office, Mr Y.Shokamanov, Acting Chairman and staff
- 13.00-14.00** Lunch
- 14.30-15.00** Meeting with the Employers Confederation, Mr K.Bayekenov, Chairman and staff
- 17.00** WB regional office in Almaty, Mr D.de Tray, Director

### 21.03.2003 (Almaty)

- 10.00-12.00** Wrap-up meeting within the ILO Moscow mission members
- 12.00-13.00** Lunch
- 13.00-16.0** Final wrap-up meeting with the UNDP Kazakhstan and the ILO Moscow mission members

## Annex 2 List of contacted persons during fact-finding mission

### **MOLSP:**

1. Mr B.Ashitov, Vice-Minister
2. Ms.T.Duisenova, Vice-Minister
3. Ms D.Schaildinova, Director, Labour and employment department
4. Mr. M.Baimukhanov, Director, Social security and budget finances department
5. Ms G.Tokhseitova, Deputy director, Social security and budget finances department
6. Ms G.Kaisenova, Deputy director, Pension and income department
7. Ms.K.Kopbayeva, Head, Social normative branch
8. Ms.B.Tolegenova, Head, International relations branch
9. Mr.F.Tairov, Head, Legal department
10. Ms R.Bektybaieva, Specialist, Social normative branch
11. Mr.S.Bisakayev, State Labour Inspector
12. Ms A.Sabieva, Labour market regulations division
13. Mr A.Baisakalov, Monitoring and labour market analysis
14. Ms.A.Mukhambetova, Monitoring and labour market analysis
15. Ms A.Saluykbayeva, Social partnership branch
16. Mr B.Zhumagulov, Pension supply branch
17. Ms N.Gorobchenko, Social security and social assistance branch
18. Ms E.Vologina, Rehabilitation of disabled branch
19. Ms N.Nurasylova, Development of pension system branch
20. Ms.Zh.Yereeva, Insurance and income prognosis branch
21. Ms K.Temirbekova, Pension and social payments forecast branch
22. Ms A.Dautova, Information and analytical center under MOLSP
23. Ms L.Gribenko, Organisation, monitoring and control department
24. Ms.G.Karsybekova, Organisation, monitoring and control department
25. Ms.U.Uali, International relations branch

### **Karaganda oblast**

26. Mr A.Abilayev, Head, Karaganda oblast department for labour and social protection

### **State pension payment center**

27. Mr A.Kurmanov , Director general of State pension payment center (GZVP)
28. Ms.L.Zhulanova, Deputy director, GZVP
29. Mr A.Turekulov, Head, Information technology

### **Ministry of Economy and budget planning**

30. Ms.A.Meshimbayeva, regional policy and inter-budget relations (plus 2 specialists)

### **Center for System research under the President of the Republic of Kazakhstan**

31. Mr.Zh.Abyessov, Head of division
32. Ms.A.Nusupova, Chief-expert

### **National Statistical Agency of the Republic of Kazakhstan**

33. Mr Y.Schokomanov, Acting Chairman (1<sup>st</sup> deputy Chair)
34. Ms N.Krivko, Director, Labour statistics and prices department
35. Mr V.Yefstafiev, Director, Special and demography statistics department
36. Ms V. Osokina, Head, Living standards statistics branch
37. Ms. L.Denisova, Head, International cooperation branch
38. Ms.L.Shemyakina, Astana statistical office

**Social partners:**

39. Mr.S.Mukashev, Chaiman, Federation of Trade Unions of the Republic of Kazakhstan
40. Mr. V.Kozhevnikov, Director, Federation of Trade Unions of the Republic of Kazakhstan
41. Mr.L.Solomin. Confederation of Free Trade Unions of the Republic of Kazakhstan
42. Mr.K.Baikenov, Chairman, Confederation of employers of the Republic of Kazakhstan
43. Mr.T.Kudasov, Deputy chairman, Confederation of employers of the Republic of Kazakhstan
44. Mr.N.Kadyrov, Deputy executive director, Confederation of employers of the Republic of Kazakhstan
45. Ms.Y.Mashinistova, Representative of Eurasian Industrialists Assosiation (Astana)

**UNDP**

46. Mr.F.Akcura, UNDP Kazakhstan Almaty office Resident Representative
47. Ms. S. Islamova, Senior programme coordinator, UNDP Kazakhstan Almaty office
48. Ms.D.Nurshaikhova, Programme coorinator, UNDP Astana office
49. Ms.M.Sheshebekova, Assistant manager, UNDP Astana office

**The World Bank (WB)**

50. Mr.D.de Tray, Central Asia Regional Director, WB regional office in Almaty
51. Ms.Zh.Abdildina, Economist, WB country office in Astana

**Asian Development Bank (ADB)**

52. Mr.K.Higuchi, Country Director, ADB Kazakhstan office
53. Ms.A.Muknamedyarova, Economist/program officer, ADB Kazakhstan office

## **Annex 3 Terms of Reference for the Consultants**

### **A. Consultant in statistical analysis for developing methodologies (1 person – approx. one month)**

1. The consultant in statistical analysis, with extensive expertise in conducting quantitative data analysis and developing methodological background on social assistance, will be recruited by the ILO Moscow Office with a prior consultation with the UNDP Kazakhstan and will have the following responsibilities;
  - (i) Assessing and reviewing statistical data as well as the existing database related to the subsistence minimum, poverty line, and individual/household income;
  - (ii) Assessing and developing the concepts and definitions of household, subsistence minimum including price-taking method, poverty line and household income by comparing with the international definitions (OECD and EUROSTAT in particular);
  - (iii) Producing statistical tables;
  - (iv) Producing analytical chapters/report providing detailed methodological descriptions and recommendation for the improvement on (i) and (ii) with the effective use of (iii).
2. Qualifications required for this position are as follows;
  - (i) Advanced degree and strong background in statistics and quantitative economics with several years of working experience with the UN groups and international financial institutions in various countries;

- (ii) Experience in working with the UN and/or international financial institutions in developing statistical methodologies;
- (iii) Excellent knowledge of international definitions on poverty issues;
- (iv) Good knowledge of SPSS with basic knowledge of some other software (CsPro, IMPS etc.);
- (v) Strong drafting skills in English and working level of Russian;

Consultant A is expected to conduct his/her work in a close collaboration with Consultant B in order to maintain consistency and logical framework of developed methodologies and calculated results.

**B. Consultant in statistical calculation of Household Budget Database (HBD), Individual Database (ID) and some other Social Security-related Database (SSD) (1 person – approx. one month)**

1. The consultant in data processing, with strong expertise in conducting quantitative data analysis on social assistance and excellent knowledge of SPSS and other data processing software, will be recruited by the ILO Moscow Office with a prior consultation with the UNDP Kazakhstan and will have the following responsibilities;
  - (i) Developing a sample format for creating effective statistical links between HBS, ID and SSD;
  - (ii) Calculating and processing database of HBS, ID and SSD by using SPSS and other software if necessary,
  - (iii) Assessing the results of calculation (with a close consultation with Consultant A);
  - (iv) Producing statistical tables;
  - (v) Producing analytical chapters/report providing calculated results and its analysis with an effective use of (iii).
  
2. Qualifications required for this position are as follows;
  - (i) Strong background in statistics/quantitative economics and substantial working experience with the UN groups and international financial institutions in various countries;
  - (ii) Excellent knowledge of SPSS and some other software (CsPro and IMPS);

Consultant B is expected to conduct his/her work in a close collaboration with Consultant A in order to maintain consistency and logical framework of developed methodologies and calculated results.

**C. Consultant(s) for research work on international experience on social assistance schemes (1-2 persons – approx. one month)**

1. The consultant(s) for research work in international experience on social assistance schemes, with extensive knowledge on social assistance in various countries, will be recruited by the ILO Moscow Office with a prior consultation with the UNDP Kazakhstan and will have the following responsibilities;
  - (i) Conducting research on social assistance schemes in 3-4 countries (it is necessary to include the schemes both in CIS/transition countries and in OECD countries and both centralized and decentralized system upon the selection of countries);

- (ii) Producing analytical reports on each selected country providing details of social assistance schemes (contents and structure of reports will be further specified and indicated in the contract documents).
2. Qualifications required for this position are as follows;
- (i) Advanced degree and strong background in economics or relevant subjects with substantial working experience as a researcher with the UN groups and international financial institutions in various countries;
  - (ii) Extensive expertise and knowledge on social security (social assistance in particular) in various countries;
  - (iii) Prior experience in contributing to analytical reports, periodicals and/or books;
  - (iv) Strong drafting skills in English.