Social Protection in Pacific: A Regional Overview of Melanesia, Micronesia and Polynesia

Summary Report

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Disclaimer

This report synthesises policy and operational insights for decision-makers. It is not a legal text. Country information reflects public materials and expert practice notes available up to August 2025. Data points cited in narrative are indicative and should be triangulated with the latest administrative statistics.

This report synthesises administrative documents, legal instruments, evaluation reports, and operational guidance published by governments and international organisations. It complements comparative datasets and dashboards with implementation notes from the region. To support replicability, we privilege public, authoritative sources, triangulate across multiple documents, and focus on operationally relevant detail. Limitations include heterogeneity in indicator definitions, reporting lags, and uneven availability of disaggregated data.

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About Developlan

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EXECUTIVE SUMMARY

The Pacific's social protection landscape has matured noticeably in the past decade, yet it remains characterised by small-state constraints, geographic dispersion across outer islands, narrow tax bases, exposure to climate and disaster risks, and large informal labour markets. Against this backdrop, countries across Melanesia, Micronesia and Polynesia are converging on a common reform pathway: guarantee basic income security through social pensions and disability benefits; extend contributory protection to the "missing middle" of informal and seasonal workers; and embed adaptive, shock-responsive mechanisms in delivery systems so programs can scale rapidly during cyclones, droughts or economic shocks. This report synthesises laws, budget documents and regional analyses from organisations such as ILO, ESCAP, SPC, ADB, the World Bank and UNICEF, with a deliberate focus on institutional design and implementation capacity rather than short-term benefit amounts - a choice driven by the region's small populations and intermittent data publication.

Across the region, a growing set of categorical guarantees is emerging. Universal or near-universal social pensions and disability benefits - often financed from general revenue - anchor basic income security where contributory coverage is thin. Several administrations complement these with categorical child or family supports and fee waivers in health and education to promote service uptake. These guarantees are most effective when codified through legislation or standing regulations with clear eligibility, periodic indexation to protect against inflation, and grievance mechanisms accessible to persons with disabilities and residents of outer islands. Where such guards exist, countries report steadier enrolment and fewer ad hoc policy changes across budget cycles; where they do not, beneficiaries face unpredictability and inconsistent payment timeliness. Region-wide, a practical next step is to set service standards for enrolment, timeliness and complaints, and to publish monthly performance statistics to strengthen accountability and learning.

Contributory schemes - typically national provident funds (NPFs) or social security funds - are present in almost all Pacific states, but coverage is concentrated among formal employees in government or larger firms. The binding challenge is reaching the "missing middle": informal, self-employed and seasonal workers whose earnings are volatile, whose employment is intermittent, and many of whom circulate between islands or undertake overseas seasonal work. Evidence from the region suggests that flexible contribution schedules, simplified products (e.g., micro-pensions), agent-assisted onboarding, mobile deposits and small matching subsidies can raise participation without imposing high administrative burdens. Countries can also design contribution rules that preserve entitlements during periods of zero income, so that seasonal and overseas workers are not penalised by gaps. Over the 2025-2030 horizon, scaling voluntary micro-pensions through NPFs, building last-mile agent networks, and piloting matched contributions for low-income workers are priority moves to close this systemic coverage gap.

No region faces the combination of chronic hazard exposure and extreme remoteness more acutely than the Pacific, making adaptive social protection (ASP) a central design principle rather than a niche add-on. Countries are progressing from one-off humanitarian cash distributions to codified playbooks that define what triggers an expansion, which programs scale (and by how much), who pays, and how operations surge. The next phase is to agree and publish clear disaster protocols for both vertical top-ups (temporary increase for current beneficiaries) and horizontal expansion (temporary inclusion of newly affected households), to link social welfare information systems with early-warning and disaster information platforms, and to stress-test these arrangements annually before cyclone seasons. Financing must be pre-arranged: contingency funds, regional risk pooling and parametric insurance (for example via PCRIC), complemented by on-call donor windows, ensure money arrives in weeks - not months - so delivery systems can execute the playbooks at speed.

Delivery and governance systems are the hinge on which both routine and shock-response performance turn. The region's priorities are pragmatic and sequenced. First, invest in civil registration and vital statistics (CRVS) and foundational ID systems that can interoperate with social registries; without reliable identification and death registration, leakages and ghost payments persist and dynamic caseload management is slow. Second, diversify government-to-person (G2P) payment channels - bank accounts, e-money, agents, and, where connectivity is limited, offline alternatives - to ensure choice, resilience and accessibility for outer-island residents and persons without IDs. Third, institutionalise data protection, internal controls and independent audits of both funds and payment providers to sustain public trust. Fourth, publish a concise annual results report tracking coverage, timeliness and error metrics; this builds a culture of performance management and provides an early-warning system for delivery blockages.

The region's fiscal realities require realism and transparency. Most Pacific programs rely on general revenues backed by small and volatile tax bases, with exposure to commodity, tourism and remittance cycles. This makes medium-term expenditure frameworks and costed strategies essential to pace expansion and protect core guarantees during downturns. A practical financing mix couples domestic allocations with pre-arranged disaster finance and targeted development partner support for capital investments (e.g., MIS, payment rails, ID/CRVS upgrades). Governments can further stretch resources by adopting simple, rule-based benefits with predictable indexation, avoiding complex categorical fragmentation that raises administrative costs without commensurate gains in equity. Routine publication of program statistics, procurement plans and audit summaries closes the loop on fiscal accountability.

Capacity remains uneven, but there are promising innovations to emulate. Several administrations have developed universal old-age or disability benefits with strong residency and portability rules, accessible grievance channels and consistent program statistics; others are piloting anticipatory cash tied to forecast-based triggers for cyclones, improving both timeliness and targeting of emergency transfers. Ensuring diversified payment options - including for remote atolls - and formalising post-disaster "surge" procedures and drills are quick wins that reduce operational risk. Small administrations can share procurement frameworks, technical standards and administrative templates to accelerate uptake while avoiding bespoke systems that are costly to maintain.

Looking across country chapters, the common bottlenecks are clear: incomplete legal codification of guarantees; gaps in CRVS and ID coverage that limit registry accuracy; thin last-mile payment infrastructure on outer islands; limited grievance and case-management capacity; and the absence of clearly costed, medium-term strategies to underpin fiscal sustainability. The recommended near-term actions therefore emphasise "getting the basics right": codify social pensions and disability benefits in primary or secondary legislation; publish service standards and monthly performance statistics; finalise ASP playbooks with explicit triggers and roles; and adopt common data and interoperability standards across MIS, CRVS and ID systems. These are not grand gestures; they are the essentials that make social protection reliable when households most need it.

For 2025-2030, the regional roadmap is succinct and actionable. Guarantee the basics through predictable lifecycle benefits with indexation and accessible redress; extend contributory protection to informal and platform workers via micro-pensions, simplified rules for seasonal workers and smart matches; make social protection adaptive by agreeing protocols and integrating systems with disaster platforms; secure pre-arranged finance via contingency funds, regional risk pools and parametric insurance; digitise delivery with safeguards by investing in CRVS, ID and diversified G2P channels; and strengthen governance and evidence through costed strategies, routine surveys and administrative data reviews, robust privacy and security controls, and independent audits. Taken together, these steps would move the Pacific from fragmented safety nets to comprehensive, citizen-centred social protection systems that can deliver at the last mile and bend with the weather.

This report's structure supports that journey: a regional framing of coverage, gaps and vulnerabilities; comparable country chapters (overview, strategy and policy architecture, coverage and impact, gaps and constraints, delivery and governance innovations, capacity assessment, and 2025-2030 priorities); and cross-cutting sections on strategies, innovations, scorecards, country priorities and a regional roadmap. The focus is on decisions within governments' control - rules, systems, and delivery - paired with realistic financing instruments and peer learning to spread what works. With steady codification, investment in foundational systems, and disciplined use of pre-arranged disaster finance, Pacific countries can secure the basics for all households, protect the missing middle, and operationalise the adaptive, shock-responsive systems the region's risk profile demands.

This report synthesises legal and policy documents, administrative descriptions on official portals, and regional analyses by ILO, ESCAP, SPC, ADB, the World Bank, UNICEF, and specialised initiatives on Pacific social protection. Where exact benefit parameters vary by budget year, the discussion centres on institutional design. The country chapters follow a common template to aid comparability and to highlight design choices more than short-term numbers.

The analysis focuses on the presence of core guarantees (social pensions and disability benefits), contributory arrangements (provident funds or social security), health system entitlements, and the extent to which delivery systems can reliably reach outer islands. A separate emphasis is placed on shock-responsive and anticipatory mechanisms because of the Pacific's hazard profile. Comparative judgments (for example, in the scorecards) are explicitly flagged as indicative and intended to stimulate policy dialogue rather than rank systems.

Because many Pacific countries are small and data publication is intermittent, the report privileges official laws and guidance, budget papers, and regional program documentation. Readers who need current benefit amounts should consult the latest budget statements, gazettes, and implementing regulations.

List of Acronyms

Acronym	Meaning
ADB	Asian Development Bank
CVA	Cash and Voucher Assistance
CRVS	Civil Registration and Vital Statistics
DB	Defined-Benefit
DC	Defined-Contribution
DRF	Disaster Risk Finance
ECT	Emergency Cash Transfer
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
FNPF	Fiji National Provident Fund
FSM	Federated States of Micronesia
G2P	Government-to-Person (payments)
HCF	Health Care Fund (Palau)
ID	Identity (foundational national identification)
ILO	International Labour Organization
KPF	Kiribati Provident Fund
M&E	Monitoring and Evaluation
NDMO	National Disaster Management Office
NPF	National Provident Fund
PCRIC	Pacific Catastrophe Risk Insurance Company
PIF	Pacific Islands Forum
RMI	Republic of the Marshall Islands
ROPSSA	Republic of Palau Social Security Administration
RSE	Recognised Seasonal Employer (New Zealand)
SIDS	Small Island Developing States
SINPF	Solomon Islands National Provident Fund
SNPF	Samoa National Provident Fund
SP	Social Protection
SPC	Pacific Community
SRSP	Shock-Responsive Social Protection
TC	Tropical Cyclone
TRF	Tonga Retirement Fund
UHC	Universal Health Coverage
UNICEF	United Nations Children’s Fund
VNPF	Vanuatu National Provident Fund

GLOSSARY OF TERMS & DEFINITIONS

Selected Glossary of Terms	
Adaptive Social Protection:	An approach that equips routine programs to scale during shocks using pre-agreed triggers and delivery playbooks.
Appeal:	A formal request to review a grievance decision by a higher authority.
Beneficiary:	An eligible person who receives a benefit under a social protection program.
Capitation:	A provider payment method that pays a fixed amount per person per period for defined services.
Case Management:	Processes for managing applications, changes, referrals, and grievances over time.
Categorical Benefit:	An entitlement defined by personal characteristics (e.g., age, disability) rather than means-testing alone.
Co-payment:	A fixed fee paid by the insured at the point of service.
Conditional Cash Transfer (CCT):	Cash transfers that require fulfilment of soft conditions (e.g., school attendance or health visits) where services exist.
Contribution Matching:	A subsidy that complements a worker's contribution to encourage participation in social insurance.
Contributory Scheme:	A program funded by worker/employer contributions that confers insured benefits.
Data Minimisation:	Collecting only the data required for a specified, legitimate purpose.
Data Protection Impact Assessment (DPIA):	A structured appraisal of privacy risks when introducing or changing data processing.
Deductible:	An amount the insured pays before insurance coverage begins.
Designated Payment Points:	Authorised locations (e.g., bank agents) where beneficiaries receive payments.
Disability Assessment:	A process to determine functional limitations and eligibility for disability benefits.
Disaster Risk Financing:	Pre-arranged financial instruments to fund responses to hazards.
DRG (Diagnosis-Related Group):	A case-based hospital payment method.
Eligibility:	The status of meeting criteria to access a benefit or service.
Error, Fraud, and Corruption (EFC):	Irregularities that reduce program integrity and trust.
Foundational ID:	A national identity system used for multiple public and private services.
Gatekeeping:	A requirement to seek primary-care consultation before specialist care to manage costs and quality.
Grievance:	A complaint filed about a program decision, service, or treatment.
Horizontal Expansion:	Adding new beneficiaries during a shock.
Indexation:	Automatic benefit adjustment to inflation or wages.
Informality:	Work arrangements outside standard employment contracts and social insurance coverage.
Integrated Social Information System (ISIS):	A platform that integrates data across programs for coordinated delivery.

KYC (Know Your Customer):	Identity verification processes required for financial and public services.
Labour Market Program:	Measures that enhance employability, job matching, and earnings.
Means Test:	Assessment of income and/or assets to determine eligibility.
Minimum Service Standards:	Published performance targets for timeliness, accuracy, and accessibility.
Moral Hazard:	Changes in behaviour when insured against risk.
Maternity Benefit:	Income replacement or cash support during pregnancy and after childbirth.
National Health Insurance:	A pooled financing mechanism for health coverage.
Near-Poor:	Households just above the poverty line vulnerable to shocks.
Out-of-Pocket (OOP) Spending:	Payments made by individuals at the point of service.
Portability:	The ability to retain entitlements when moving across regions or countries.
Primary Care:	First point of contact within the health system, focusing on prevention and basic treatment.
Provider Payment Method:	How purchasers pay providers (capitation, DRG, fee-for-service, global budgets).
Public Financial Management (PFM):	Rules and institutions governing budget planning and execution.
Quintile Targeting:	Selecting beneficiaries based on consumption or wealth quintiles.
Reference Price:	A benchmark tariff for services or medicines.
Registry:	A database of individuals and households to support eligibility decisions.
Shock:	A sudden event that threatens well-being (economic, climate, health, conflict).
Social Assistance:	Non-contributory benefits and services financed primarily from taxes.
Social Insurance:	Contributory schemes that pool risks across participants.
Social Pension:	A non-contributory old-age cash transfer.
Subsidy Rationalisation:	Reorienting untargeted subsidies to targeted support.
Targeting Error:	Inclusion or exclusion errors in determining eligibility.
Treatment Anywhere:	Policy allowing patients to access care outside their registered facility under specified rules.
Unemployment Insurance:	Temporary income support and services for those who lose jobs through no fault of their own.
Vertical Top-up:	A temporary increase in benefit amount for existing beneficiaries during a shock.
Selected Social Protection KPI Definitions	
Coverage - Categorical Grants:	Share of eligible older persons/persons with disabilities/children receiving the benefit; disaggregate by sex, disability, location.
Coverage - Social Insurance:	Share of labour force contributing to pensions, employment injury, sickness/maternity; voluntary contributors share.
Health Financial Protection:	Share of population covered by public health insurance/subsidies; catastrophic health expenditure incidence.
Payment Timeliness:	Percent of scheduled payments delivered by the promised date; median delay (days).
Payment Reliability:	Share of beneficiaries receiving the correct amount; rate of failed/partial transactions with resolution time.

Error and Fraud:	Estimated over- and under-payments; confirmed fraud cases per 10,000 beneficiaries; recovery rate.
Grievance Acknowledgement:	Share of grievances acknowledged within SLA (e.g., 72 hours).
Grievance Resolution:	Share of grievances resolved within SLA; median time to resolution; escalation rate.
Appeal Outcomes:	Share of appeals upheld/overturned; time to final decision.
Benefit Adequacy:	Benefit as a percentage of relevant consumption basket or poverty line; purchasing power index.
Indexation Compliance:	Share of programs executing indexation as per rule and schedule.
Take-up Rate:	Beneficiaries as share of eligible population (where eligibility is categorical).
Targeting Precision:	Inclusion/exclusion error rates using survey or administrative benchmarks.
Portability Utilisation:	Number and share of cross-jurisdiction claims processed; processing time.
Provider Payment Timeliness (Health):	Share of claims paid within agreed timeframe; average denial rate with reasons.
Primary Care Utilisation:	Share of outpatient visits at primary care vs secondary/tertiary; avoidable hospitalisation rate.
Preventive Service Uptake:	Immunisation coverage, antenatal visits, screening rates linked to benefit nudges.
Beneficiary Satisfaction:	Composite score from experience surveys covering respect, clarity, and timeliness.
Digital Inclusion:	Share of beneficiaries using digital channels; share using assisted/offline channels; failure rates by channel.
Data Protection Incidents:	Number and severity of data incidents; time to containment and notification.
System Uptime:	Availability of core MIS and payment platforms; planned vs unplanned downtime.
Caseworker Load:	Average active cases per caseworker; backlog and clearance rate.
Training Completion:	Share of frontline staff completing mandatory training modules within cycle.
Cost per Beneficiary:	Administrative cost per beneficiary by program; trend over time.
Shock Activation Speed:	Time from trigger to first payouts; number of beneficiaries reached within two weeks of activation.
Horizontal Expansion Scale:	Increase in caseload during shock relative to baseline; error rates during surge.
Vertical Top-up Execution:	Share of baseline beneficiaries receiving top-up on time; reconciliation accuracy.
Inter-operability Tests:	Frequency and success of API tests between ID, registry, and payment systems.
Audit Findings:	Share of high-risk findings remediated within SLA; repeat findings rate.
Public Reporting Timeliness:	Share of programs that publish quarterly/annual statistics on time.
Gender Lens:	Coverage and adequacy gaps by sex; maternity benefit utilisation; care credit uptake.
Disability Inclusion:	Coverage and adequacy for persons with disabilities; assistive device provision; home-visit share.
Rural Access:	Coverage in remote/rural areas; travel time to payment points; mobile teams deployed.
Migrant Access:	Beneficiary share among migrants; cross-border claim throughput; translated materials available.
Hotline Performance:	Average waiting time; abandonment rate; first-contact resolution rate.

Omnichannel Consistency:	Share of cases with consistent status across channels (web, app, hotline, office).
Procurement Cycle Time:	Average days from tender to contract; complaint rate; contract performance score.
Inventory of Assistive Technologies:	Time to fulfil requests; maintenance turnaround.
PFM Alignment:	Budget execution rate; variance against MTEF; contingency usage and replenishment.
Sustainability Stress Test:	Projected financing gap under downside scenarios; policy levers identified and costed.

UNDERSTANDING SOCIAL PROTECTION IN PACIFIC

Social protection is a set of public policies and programs that prevent, reduce, and help people manage economic and social risks throughout the life cycle. It typically bundles (i) social assistance-non-contributory benefits such as cash transfers, in-kind assistance, school meals, and fee waivers; (ii) social insurance-contributory schemes like pensions, health insurance, employment injury, sickness, maternity, unemployment; and (iii) labour market policies-active measures such as skills, public works, and job-search assistance, alongside basic worker protections.

In the Pacific, systems combine non-contributory social assistance (for example, social pensions, disability and child benefits, fee waivers, and social care), contributory social insurance (provident funds, social security, employment injury, and health insurance in a few places), and labour market measures (public employment, training, wage subsidies). The mix reflects economic structure, demographic trends, fiscal space, and the realities of small populations dispersed across many islands.

There are distinct Pacific system archetypes. Polynesian micro-states typically guarantee universal or near-universal income support in old age through social pensions and supplement these with small child or caregiver allowances. Micronesian countries blend non-contributory senior benefits in some cases with provident or social security schemes for formal workers. Melanesian countries outside Fiji rely more heavily on provident funds, with limited categorical cash benefits. Across the region, health services are largely tax-financed and complemented by off-island referral arrangements for specialized care that domestic systems cannot provide.

The most durable Pacific systems are anchored in a basic floor that protects people at predictable points in the life cycle - early childhood, disability, unemployment or livelihood interruption, and old age - while allowing higher benefits for those who contribute. Establishing clear entitlements and simple eligibility rules matters as much as the benefit level because administrative costs and geographic dispersion can make complex means-testing impractical on remote atolls.

Universal or categorical design is common where poverty is widespread and where the cost of precisely discriminating between poor and near-poor is high. Targeting is used strategically - in Fiji's Poverty Benefit Scheme and Care & Protection Allowance, for example - but the Pacific experience shows that simple, transparent criteria often outperform theoretically perfect formulas that are hard to implement at the outer-island frontier.

Central ministries (social welfare, finance, labour, and health) set policy and budgets; social security or NPF agencies manage contributory schemes; national disaster management offices coordinate preparedness and response; and local councils, island administrations, churches, and community-based organizations play indispensable last-mile roles. Regional organizations (PIF, SPC) and UN agencies (ILO, UNICEF, WFP, WHO) provide standards, analytics, and financing, while bilateral partners - especially Australia and New Zealand - support program operations, labour mobility schemes, and disaster response.

Social assistance in the Pacific is financed primarily from general revenue, sometimes supplemented by trust funds and external partners. Provident funds rely on mandatory contributions from employers and employees; social security schemes pay benefits from payroll taxes. Sustainable expansion of benefits requires a medium-term expenditure framework that accounts for ageing populations, climate-related shocks, and small-economy vulnerability to commodity and tourism cycles. Countries increasingly pair subsidy reforms or revenue measures with targeted cash assistance to protect purchasing power.

Eligibility determination, enrolment, and payment delivery must work across geographies with intermittent connectivity. Countries are investing in social registries, digitized beneficiary management, and multiple payment rails - bank accounts, e-money wallets, agents, and merchant redemption - for resilience. Paper-based options remain important for remote communities, but even modest digitization yields gains in timeliness, transparency, and grievance redress.

The Pacific faces cyclones, floods, droughts, earthquakes, and volcanic activity. Shock-responsive social protection links disaster risk financing with program rules for vertical (top-up) and horizontal (temporary expansion) adjustments triggered by pre-defined thresholds. Anticipatory cash can be released before landfall based on forecasts. Regional sovereign parametric insurance via PCRIC complements contingency budgets and donor windows, providing quick liquidity to fund early response, including cash transfers delivered through existing social welfare systems.

Seasonal worker schemes in Australia and New Zealand provide income opportunities and remittances for Pacific households, yet portability of social security remains limited. Policy work focuses on bilateral agreements, administrative cooperation (to verify contributions and entitlements), and practical claims processes so that returned workers can access benefits without prohibitive travel or documentation costs. Alongside portability, financial education and matched savings help workers translate short-term earnings into long-term security.

Women, persons with disabilities, older persons living alone, and people in remote islands face higher exclusion risks. Design choices that promote inclusion include simple eligibility, community-based outreach, disability-inclusive communications, travel subsidies for clinic visits, and grievance channels that can be used safely by people with limited connectivity. Pacific practitioners increasingly co-design programs with national disability councils and women’s groups to ensure that entitlements are usable in practice.

Publishing program rules, budgets, and performance data builds trust. Independent audits, social accountability mechanisms, and parliamentary oversight complement administrative controls. As data systems expand, countries are also updating privacy rules, clarifying data-sharing agreements, and strengthening cybersecurity to protect sensitive household information stored in social registries and payment platforms.

Even modest upgrades in management information systems and payment options can transform the experience of beneficiaries scattered across islands. Priorities include fast, reliable onboarding; multiple payment rails (bank branches, agents, and e-money where feasible); grievance channels that can be used without travel; and proactive outreach to older persons and people with disabilities. Co-design with national disability councils and women’s groups yields practical fixes - plain-language notices, accessible forms, caregiver proxies, and travel support for clinic or payment days. Where mobile coverage is patchy, programs keep paper-based backups and community verification processes to avoid unintended exclusion.

Sustainable expansion rests on a transparent medium-term expenditure framework that protects the real value of benefits while preserving fiscal resilience to shocks. Options include consolidating small programs, indexing benefits using a simple rule, and pre-arranging finance for disaster top-ups through contingency funds and regional risk pools. On the contributory side, regular actuarial reviews, prudent investment governance, and fee discipline protect the long-term interests of contributors. Publishing program statistics and audit responses builds trust and helps policy makers calibrate pace and sequencing.

State of Coverage, Gaps and Vulnerabilities across Pacific Region

Social protection systems in the Pacific have evolved unevenly across subregions, reflecting differences in population size, fiscal space, administrative capacity, and political priorities. Despite this diversity, a number of regional patterns stand out.

System Architecture and Legal Frameworks. Most Pacific Island countries and territories (PICTs) lack comprehensive social protection legislation. Instead, they rely on a patchwork of provident fund acts, pension laws, disability entitlements, and sector-specific policies. Few countries have enacted framework social protection laws that codify rights, define entitlements across the life cycle, and establish stable financing arrangements. This absence of codification leaves many programs vulnerable to political shifts and discretionary decision-making.

Benefit Portfolios. Across the region, social protection programs cluster around three instruments: contributory provident funds or social security systems for formal workers; categorical non-contributory benefits (most commonly social pensions, and in some countries, disability allowances or small child/family grants); and universal health coverage funded through general revenues. While these provide partial coverage, there are large gaps for working-age adults outside formal employment, the unemployed, and near-poor households who do not meet categorical thresholds. Benefit adequacy is also a recurring challenge: cash transfers, where present, are often below subsistence needs, and health entitlements are undermined by shortages of staff, medicines, and referral financing.

Coverage and Adequacy Gaps. Only a handful of countries - Fiji, Samoa, Tonga, and Cook Islands - have broad-based categorical benefits that reach a significant proportion of their populations. Elsewhere, coverage is narrow, with fewer than 10% of citizens accessing formal pensions or regular transfers. Women, persons with disabilities, outer-island residents, and informal workers remain disproportionately excluded. Even where schemes exist, benefit levels are modest relative to poverty lines, and indexation mechanisms are rare, eroding adequacy over time.

Labour Informality and the “Missing Middle.” The majority of Pacific workers are employed informally in agriculture, fisheries, and small-scale commerce. This large “missing middle” lacks access to contributory pensions or unemployment insurance, while also being ineligible for categorical transfers targeted to the elderly or disabled. Without flexible contribution mechanisms, matching subsidies, or portable products for seasonal and migrant workers, this segment of the labour force remains structurally unprotected.

Migration and Portability. Labour mobility schemes with Australia and New Zealand are vital income sources, but social security portability remains underdeveloped. Workers’ contributions in host countries are rarely transferrable, and administrative barriers prevent smooth claims processes upon return. Without bilateral agreements and administrative cooperation, many migrant workers forfeit benefits, weakening the developmental potential of remittances.

Delivery Systems and Infrastructure. Foundational identification systems, civil registration, and social registries are incomplete in most countries, limiting the accuracy and efficiency of program enrolment. Payment delivery infrastructure is also weak, particularly in outer islands where financial institutions and digital connectivity are limited. Where digital platforms have been piloted (e.g., e-wallets, multi-rail payments), timeliness and transparency have improved, but reliance on paper-based systems remains the norm.

Adaptive Social Protection. The Pacific’s extreme exposure to climate and disaster risks makes shock-responsiveness essential. Some countries (notably Fiji, Tonga, and Vanuatu) have tested vertical top-ups and horizontal expansions of existing programs following disasters, often supported by development partners.

Regional innovations such as the Pacific Catastrophe Risk Insurance Company (PCRIC) demonstrate the potential of pre-arranged financing, but these mechanisms are not yet systematically linked to national delivery systems. Without codified disaster protocols and financing windows, most PICTs struggle to scale support quickly when shocks strike.

Inclusion and Vulnerability. Vulnerable groups - especially women, children, persons with disabilities, older persons living alone, and residents of remote islands - face the highest risks of exclusion. Barriers include lack of documentation, limited awareness, and high transaction costs to enrol or access payments. Few systems have embedded gender-sensitive or disability-inclusive design, such as caregiver allowances, assistive devices, or accessible grievance mechanisms.

Governance and Transparency. Administrative systems remain fragile. Few countries publish service standards, payment calendars, or annual statistics, limiting accountability. Independent audits are sporadic, and grievance redress mechanisms are often weak or absent. Recent progress in developing monitoring frameworks and digital case management systems shows promise, but widespread implementation is pending.

In short, Pacific social protection systems remain narrow in scope and fragile in delivery, leaving large population groups exposed to poverty and shocks. Yet, across the region, countries are experimenting with inclusive categorical transfers, digital payment innovations, and disaster-linked mechanisms. Scaling these reforms - through codified entitlements, stronger financing frameworks, and investment in delivery systems - will be critical to achieving resilient, equitable coverage by 2030.

Fiji

Profile
System Overview: Fiji in Melanesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include near-universal Social Pension Scheme for older persons not receiving other pensions. Contributory protection is anchored by Fiji National Provident Fund (defined-contribution) with additional withdrawal provisions used during crises. Health services are primarily tax-funded healthcare with referral arrangements for specialized care not available domestically. These building blocks are complemented by Poverty Benefit Scheme, Care & Protection Allowance, and Disability Allowance administered by the social welfare ministry. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with experience delivering post-disaster top-ups and e-card support; use of sovereign parametric insurance and work on adaptive social protection providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is near-universal Social Pension Scheme for older persons not receiving other pensions. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: Fiji National Provident Fund (defined-contribution) with additional withdrawal provisions used during crises covers formal employees and, where

permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are primarily tax-funded healthcare with referral arrangements for specialized care not available domestically. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities
Shock Responsive Delivery Systems & Governance: Fiji has demonstrated the capacity to expand social protection rapidly after shocks, as seen during TC Winston, COVID-19, and recent floods. The Ministry of Women, Children and Social Protection, in partnership with FNPF and development partners, delivered top-ups and emergency cash at scale using digital payments. However, protocols for vertical and horizontal expansion remain ad hoc, and governance would benefit from codified SOPs, stronger coordination, and clearer fiscal triggers.

Overview

Fiji has developed a mixed social protection system that combines a longstanding national provident fund with government-financed cash transfer programs. Fiji's social protection architecture provides broad lifecycle coverage - anchored by a mature contributory pension fund and a set of simple categorical cash transfers targeted to low-income households, the elderly without other pensions, persons with disabilities, and vulnerable children. The government currently implements six major social assistance schemes reaching over 100,000 Fijians (roughly 12% of the population) as of 2025, up from about 88,000 beneficiaries in 2020. These core programs include:

- Poverty Benefit Scheme (Family Assistance) - cash grants for poor households
- Care and Protection Allowance - support for vulnerable children (orphans, single-parent families)
- Social Pension Scheme - a near-universal pension for older persons not receiving other pensions
- Disability Allowance - assistance for persons with disabilities
- Rural Pregnant Mothers' Food Voucher - nutrition vouchers for expectant mothers in rural areas
- Bus Fare Subsidy (Transport Assistance) - subsidized public transport fares for the elderly and persons with disabilities

On the contributory side, the Fiji National Provident Fund (FNPF) covers formal sector workers with mandatory savings for retirement (a defined-contribution scheme). FNPF is a cornerstone of Fiji's system, allowing limited early withdrawals during crises. In addition, health protection is provided through tax-funded public health services, with virtually universal access to primary healthcare and referral programs for specialized care overseas.

Public commitment and spending on social protection have expanded significantly. Government expenditure on social assistance nearly tripled over the last decade, reflecting major scale-up in the past five years. The annual budget for the Ministry of Women, Children and Social Protection (MWCSP) reached about FJ$200 million in FY2023/24 (approximately 2-3% of GDP), up from FJ$123 million in 2020. This enabled increases in benefit levels and coverage across programs. For instance, social welfare cash allowances were raised by 15-25% in 2023, and the FY2025-26 budget further boosts MWCSP funding to FJ$207 million.

Despite these expansions, Fiji continues to face substantial needs. The national poverty rate stands at an estimated 24.1% (2019-20, revised), with higher incidence in rural areas. Many households remain vulnerable to economic shocks and natural disasters. Fiji's exposure to cyclones, floods, and droughts has made shock-responsive social protection a national priority. In recent years, authorities have leveraged the social protection system to respond to crises - for example, providing emergency cash "top-ups" to existing welfare beneficiaries after tropical cyclones and deploying prepaid e-card assistance for affected communities. Overall, Fiji's social protection system is one of the more comprehensive in the Pacific, but it continues to evolve to address coverage gaps, adequacy concerns, and resilience in the face of risks.

Strategy and Policy Architecture

Fiji's social protection agenda is guided by a combination of national policies, sector strategies, and legislative frameworks. In 2020, the government formulated a Social Assistance Policy to strengthen the framework for its cash transfer programs. This policy outlines five key strategic focus areas: (1) adopting appropriate, gender-responsive and affordable assistance programs; (2) improving cost-effective selection and targeting processes; (3) developing an Integrated Social Protection Information System and social registry to enable adaptive (shock-responsive) programs; (4) building administrative and human capacity for program delivery; and (5) enhancing monitoring and evaluation of social assistance (including gender-disaggregated data and feedback loops). These priorities align with ongoing reforms to modernize Fiji's social protection system and ensure it effectively assists poor and vulnerable Fijians, especially during economic or climate-related shocks.

At the policy level, Fiji has progressively expanded legal and institutional support for social protection. The Social Pension Scheme introduced in 2013 is a cornerstone policy, providing a state-funded pension to elderly citizens above a certain age who are not receiving any other pension. The program's simple categorical design reflects a strategic choice: universal or categorical benefits with simple eligibility rules are easier to administer in contexts where complex means-testing is challenging. As a result, Fiji's pension and disability schemes have largely universal or categorical eligibility, with the Poverty Benefit Scheme being the main poverty-targeted program using a means/needs test. Policy debates in Fiji have recently centred on benefit adequacy and indexation - how to adjust benefits to inflation - and on ensuring that receiving a small contributory pension (from FNPF) does not exclude vulnerable seniors from also accessing the social pension. To date, benefit adjustments have been ad hoc (e.g. special inflation alleviation payments in 2022 and a general increase in 2023) rather than through automatic indexation. Going forward, developing a transparent indexation policy for cash benefits is on the strategic agenda.

Fiji's international commitments and national development plans also shape its social protection architecture. Fiji is a signatory to the ILO Social Protection Floors recommendation and has ratified conventions on the rights of children, elderly and persons with disabilities. Notably, Fiji passed the Rights of Persons with Disabilities Act 2018, which reinforces commitments to disability inclusion and likely complements the Disability Allowance program. In December 2024, the government enacted two important pieces of child protection legislation - the Child Care and Protection Act and the Child Justice Act - which, among other measures, established a dedicated Department for Children within MWCSP. These acts strengthen the policy framework for protecting children, mandating better prevention of child abuse and more rehabilitation-oriented justice processes. UNICEF hailed this as a milestone reflecting Fiji's commitment to the rights of the child. While these laws focus on child protection services, they are part of a broader policy push to support vulnerable children and will work in tandem with social assistance schemes like the Care & Protection allowance.

Institutionally, the Ministry of Women, Children and Social Protection (MWCSP) is the lead agency overseeing social assistance programs. The Department of Social Welfare (within MWCSP) administers the core cash transfer schemes. Policy coordination on social protection involves the Ministry of Finance and other relevant ministries (e.g. disaster management, given the focus on shock-responsive safety nets). Fiji's social protection strategies are also embedded in its national development planning - for example, previous national development plans emphasized poverty alleviation, and the current government (as of 2025) has commissioned a review of the national Poverty Reduction Strategy (1999) to formulate a new plan with better data and targeted support. This suggests that an updated cross-sector poverty reduction strategy will likely incorporate social protection expansion as a key pillar.

Development partners play a supportive role in Fiji's social protection policy architecture. The World Bank, for instance, provided financing and technical assistance through the *Social Protection COVID-19 Response and System Development Project* to both deliver unemployment relief during the pandemic and build longer-term systems (e.g. a social registry and improved payment systems). Likewise, agencies such as UNICEF, UNDP, and Australia's *Partnerships for Social Protection (P4SP)* program have been providing analytical input and capacity-building - including analysis of social protection financing and support for child-sensitive social protection measures. These collaborations align with Fiji's strategic intent to develop a more robust, shock-adaptive and inclusive social protection system.

Coverage and Impact

Fiji's social protection programs have substantially expanded their coverage in recent years, though gaps remain. The Poverty Benefit Scheme (also referred to as the Family Assistance Scheme) is the largest social assistance program by household coverage - it supports about 26,000 households in the current fiscal year, roughly 12-13% of all households nationally. The Care & Protection Allowance (for children) has a more limited reach, covering around 4% of households (primarily those with vulnerable children). Fiji's Social Pension Scheme for older persons has the broadest individual coverage: it benefits approximately 54,200 senior citizens, which is about 5% of Fiji's total population and effectively a majority of the elderly who do not have other pensions. The Disability Allowance and the rural mothers' food voucher are smaller programs - each covering less than 1% of the population (a few thousand beneficiaries each, given Fiji's population of approx. 900,000). In total, over 107,000 people benefit from the core social welfare schemes as of 2025, a considerable increase from just a few years prior. This includes not only direct recipients but also their household members who benefit from the support. In addition, tens of thousands of low-income families benefit from related subsidies (for example, an electricity tariff subsidy for households earning under FJ$30,000, and subsidized bus fares as noted above).

Coverage of contributory social protection is also significant: the FNPF has around 430,000 members (per latest reports) and covers essentially all formal sector workers. However, because informal employment is prevalent (especially in rural areas), a large portion of the working-age population remains outside any contributory scheme. To address this, Fiji and other Pacific countries have been exploring voluntary micro-pension products and easier enrolment for informal workers (e.g. self-employed market vendors), though these are nascent. In terms of health coverage, Fiji enjoys near-universal coverage for essential healthcare through its public system - government-funded hospitals and clinics provide free or low-cost care, complemented by referral schemes for specialized treatment overseas. This broad access to health services means that social health protection (an integral part of social protection) is effectively high, although quality and funding of health services remain ongoing challenges outside the scope of cash transfer programs.

While coverage has risen, benefit levels in Fiji are modest, and their adequacy relative to living costs is an area of concern. For example, prior to August 2023 the Social Pension paid FJ$100 per month to seniors; this was then increased to $125 for those aged 70 and above (and $115 for seniors 65-69). Even after these increases, the pension amount remains relatively low (roughly 10% of average monthly income per capita). Similarly, the Poverty Benefit Scheme provides a basic transfer that, while vital for subsistence, often does not fully meet household needs. A recent analysis noted that benefit levels in Fiji (for old-age and disability programs) are below global averages for such schemes when measured as a percentage of per-capita income. Moreover, Fiji does not yet have formal indexation of benefits to inflation - meaning high inflation can erode real purchasing power of the cash assistance. The government has taken steps to mitigate this, such as an inflation-relief cash top-up in 2022 and the 2023 budget's across-the-board increase in allowances, but the absence of an automatic adjustment mechanism means benefit adequacy must be reviewed and adjusted through periodic policy decisions. On the positive side, Fiji's social transfers have been increasing faster than inflation in recent budgets, indicating an effort to improve adequacy (e.g. the 20% cumulative increase in allowances over 2023-2025).

Social protection in Fiji plays an important role in reducing poverty and cushioning households against shocks, though precise impact estimates are limited. The national poverty rate of 24.1% would likely be higher in the absence of social transfers. For instance, the Social Pension provides an income floor for tens of thousands of elderly who might otherwise live in extreme hardship, and the Poverty Benefit Scheme targets many of the poorest families. Fiji's experience during COVID-19 highlighted the system's importance: emergency unemployment assistance and top-ups (funded by government and donors) helped avert a sharp rise in poverty during the economic shutdown of 2020-2021. In general, social assistance in Pacific countries has shown significant poverty reduction effects when adequately funded - for example, Kiribati's recent expansion of pensions and unemployment benefits is estimated to have more than halved that country's poverty rate. Fiji's programs are smaller in scale, but still, even a modest cash transfer can close part of the poverty gap for beneficiary households. Beyond income poverty, these programs have positive impacts on education and health outcomes by enabling families to afford school expenses or medical costs. The Care & Protection allowance, while limited in coverage, is directed toward children in need and can improve their well-being (e.g. by helping guardians pay for food, clothing and school supplies).

It is worth noting that the distribution of Fiji's social protection is generally pro-poor and inclusive of vulnerable groups by design. The gender dimension is also considered: women comprise a large share of adult social assistance recipients (e.g. many pension beneficiaries are women since women have longer life expectancy and often less access to FNPF pensions; likewise, caregivers receiving the child allowance are frequently women). Fiji's programs have roughly gender-balanced coverage overall, although the Disability Allowance has had lower female uptake (possibly reflecting underlying demographics or access barriers). Another important impact area is disaster resilience: studies show that timely cash support after a disaster can significantly reduce the duration and severity of poverty for affected households. Fiji's use of vertical top-ups (extra payments) to social welfare recipients after Cyclone Winston (2016) and other events provided critical relief and likely shortened recovery time for those families. Simulations by the World Bank indicate that scaling up cash transfers in response to a major cyclone could substantially mitigate the increase in poverty that follows such a shock. In sum, Fiji's social protection system, though not eliminating poverty, has a meaningful impact in alleviating hardship, preventing destitution among the most vulnerable, and enhancing household resilience.

Gaps and Constraints

Despite its progress, Fiji's social protection system faces several gaps and constraints that limit its overall effectiveness:

- **Certain vulnerable groups remain only partially covered**. The working-age poor who are not elderly, disabled, or caring for children have limited support outside of the Poverty Benefit Scheme, which by design reaches only a portion of the poorest households (about 12% of households). There is no unemployment insurance or general social assistance for those who are able-bodied but unable to find work, except temporary schemes during crises. Many informal sector workers are not contributing to FNPF or any pension, which will leave them reliant on the Social Pension or family support in old age. Similarly, while the Care & Protection allowance supports children in destitute families, there is no universal child benefit; many poor and near-poor children outside the C&P program may still be falling through the cracks. Geographic coverage is another concern - reaching remote rural and maritime areas is logistically challenging, and some eligible individuals (especially in outer islands) may not be enrolled due to access barriers.
- **The adequacy of benefits is a major constraint.** As noted, transfer amounts are relatively low, which limits their poverty reduction impact. For example, FJ$100-125 per month for an elderly person or FJ$50-$150 for a poor family (depending on household size) can be insufficient given basic living costs. Without formal indexation, high inflation can quickly erode the real value of these payments. Fiji's own policy documents highlight the need for regular review of benefit levels to ensure they meet objectives. On the financing side, the ability to expand coverage or increase benefit levels is constrained by fiscal space. Social protection is funded from general revenues, and Fiji's government has limited resources amid competing priorities (health, education, infrastructure, etc.), especially as it continues to recover from the economic shocks of COVID-19. A recent World Bank "stress test" assessment of Fiji's adaptive social protection system scored financing capacity as the weakest component (1.8 out of 5), indicating heavy reliance on external or ad-hoc funds for shock response and tight budgets for routine programs. Ensuring fiscal sustainability will be critical as the beneficiary numbers grow (for instance, the population of older persons will rise over time, increasing Social Pension costs). There is a need to secure pre-arranged financing for disaster-linked payouts (e.g. reserve funds, contingent credit or insurance) so that emergency assistance does not strain the regular social welfare budget.
- **The Poverty Benefit Scheme uses a means-tested targeting mechanism, which - like many targeting systems - can suffer from exclusion of some needy households and inclusion of some non-poor**. The Pacific experience (including Fiji's) has shown that simpler categorical criteria can sometimes outperform complex formulas in identifying the poor. Fiji's current system attempts to balance simplicity and accuracy, but there are known issues with the social welfare recipient registry being outdated or not fully capturing sudden changes in household circumstances. Additionally, accessing programs may be harder for those lacking documentation. The government does allow some flexibility (for example, accepting alternative ID or community verification for those without birth certificates or formal IDs), but some vulnerable individuals might not apply due to documentation or awareness barriers. Inclusion of persons with disabilities in the Disability Allowance is another gap - coverage (<1% of population) is far below the estimated prevalence of disability, implying many disabled persons are not receiving support (possibly due to stringent eligibility criteria focusing on those with severe permanent disabilities and no income).
- **The implementation capacity of Fiji's social protection programs is under strain from the rapid scale-up**. The Department of Social Welfare has a relatively small cadre of caseworkers and social welfare officers who handle applications, case management, and payments. High caseloads per officer can affect the quality of services, such as the thoroughness of means-testing, frequency of recertification, and responsiveness to grievances. Until recently, many processes were paper-based or semi-manual, leading to inefficiencies. The information systems for social protection are still fragmented - each program has its own beneficiary list and databases that are not fully integrated. There is no single social registry yet

that covers all poor and vulnerable households (though one is under development). This fragmentation can result in duplication of efforts and difficulty coordinating assistance across programs. Grievance redress and case tracking have also been areas for improvement; for example, beneficiaries in remote areas might not have easy channels to report problems or update their information. The World Bank stress test of Fiji's system rated the data/information systems and delivery systems as moderately weak (around 2.3-3.2 out of 5), reflecting these issues. On a positive note, the government is aware of these constraints and is investing in capacity building - for instance, training staff on the upcoming integrated information system, and establishing a Monitoring & Evaluation unit to track program performance (including new indicators like payment timeliness and grievance resolution rates).

While the overall institutional framework is solid (MWCSP provides clear leadership, and there is high-level political support for social protection), some coordination challenges persist. Social protection does not yet have a formal inter-agency coordinating body that brings together all stakeholders (though ad-hoc coordination happens, especially for disaster responses). There may be overlaps between social assistance and other social sector initiatives - for example, NGOs and faith-based groups also provide charity and relief, but coordination with government programs is informal. Another constraint is legislative coverage - Fiji lacks a unified Social Protection Act or similar legislation that enshrines the right to social assistance. Programs are governed by policy and budget allocations, which means their continuity and standards can be subject to political shifts. The creation of the Department of Children and the new child protection laws in 2024 aim to strengthen governance for child and family services, but implementation will require resources and clarity in roles across sectors (health, justice, education, etc.).

Fiji's social protection system, while relatively advanced in the region, faces important constraints in coverage (especially for certain demographics), adequacy and financing, and administrative capacity. These gaps need to be addressed through sustained reforms and investments to ensure the system can achieve its goals of poverty reduction, social inclusion, and resilience building.

Delivery and Governance Innovations

In recent years, Fiji has introduced a number of innovations in the delivery mechanisms and governance of social protection, leveraging technology and new partnerships to improve efficiency and reach:

- **Digitization of payments:** Fiji has moved away from manual cash disbursements toward electronic payment systems for social benefits. Today, most social welfare payments are delivered through multiple financial "rails" - including bank transfers, mobile money wallets, and reloadable cards - rather than solely through cash handouts. For example, beneficiaries can receive their monthly allowances directly into bank accounts or through mobile payment platforms like *M-PAiSA* (Vodafone) or *MyCash* (Digicel), which are widely used in Fiji. Those without digital access can still use more traditional channels (such as Post Fiji offices or appointed agents) to withdraw funds. This multi-channel approach not only makes payments more convenient and timely, but also provides contingency options - if one payment channel is disrupted (say, a bank system outage or a natural disaster cutting off road access), an alternate channel can be used to ensure beneficiaries receive assistance. An example of innovation is the use of e-card vouchers after disasters: following Cyclone Winston and other events, pre-loaded electronic cards were distributed so affected families could purchase essential goods, an approach that proved faster and more accountable than physical goods distribution.
- **Integrated information systems:** The government, with support from partners, is in the process of developing an Integrated Social Protection Information System (ISPIS) - essentially a unified registry and case management system that will cover all social assistance programs. This system will consolidate beneficiary data, allow a single application or entry point for multiple programs, and enable better

tracking of beneficiary well-being over time. Progress includes digitizing beneficiary records and linking databases across the Poverty Benefit, Social Pension, etc. Although still underway, the goal is that a social registry will serve not only routine programs but also shock responses (quickly identifying households for post-disaster support). Furthermore, Fiji is working on interoperability of this social protection system with other government databases (for example, the national ID and civil registry, poverty targeting databases, and disaster early warning systems). A conceptual framework for such interoperability has been developed (as noted in a recent World Bank report) to allow data sharing that can verify eligibility faster and reduce fragmentation. Over time, these digital reforms should streamline delivery - e.g. enabling instant verification if a beneficiary moves locations, and providing policymakers real-time dashboards on coverage and payments.

- **Adaptive and shock-responsive mechanisms:** Fiji has been a regional leader in linking social protection with disaster risk management. Innovations in this area include establishing protocols for vertical expansion (temporarily increasing benefit amounts) and horizontal expansion (enrolling additional people) when disasters strike. For instance, the Ministry has developed standard operating procedures to top-up the accounts of all social welfare beneficiaries immediately after a cyclone of a certain category, providing emergency relief cash. They have also trialed using the social assistance delivery system to channel aid to newly affected households (for example, an unemployed assistance program during COVID, and one-off payments to those in badly hit areas after cyclones). Fiji is working to institutionalize these adaptive measures - meaning formally pre-arranging them before disasters occur. This involves coordination with the National Disaster Management Office and the Ministry of Finance to link triggers (like a cyclone intensity threshold) with funding releases for social protection programs. The use of parametric disaster insurance payouts and contingent credit is also being integrated: for example, if a payout from the Pacific Catastrophe Risk Insurance facility is received after a disaster, a portion can be funneled through social protection schemes to affected people. These innovations mean Fiji can respond faster and more reliably to crises, using the existing beneficiary network and payment systems as a ready-made delivery platform for emergency relief.
- **E-governance and transparency:** The governance of social protection programs is improving through better transparency and citizen engagement. Fiji is planning to publish service standards and performance indicators for its programs - for instance, a publicly available payment calendar for the Social Pension and other schemes, which would list when payments are made and the expected timelines. Additionally, the ministry intends to publish annual statistics on program coverage, processing times, and grievance outcomes. By tracking metrics like how quickly applications are approved or how many complaints are resolved, the government can improve accountability to beneficiaries. There have also been recent efforts in outreach and communication: MWCSP has issued guides (such as *"Your Guide to 6 Social Protection Schemes"*) to educate the public on available benefits, and it has begun using SMS alerts and public notices (including via Facebook and community radio) to inform recipients of payment dates or new initiatives. On the FNPF side, governance innovations include more transparent reporting - FNPF now more frequently publishes updates on fund performance and reforms (e.g. newsletters to members). Following the pandemic-related contribution reduction, FNPF restored the full 18% contribution rate in 2024 and has been communicating clearly to employers and members about compliance and benefits. There is also ongoing refinement of early withdrawal rules to balance immediate hardship needs with long-term savings; for example, setting limits on how much members can withdraw for emergencies to preserve retirement income.
- **Community and cross-sector initiatives:** Fiji has introduced innovative pilot programs that connect social protection with community and livelihood development. One example is linking welfare recipients to

financial literacy and entrepreneurship training (a "Graduation" approach) so that able-bodied beneficiaries can eventually become self-sufficient. The government has voiced an aim to "graduate" employable adults from welfare by providing job training and opportunities. Another innovation in governance is the partnership with civil society in delivery: for remote outreach, the Ministry sometimes works with local NGOs or faith-based organizations to identify those in need and deliver assistance, improving last-mile delivery where government presence is limited. While informal, these partnerships have been crucial during disasters when village committees and church groups helped distribute relief on behalf of the state. Fiji is looking to formalize some of these networks for social protection outreach and grievance reporting.

Collectively, these delivery and governance innovations - digitized payments, integrated systems, adaptive shock response, transparency measures, and collaborative delivery models - are enhancing Fiji's social protection system. They reduce leakage and delay, ensure assistance reaches beneficiaries even under trying circumstances, and build public trust in the system. Fiji's experience implementing online registration and mobile payments during COVID-19 (where over 100,000 individuals received unemployment cash assistance via digital platforms) has provided a "stress test" that yielded valuable lessons. The challenge ahead is to institutionalize and scale up these innovations, ensuring they are well funded and maintained (for example, keeping IT systems up-to-date and secure, continuously training staff, and updating contingency plans for disasters).

Capacity Assessment

A candid assessment of Fiji's social protection system capacity shows a mix of strengths and areas in need of bolstering, especially as the system expands and takes on new functions. According to a recent World Bank diagnostic (2024), Fiji's social protection system is considered to be in a "nascent" stage of development overall, with an average score of 2.6 out of 5 across key capability areas. Within this, some components are stronger than others:

- **Institutional arrangements and policy** - *Relatively strong:* Fiji scores well on institutional setup (rated 3.5/5 in the adaptive social protection stress test). This reflects that it has a designated ministry (MWCSP) with a clear mandate, dedicated budget lines for programs, and supporting legislation/policies for specific schemes. There is high-level political commitment to social protection, evidenced by budget increases and new laws (such as the Child Protection Act). Fiji's social protection system also benefits from strong institutions like FNPF (which has decades of experience and professional management of contributions). Coordination at the policy level - for example, integrating social protection into disaster management frameworks - is improving, though there remains room for formalizing these links. Overall, the governance capacity at central level is solid, and Fiji has been able to design and implement reforms relatively efficiently compared to some neighbors.
- **Program design and delivery systems** - *Moderate capacity:* In terms of program operations (enrollment, payments, compliance monitoring), Fiji was scored around 3.2/5. Frontline capacity has improved with digital tools, but some challenges persist such as staffing shortages and infrastructure constraints in outer islands. The existence of multiple delivery mechanisms (bank, mobile, etc.) and grievance channels (phone hotlines, social welfare offices, district reps) indicates a more advanced delivery system than many countries of similar income. However, the IT infrastructure is still being consolidated - the new integrated MIS is not fully live yet, and data management practices need strengthening (data quality audits, cybersecurity, etc.). The staff must be trained to use these new systems effectively. Furthermore, case management - following up on individual beneficiary needs, referrals to other services (like counseling, training) - is an area where capacity is constrained by manpower and skills. The government

recognizes this and has included capacity-building as a strategic pillar. For instance, training programs are being run to upskill social welfare officers in using management information systems and in disability-inclusive services. Development partners and regional organizations (like the Pacific Islands Forum) have also been providing technical training opportunities for Fijian officials in social protection administration.

- **Data and information systems** - *Weak to moderate capacity:* The stress test gave Fiji a 2.3/5 on data and information systems. At present, data sharing between agencies is limited and often manual. For example, verifying a beneficiary's income or unemployment status may require cross-checking with other ministries which is not yet automated. There is also fragmentation in data: each program has its own database, and unique identifiers for individuals are not consistently used across systems (though the national ID, once fully adopted, may help). The planned social registry should greatly enhance data capacity by creating a common platform. Until that is operational, the government will rely on interim solutions like periodic household surveys and ad-hoc data matching. Another aspect is monitoring and evaluation (M&E) data - previously, analysis of social protection impact and delivery was sparse. This is now improving with support from partners; for example, Fiji is starting to compile annual statistics on how many beneficiaries are served, how many applications approved/denied, etc., as recommended. Going forward, continuous improvements in data literacy and evidence-based planning will be needed within MWCSP.
- **Financial management and sustainability** - *Weak capacity:* Financing was identified as the main bottleneck, scoring only 1.8/5 in the adaptive social protection assessment. This is not a reflection of the Ministry's budgeting skills per se, but of the broader fiscal constraint environment. Social protection budgets depend on government revenue and debt situation; Fiji's high debt post-COVID and exposure to climate shocks limit how much it can increase spending. There is limited capacity to self-finance large shock responses - hence the reliance on donor funding or emergency re-allocations when disasters hit. That said, the Ministry of Finance and MWCSP have improved their capacity in budget planning for social protection, as seen by the incremental approach to raising benefits and ensuring funding is allocated for those increases. Financial management systems (procurement, auditing of cash transfers) are reasonably robust - Fiji uses an online financial management information system that tracks expenditures, and programs like the Social Pension are audited. Leakage or fraud in cash transfers has not been reported as a major issue, partly thanks to digitization (money goes directly to accounts, reducing intermediaries). Still, the system could benefit from stronger disaster risk financing mechanisms (e.g., a contingency fund earmarked for social protection shocks) to ensure sustainability.
- **Human resources and local delivery capacity:** At the central level, policy capacity is quite strong - Fiji's officials are actively engaged in regional learning forums and can design reforms. The more acute needs are at the local delivery level, where social welfare officers interface with communities. Fiji has district and divisional social welfare offices, but the reach in remote islands is through occasional mobile teams or relying on local leaders. Training these front-line workers in areas like gender-based violence response, counseling, and disability awareness is crucial, especially now that new Child and Gender legislation expects social services to play a bigger role. UNICEF and others are supporting the government in developing the social service workforce (for example, training on case management for child protection). The Department of Social Welfare's staffing will likely need to expand as the beneficiary caseload grows (107,000+ and rising). The creation of the Department for Children within MWCSP also calls for recruiting and training new officers focused on child welfare. These capacity investments are recognized as priorities by the government and are being gradually addressed (e.g., the FY2023/24 budget allocated funds to set up the new Children's Department and presumably hire staff).

Fiji's social protection system has a sound institutional foundation and has made strides in delivery innovation, but it is still consolidating its capacities in data management, adaptive financing, and human resources to meet future demands. External assessments highlight the need for improvement in financing preparedness and information systems, even as they commend Fiji's strong institutional commitment and policy framework. The current trajectory of reforms - investing in IT systems, training staff, and establishing clear procedures - bodes well for strengthening capacity. However, ongoing support and attention will be needed to ensure the system can reliably scale up, especially under the pressures of climate change and economic volatility.

Priorities for 2025-2030

Looking ahead, Fiji has outlined a forward-looking reform agenda to further strengthen social protection between 2025 and 2030. Key priorities for the next five years include:

- **Institutionalize Adaptive Social Protection:** Formalize the use of social protection in disaster response by embedding standard operating procedures (SOPs) for emergency cash transfers. This means pre-defining triggers (e.g. cyclone intensity thresholds) and rules for vertical top-ups and horizontal expansion of programs like the Family Assistance, Social Pension, and Disability Allowance during disasters. Coupling these SOPs with pre-arranged financing (such as contingency budget provisions, insurance payouts, or donor agreements) will ensure that timely support can reach affected populations without ad-hoc funding delays. Strengthening coordination between MWCSP and the National Disaster Management Office (NDMO) is part of this priority, enabling anticipatory actions (e.g. forecast-based cash transfers to evacuees before a cyclone strikes).
- **Enhance Benefit Adequacy and Predictability:** Improve the adequacy of benefits by establishing mechanisms for regular indexation or periodic review of transfer values. For instance, a priority is to index the Social Pension Scheme to inflation (or another benchmark) in a transparent manner. This would protect the real value of pensions and other allowances. Additionally, the government aims to publish a benefits payment calendar with clear delivery dates and service standards - for example, committing to specific timelines for payments and for grievance resolution processes. This boosts transparency and allows beneficiaries to plan their finances with more certainty.
- **Modernize Delivery Systems through Digital Innovation:** Complete the development of a unified social protection information system and case management platform. A top priority is to consolidate program business processes in a single case-management system. This integrated system will host all beneficiary data, applications, and case notes, improving efficiency and reducing duplication. It will also support analytics for policymaking (e.g. identifying gaps or overlaps in coverage). Another aspect is to expand multi-rail payment delivery - continuing to improve and diversify electronic payment options, including building redundancy (backup options) for payment routes in remote areas. For example, if one mobile network is down, payments could be switched to another or delivered through an agent network; if banking systems fail, postal or voucher systems can temporarily take over. Investing in these redundancies (contingency routing) ensures reliability of assistance delivery even during infrastructure disruptions.
- **Strengthen Monitoring, Evaluation, and Social Accountability:** By 2030, Fiji plans to significantly improve the monitoring of social protection outcomes. A priority is to publish annual statistics on program performance - covering coverage levels, payment timeliness, grievance redress outcomes, and error rates for major programs (Social Pension, Poverty Benefit, Care & Protection, Disability Allowance). Regular public reporting on these metrics will help identify implementation issues and build public trust. Fiji also intends to establish more robust grievance and appeals mechanisms - for instance, a centralized

hotline and tracking system for complaints, periodic beneficiary satisfaction surveys, and community focal points to escalate issues. Enhancing social accountability might include creating channels for beneficiaries to provide feedback or participate in program design (e.g. through workshops or representation on advisory committees). Such measures will ensure the system remains responsive and fair, and that any cases of exclusion or delay are promptly addressed.

- **Bolster Human and Institutional Capacity:** A core priority is capacity-building at all levels. This includes training the social welfare workforce on new systems and approaches (such as the integrated MIS, case management for complex needs, and emergency response protocols). The government will likely increase staffing in critical areas - for example, recruiting more welfare officers to handle the expanded caseload and specialized officers for the new Department of Children. There is also an emphasis on multi-sector collaboration: building the capacity of social protection to work hand-in-hand with health, education, and employment services. For instance, as Fiji develops pathways to graduate able-bodied adults from welfare to work, coordination with the Ministry of Employment (for job placement or training programs) will be vital. International partners are expected to continue supporting training and South-South learning opportunities so that Fiji's system adopts global best practices. By 2030, the aim is for Fiji to have a professionalized social protection cadre and strengthened local delivery networks (possibly including partnerships with NGOs for outreach), to effectively implement the more advanced system being built.
- **Ensure Sustainability of FNPF and Extend Coverage:** On the contributory side, a priority is to maintain the prudent governance of FNPF and the recently restored contribution rate (18%). Ensuring the pension fund's sustainability will involve continued sound investment management and actuarial oversight, as well as refining policies for crisis withdrawals so that members can access some savings in emergencies without jeopardizing their retirement security. FNPF is also exploring ways to extend coverage to informal sector workers, possibly via tailored micro-pension schemes or voluntary contribution options. By 2030, success would mean a larger share of the workforce contributing to pension or insurance schemes, thus reducing future reliance on social assistance. The government may also evaluate options for unemployment insurance or savings schemes, given the lessons from COVID-19 - creating a permanent mechanism to support workers who lose jobs could be a long-term goal once fiscal space allows.
- **Expand and Refine Programs for Full Lifecycle Coverage:** Fiji will assess gaps in its social protection floor and consider new programs or expansions. Priorities may include evaluating the need for a child grant or expanded family assistance for those just above the current poverty threshold, and strengthening support for persons with disabilities (for example, considering a carer's allowance or assistive devices support, as hinted in regional discussions). With an ageing population, ongoing adjustments to the Social Pension (such as possibly lowering the eligibility age further or increasing benefit amounts) will be on the agenda. The government is also undertaking a major review of the National Aging Policy and support systems for the elderly, which will feed into social protection improvements like better elderly care services alongside cash support. Ensuring inclusive coverage - that women, people with disabilities, and minority groups access programs equitably - remains an underlying priority through 2025-30.

In conclusion, Fiji's social protection system is set to enter a phase of consolidation and innovation in the second half of this decade. The focus will be on making the system more adaptive, efficient, and adequate, while maintaining fiscal and institutional sustainability. By 2030, Fiji aspires to have a social protection system that not only addresses poverty and vulnerability in normal times but also acts as a robust safety net in the face of disasters and economic shocks.

Papua New Guinea

Profile
System Overview: Papua New Guinea in Melanesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include no national social pension; categorical cash entitlements remain limited. Contributory protection is anchored by superannuation funds for formal workers (e.g., Nambawan, NASFUND); limited social insurance. Health services are public primary healthcare policy with fee-free access in principle; access challenges in remote provinces. These building blocks are complemented by selected welfare and social service programs; significant role for churches and NGOs. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with humanitarian cash preparedness and evolving links between NDMO and social protection delivery providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is no national social pension; categorical cash entitlements remain limited. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: Superannuation funds for formal workers (e.g., Nambawan, NASFUND); limited social insurance covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are public primary healthcare policy with fee-free access in principle; access challenges in remote provinces. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: PNG's fragmented safety net has left shock-response heavily reliant on humanitarian and donor-led interventions. During COVID-19, limited cash support was channelled through pilots, but no scalable mechanism exists. Governance challenges include coordination across multiple agencies, weak MIS, and low financial inclusion in rural areas. Establishing a national social protection strategy with SOPs for disaster response and investing in digital delivery would strengthen PNG's adaptive capacity.

Overview

Papua New Guinea's social protection system remains nascent and fragmented, relying heavily on informal networks in a context of widespread poverty and geographic dispersion. Traditional community support ("wantok") still bears the main burden, but these networks are under strain and "have buckled" under recent shocks. There is no universal pension or national cash transfer scheme for the vulnerable, and formal coverage is largely limited to the minority in waged employment. Contributory superannuation funds cover formal sector workers, while tax-funded assistance consists of scattered programs and fee waivers rather than a coherent social safety net. Public health care is officially free at point of service, yet access barriers and under-resourcing leave many facing out-of-pocket costs.

With roughly 87% of the population in rural or remote areas relying on subsistence livelihoods, the absence of robust state safety nets leaves most Papua New Guineans highly vulnerable to shocks. Nearly 40% of the population lives in income poverty despite the country's resource wealth, and over half are multidimensionally poor. Frequent natural disasters - from highland frosts to coastal floods - compound these vulnerabilities. Overall, PNG's social protection system can be characterized as early-stage and piecemeal, providing only modest coverage and impact so far. Yet recent initiatives - including a new child-focused cash transfer pilot - signal momentum toward a more structured system. The following sections examine PNG's policy architecture, coverage, gaps, delivery innovations, implementation capacity, and priorities for strengthening social protection through 2030.

Strategy and Policy Architecture

PNG's first national Social Protection Policy (NPSP) was adopted for 2015-2020, articulating a vision of "progressive universality" to eventually cover all citizens. The NPSP recognized the role of social protection in supporting vulnerable groups - children, youth, women, persons with disabilities, elderly, and those affected by shocks - and called for a comprehensive system over time. It proposed a broad set of measures (from *social pensions* for elders and persons with disabilities to child and informal employment programs) to be introduced as fiscal space allowed. However, the NPSP was only partly implemented, and it expired in 2020 without a successor strategy. As of 2025, no overarching social protection policy or law is in force, and efforts to formulate a new framework have faced delays. The Department for Community Development and Religion (DFCDR) - the lead ministry for social protection - has drafted a National Social Protection Framework, but it remains to be formally adopted. In practice, the policy architecture is defined by a patchwork of sectoral policies and provincial initiatives rather than a unifying strategy.

Key elements of the current architecture include: (i) Contributory schemes under the Superannuation (General Provisions) Act 2000, which mandates retirement savings for formal public and private workers via two main funds (Nambawan Super for public servants and NASFUND for private sector). These are regulated by the Bank of PNG and governed by trust law. There is no unemployment insurance or national social insurance for maternity or health, aside from employer-liability arrangements (e.g. Workers' Compensation Act for injury). (ii) Tax-financed programs targeted to specific needs: e.g. the *Lukautim Pikinini Act 2015* provides a basis for child protection services; the *Disaster Management Act* governs relief efforts; education policies fund school fee subsidies; health policy mandates free primary health care (since 2014). Some provinces have their own social initiatives (for instance, Enga's free education since 1997, and New Ireland's subsidized housing scheme) creating an uneven landscape. (iii) Traditional and non-state provision: Faith-based and community organizations play a prominent role in welfare service delivery (such as church-run health and training programs), often filling gaps in remote areas.

Coordination of these elements is weak but improving. In 2023-24, the government - with support from development partners - undertook a Social Protection Diagnostic Assessment to map existing programs and identify gaps. This has spurred high-level recognition of the need for an updated strategy. The government has also established multi-agency forums (with DFCDR, Department of Health, National Disaster Centre, Department of Labour, etc.) to discuss social protection and shock-response linkages. Still, policy coherence remains a challenge: objectives and eligibility criteria vary by program, and there is no legal "social protection floor" guaranteeing minimum benefits. The absence of a dedicated social protection law or authority means that responsibilities are dispersed - for example, the Treasury handles civil service pensions, Labour oversees industrial benefits, while DFCDR manages community assistance - often resulting in overlap or neglect. The strategy vacuum since 2020 has also meant limited budgetary priority for new programs. Overall, PNG's policy architecture is at an inflection point: the foundational policy from 2015 laid the groundwork, but a new 2025+ strategy is needed to integrate disparate initiatives into a cohesive social protection system.

Coverage and Impact

Coverage of existing programs is very limited in scope and scale, leaving most of the population unprotected against lifecycle risks. The only sizeable coverage comes from contributory pension funds for formal workers. As of 2022, the two main superannuation funds had a combined membership of roughly 874,000 accounts (about 654,000 with NASFUND and 220,000 with Nambawan) This covers perhaps 15-20% of Papua New Guinea's labour force, meaning the vast majority of workers - especially in the informal and subsistence sectors - have no retirement or insurance coverage. Even among members, benefits are typically paid as lump-sum withdrawals at retirement (or upon leaving employment); there are no periodic social insurance payouts for unemployment or maternity, and only limited provisions for workplace injury compensation. Consequently, formal old-age income protection reaches only the minority who had stable employment, leaving an estimated 97% of elderly persons with no pension or regular social stipend. Many older Papua New Guineans thus depend on family support or church/charity assistance in old age.

Non-contributory social assistance programs cover only a small fraction of poor and vulnerable groups. PNG has *no universal cash grants* for children or poor households, and no national social pension for seniors. The government's social welfare department provides some case-by-case support (for example, referrals for destitute individuals, maintenance support for abandoned spouses/children, or ad hoc food relief), but these reach very few people. Outside of disaster responses, routine cash assistance from the state is negligible. Even disaster relief efforts, while important in emergencies, have been modest relative to need: for instance, the government's *2018 earthquake relief* and *2022 volcanic eruption response* each reached on the order of tens of thousands of people in a country of 9+ million. Various sectoral programs indirectly contribute to social protection - for example, tuition-free education (a national policy reintroduced in 2020) benefits millions of school-aged children by removing fee burdens, and free primary health care ostensibly covers the entire population. However, these are inputs to services rather than direct transfers, and their impact is blunted by quality and access issues. Despite fee-free policies, poor households still incur costs (for transport, school materials, medicines, etc.), and coverage gaps remain - e.g. only about 50% of births are attended by skilled personnel and many rural clinics lack staff and supplies, undermining the reach of "free" health care.

One emerging program is the Child Nutrition and Social Protection Project (CNSP) launched in 2023, which is PNG's first attempt at targeted cash transfers for vulnerable families. Initially operating in four districts (one per region), the CNSP provides a modest monthly cash stipend to pregnant women and families with children under 2, alongside nutrition services. This pilot aims to improve food security and reduce stunting in the critical first 1000 days of life. Though still in early stages (registration of beneficiaries began in 2024 in Western Province), the project plans to expand to 19 districts across 8 provinces by 2027, potentially reaching tens of thousands of young children and mothers. If fully scaled, it would markedly increase social assistance coverage from today's near-zero baseline. Likewise, a few provinces (e.g. New Ireland, East New Britain) have hinted at interest in local social pensions or disability grants, but these remain at the concept or pilot survey stage (e.g. a 2017 survey of elderly in Central Province was a preparatory step toward designing old-age support).

Impact on poverty and inequality: Given these low coverage levels, the overall impact of social protection on poverty in PNG has been minimal to date. The World Bank estimated that public social protection spending was only approx. 0.1% of GDP, one of the lowest rates globally. Unsurprisingly, benefit incidence is very low

- the vast majority of poor households receive no cash support from government programs. Household survey data confirm that traditional kin networks remain the main source of support during hardships, not government assistance. This lack of a social safety net contributes to PNG's high poverty rates and vulnerability to shocks. For example, when COVID-19 hit, 30% of households lost jobs and 42% saw incomes fall, yet there was no national relief payout - many families coped by reducing consumption or taking on debt. Simulations suggest that introducing basic programs (such as a universal old-age pension or child grant) could significantly reduce poverty among those groups, but such programs have yet to be implemented nationally. On a positive note, the free education policy has improved school attendance (attendance for ages 5-18 rose from 57% in 2011 to 78% in 2022), which over the long run can reduce poverty and inequality. Likewise, if the new child cash transfer program successfully lowers stunting rates (which afflict approx. 50% of children in some provinces), it may yield long-term human capital gains. However, these impacts will take time to materialize. PNG's current social protection system leaves a large coverage gap, with most poor individuals untouched by any formal social protection program - a critical constraint on inclusive growth and human development.

Gaps and Constraints

Despite recent attention to social protection, PNG faces significant gaps and systemic constraints in building a comprehensive social protection system:

- **Limited Coverage and Exclusion:** The foremost gap is the sheer lack of coverage for large segments of the population. Over 80% of Papua New Guineans work informally or in subsistence, outside the reach of contributory schemes. No social pension means the elderly poor (those without superannuation) receive no regular income support. There are also no cash benefits for persons with disabilities, orphans, or the working poor - categories identified in policy but not translated into programs. The *coverage gap* is especially pronounced in rural areas and among women. For instance, female labour force participation, at approx. 46%, is slightly lower than men's, and women rely more on informal work and unpaid care, yet there are no targeted safety nets for women outside formal employment. Geographical exclusion is also a factor: many remote communities have little presence of government services (e.g. no welfare officers or banking facilities), effectively excluding them from any programs that might start. In short, the lifecycle "social protection floor" is missing - children, people of working age in poverty, and most older persons are not guaranteed any minimum support.
- **Inadequacy of Benefits:** The few benefits that do exist are often inadequate in size or duration to meet basic needs. Formal sector pensions are typically received as one-time lump sums that may be exhausted quickly. The new child cash transfer pilot, while welcome, provides only a small monthly amount (in line with budgets of a modest project) - likely insufficient for full dietary needs of mother and child. Other support, such as disaster relief payments or fee waivers, cover only a fraction of actual costs. For example, the nominally free health care still leaves patients buying drugs or traveling long distances at their own expense; out-of-pocket health payments were about 40% of total health expenditure as of 2020, indicating incomplete financial protection. Thus, even when households receive assistance, benefit levels are too low to lift them out of poverty or provide long-term security. The adequacy gap also erodes public confidence in programs - if a benefit is only symbolic, people may not bother to enrol or comply.
- **Fragmentation and Policy Incoherence:** PNG's social protection landscape is fragmented across numerous small programs and initiatives that are not well coordinated. Various ministries and even local governments run their own schemes (scholarships by the education department, disability support services by health and community development, provincial subsidies for transport or housing, etc.) with different objectives and beneficiary criteria. There is no single registry or database of beneficiaries, so

overlaps or gaps are hard to track. This fragmentation leads to inefficiencies (e.g. parallel delivery mechanisms in the same areas) and makes it difficult for citizens to know what support they might be eligible for. The lack of an updated national strategy until now meant no clear framework to align these efforts. As a result, some programs may work at cross-purposes or leave critical needs unmet. For example, disaster assistance is handled by the National Disaster Centre and provincial authorities, separately from any social welfare programming, though in practice the same families who need relief may also be chronically poor. Until recently, there was little integration of shock response with ongoing social programs (no pre-planned scalable safety nets). Policy incoherence is evident in targeting as well - while the 2015 NPSP advocated progressive universality, in practice PNG oscillates between *categorical approaches* (e.g. age-based benefits proposed) and *means-testing or discretion* (community leaders identifying “destitute” cases), without a consistent rationale.

- **Institutional and Capacity Constraints:** Implementing even the best-designed policies is hampered by weak administrative capacity at multiple levels. The DFCDR and its provincial community development offices are under-resourced and have a limited footprint outside major towns. There is a dearth of trained social workers or case managers to identify and support vulnerable families. Essential systems - such as a social registry, management information system (MIS) for programs, or grievance redress channels - are rudimentary or absent. Until 2023, PNG did not have a unified social protection MIS; record-keeping was largely manual. Monitoring and evaluation of programs is also weak: for instance, routine publication of coverage or payment timeliness statistics does not yet occur. These capacity constraints lead to implementation gaps - even when funds are budgeted, they may not reach all intended beneficiaries due to logistical and management shortfalls. Moreover, financial capacity is a major issue: PNG’s public revenues (just approx. 12% of GDP in taxes) constrain social spending. With many competing needs (infrastructure, education, law and order), social protection programs often receive tiny budget allocations or rely on donor funding. This raises concerns about sustainability; for example, the new cash transfer pilot is funded by an external credit and grant, and it’s unclear if the government can fully fund it domestically after the project period. Without greater fiscal commitment, scaling up coverage will be difficult.
- **Identity, Data, and Financial Inclusion Gaps:** Effective social protection delivery requires knowing who and where the vulnerable are - yet PNG historically lacked robust data and identification systems. Until recently, birth registration was extremely low (only approx. 13% of children under 5 had a birth certificate as of a few years ago), and the national ID (NID) rollout has struggled to enrol the adult population. This makes it challenging to uniquely identify beneficiaries and causes exclusion errors. Encouragingly, there has been progress: in 2024 a nationwide civil registration drive issued over 63,000 new birth certificates (up from 26,000 the year before), extending legal identity to previously invisible children. Still, millions remain undocumented. Likewise, lack of penetration of banking and mobile money in rural areas hampers cash delivery - many poor citizens have no bank account or reliable phone connectivity, complicating digital payment strategies. The financial inclusion gap means social protection programs can’t simply “send mobile money” to everyone; they often still rely on cash-in-hand disbursements or must invest in financial literacy and agent networks.
- **Sociocultural and Political Economy Factors:** Finally, PNG’s social protection development is influenced by sociocultural expectations and politics. The strong tradition of family and clan support can sometimes reduce demand for government assistance, or conversely, those networks can be overwhelmed by modern pressures, leading to social unrest when formal support is absent. Politically, delivering cash or services to constituents has often been channelled through Members of Parliament’s funds (District Services Improvement Program funds) rather than through an impartial social welfare system. This can

result in patronage-based distribution (MPs sponsoring school fees or church projects in their district) instead of a rights-based national program. Over-reliance on such ad hoc distribution undermines the development of systematic social protection programs and can introduce inequities between districts. Ensuring that a national social protection framework gains political support without being captured for short-term gains is an ongoing challenge.

PNG's social protection system must overcome a *coverage gap* (most people are not covered), an *adequacy gap* (benefits too low), *fragmentation*, *capacity limitations*, and foundational *data and finance constraints*. These gaps reinforce one another - for example, low coverage makes it harder to rally political support or demonstrate impact, which in turn keeps budgets low and capacity undeveloped. The result is a classic vicious cycle of underinvestment. Breaking this cycle will require concerted reforms and innovations, as discussed in the next sections.

Delivery and Governance Innovations

Amid these constraints, Papua New Guinea has begun experimenting with innovative delivery mechanisms and governance approaches to strengthen social protection. Three recent innovations stand out:

- **Shock-responsive cash transfers and disaster-links**: PNG is integrating disaster risk financing with social protection operations in new ways. Facing frequent earthquakes, floods, and droughts, the government and partners have piloted using *cash transfers* as part of emergency response, rather than solely in-kind aid. For example, humanitarian exercises in 2021-2022 tested vertical "top-ups" to vulnerable households in disaster zones (delivered via local administrators) and forged closer coordination between the National Disaster Centre (NDC) and social welfare authorities. Standard operating procedures are being developed so that when a shock hits, existing mechanisms (like the child cash pilot or any future pension program) could *expand coverage or increase benefits* temporarily. This approach, common in other regions, is new for PNG. It represents a shift toward "adaptive social protection," where programs are designed to scale in response to crises. The government is also exploring pre-arranged disaster finance - essentially securing funding in advance (via contingency funds or insurance) - to enable faster cash assistance when triggers (such as a drought index or earthquake magnitude) are met. These innovations were demonstrated in recent drought responses in the Highlands and have shown the value of preparedness and clear rules for emergency cash support. Moving forward, formalizing these shock-responsive mechanisms (e.g. through a standing coordination committee and agreed trigger/beneficiary lists) will improve PNG's ability to protect households from climate and disaster impacts.
- **Community and faith-based delivery partnerships**: Given the limited reach of government agencies at the grassroots, PNG is leveraging its vibrant civil society - especially church networks and local communities - as delivery partners for social protection. Churches have long been involved in health and education service delivery; now they are also key partners in cash transfer programs. The new CNSP project explicitly works through church diocese health clinics and community volunteers to identify beneficiaries, deliver nutrition counselling, and facilitate payments in remote villages. This builds on churches' deep local presence and trust. Similarly, local-level governments and ward counsellors are being engaged to assist with outreach and grievance reporting, since they know the community members in need. By strengthening partnerships with churches and local authorities, PNG is trying to achieve last-mile coverage despite its difficult terrain. Early results are promising - for instance, church-run awareness campaigns helped boost birth registration in remote provinces, and community leaders have helped enumerate households for the nutrition cash pilot. The challenge is to formalize these roles so that non-government partners complement government programs in a accountable way (including training them on processes and safeguarding against bias). If successful, this model could become a cornerstone of

social protection delivery in PNG, effectively “co-producing” social protection with communities to reach those whom government alone cannot.

- **Digital foundations and identity systems**: Recognizing that good data and payment systems are critical, PNG has started to invest in foundational digital infrastructure that can underpin social protection delivery. The push to expand *civil registration and national IDs* is one example - the dramatic increase in birth certificate issuance in 2024 (to over 63,000 in one year) was enabled by deploying mobile registration kits and automating parts of the process. This not only gives more citizens a legal identity but also provides data (age, gender, location) that social protection programs can use for targeting (e.g. identifying all elderly or all children in a district). At the same time, there are moves to develop a simple “social registry” - essentially a database of households with socio-economic information that could be used across programs. As a first step, the National Statistical Office’s 2019-2020 Household Income and Expenditure Survey data (which established a new poverty baseline) is being used to map needs by region. Partners are helping to design a beneficiary registry for the cash transfer pilot, with the intent that it could expand to other programs (for example, listing all social pension recipients if that program is introduced). Payment systems are also innovating: while cash is still predominant, the government is piloting “multi-rail” payment delivery - paying benefits through various channels like bank deposits, mobile wallets, or remittance agents depending on what beneficiaries can access. In urban areas, some beneficiaries can now receive funds directly into bank accounts. In rural trials, the project has used local retail agents and mobile money (where network coverage allows) to distribute payments, reducing the need for people to travel to town and queue. These digital approaches are nascent and face hurdles (patchy network, low financial literacy, and trust issues), but they lay the groundwork for a more efficient, transparent system. Over time, integrating the national ID with social program databases could enable instant verification of beneficiary identity and eligibility, reducing fraud and leakages. The vision is that by 2030, PNG could have interoperable information systems linking the civil registry, social registry, and payment platforms, which would significantly speed up enrolment, targeting, and monitoring.

These innovations - shock-responsive design, societal delivery partnerships, and digital enablers - are early signs of progress in PNG’s social protection governance. They indicate a shift from ad hoc, manual operations to more systematic and modern delivery systems. Still, each innovation needs to be scaled and institutionalized. The next section assesses the capacity of PNG’s institutions to do so, and what gaps must be addressed.

Capacity Assessment

Building an effective social protection system in PNG will require considerable strengthening of institutional and human capacity. The current assessment reveals a dual reality: some parts of the social protection system have relatively strong institutions (notably the provident funds), but the core social assistance administration is weak and underdeveloped.

On the **contributory** side, PNG benefits from having established, professional institutions managing pensions for formal workers. Nambawan Super and NASFUND are autonomous funds that collectively manage over 7 billion Kina in assets and serve nearly 700,000 members They have nationwide branch networks, use modern IT systems for record-keeping, and are subject to oversight by the central bank and independent trustees. These institutions demonstrate capacity in terms of financial management, member communications (e.g. NASFUND issues regular member statements and has a smartphone app for balance inquiries), and increasingly, outreach to informal contributors (NASFUND’s voluntary *Eda Supa* scheme). However, their mandate is limited to formal-sector retirement savings, which addresses only a small segment of social protection needs. There is an opportunity for these institutions to share expertise or infrastructure with nascent government programs - for example, leveraging their payment systems or ID databases - but that coordination is only beginning. One concern is governance and sustainability in the contributory system: while current fund oversight is sound, issues like allowing early withdrawals during crises (as happened in COVID) need careful management to preserve long-term benefits. Ensuring these funds remain solvent and resist political interference is an ongoing capacity need, albeit one that PNG has handled relatively well in recent years.

On the **non-contributory and administrative side**, capacity is a major constraint. The Department for Community Development & Religion (DFCDR) hosts the social protection function (through its Social Protection Branch), but this unit is small and was only formally created in the last decade. It lacks a strong provincial presence - many districts do not have dedicated social welfare officers. By contrast, health and education sectors have broader delivery networks (health has Provincial Health Authorities in all provinces, and education has district education officers). This suggests that for social assistance to scale, it may need to piggyback on those networks or radically expand DFCDR's local cadre. Currently, PNG does not have a professional social work cadre in the public service; community development officers often wear many hats and may not have specialized training in case management, targeting, or MIS operation. The administrative systems for social programs remain rudimentary. For example, until the CNSP pilot, there was no unified beneficiary registry - each small program kept its own lists. Payment delivery for any cash assistance was done manually (cash handouts or cheques) prior to recent pilots. Grievance redress mechanisms are informal; a beneficiary with an issue might have to travel to a provincial office or seek help from an elected official, as no hotline or formal complaint system exists yet for social assistance. Monitoring is another weak spot: there is no regular survey or report on social protection coverage or service standards (in contrast, the health sector produces annual health statistics). The National Statistical Office (NSO) conducted the 2019/20 household survey which provides updated poverty data, but translating that data into policy targets and monitoring has just started. The Development of a *Social Protection Strategy with costed options* (as recommended by recent analyses) will require enhancing analytical capacity in government - to project costs, simulate poverty impacts, and so on.

A positive development in capacity is the growing involvement of central agencies and partners in social protection agenda-setting. The Department of National Planning and Treasury have begun to engage on financing questions for social protection, which is key to ensuring sustainability. For instance, Treasury officials are now part of the Social Protection Technical Working Group considering how to allocate funds for potential programs (like an old-age grant or expansion of the child benefit). The UN and World Bank have provided technical training to government staff in 2023-24, focusing on program design, targeting, and monitoring techniques. Dozens of officials attended workshops on social protection policy and delivery mechanisms, reflecting an effort to build an informed cadre. Still, retaining trained staff in the public sector is a challenge; many skilled individuals move to NGOs or international agencies.

At the local level, community governance structures have both strengths and limitations for social protection delivery. Communities often have councils of elders, church groups, and women's associations that can assist in identifying those in need. These have been invaluable in pilot programs, effectively acting as an extension of program staff. However, they are volunteer-based and not formally accountable within government systems, which can lead to inconsistencies or favouritism in beneficiary selection if not carefully overseen. Building capacity at this level may involve formalizing roles (e.g. training community volunteers in how to do intake interviews, establishing standard criteria for them to apply, and providing modest incentives or supervision).

Lastly, information and communications technology (ICT) capacity is a growing need. As the social protection system digitizes (e.g. using e-payments and MIS), the government will need IT personnel and data managers.

The experience with the National ID (NID) system has highlighted capacity gaps in data handling - slow rollout, data quality issues, etc., partly due to limited IT human resources. Ensuring data privacy and cybersecurity for social protection data will also be a new challenge that requires upskilling staff.

PNG's institutional capacity for social protection is in an early development phase. The building blocks in place - namely, the robust but narrow provident funds and the initial social protection unit in DFCDR - need to be augmented by a much stronger administrative structure for non-contributory programs. This includes investing in human resources (social administrators, case workers, data analysts), systems (registries, payment infrastructure, grievance channels), and inter-agency coordination mechanisms. The government will likely continue relying on partnerships (with churches, NGOs, and development partners) in the near term, essentially *outsourcing* some capacity, but over the longer term, it aims to establish a capable national system anchored in government. The period 2025-2030 will be critical for capacity-building efforts so that PNG can implement an expanded suite of social protection interventions effectively.

Priorities for 2025-2030

Looking ahead, Papua New Guinea has an opportunity in the coming five years to substantially develop its social protection system. Priorities for 2025-2030 should focus on establishing core programs and building the systems to support them, with an eye toward incremental expansion and sustainability. Key recommended priorities include:

- **Adopt a new National Social Protection Strategy and policy framework:** Finalize and publish a social protection strategy (2025-2030) that updates the expired 2015-20 policy, setting clear targets and costed options for expanding coverage. This strategy should be endorsed at the highest levels to ensure political buy-in and should emphasize progressive expansion of a social protection floor (child benefits, disability support, and old-age support), as well as improved health financial protection. A policy framework will improve coordination and signal the government's commitment to fund and implement social protection programs.
- **Introduce a basic old-age income support scheme (pilot and scale-up):** As a first step toward lifecycle coverage, develop a simple tax-financed old-age benefit - for example, a universal or pension-tested social pension for seniors above a certain age (e.g. 70 or 75). Pilot this in one or two provinces to test delivery mechanisms in PNG's context (especially remote areas) and evaluate its impact and affordability. The pilot can use simple eligibility (age and residency) and leverage churches/local officials for outreach. Based on pilot results, gradually scale the senior benefit nationwide by 2030, lowering the eligible age as fiscal space allows. This will fill a critical gap for the many elderly with no superannuation, providing them a modest but regular safety net.
- **Expand child and disability support programs:** Building on the CNSP pilot, plan for a phased expansion of child benefits to address malnutrition, school attendance and child poverty. By 2030, PNG should aim to have a national child grant or nutrition support for young children. In parallel, develop support for persons with severe disabilities - for instance, a caregiver allowance or community-based disability benefit - possibly starting in urban areas or specific provinces. These programs should have *simple categorical criteria* (disability certification, etc.) to ease administration. Designing and rolling them out will require coordination with health (for nutrition and disability assessments) and education (for school-age linkages). Including these vulnerable groups will move PNG closer to a comprehensive social protection floor.
- **Strengthen delivery systems - registries, payments, and grievance mechanisms:** Invest in the "nuts and bolts" of program delivery. A top priority is to establish a basic social registry - a database of households

or persons that can be used across multiple programs for targeting and enrolment. This could start by integrating data from the 2019/20 household survey and new registrations from the child cash pilot, then expand via community-based registration drives. Alongside, upgrade payment systems: pilot multi-channel (multi-rail) payment delivery in more provinces - for example, use bank deposits where possible, and mobile money or trusted local merchants as agents in unbanked areas. This reduces risk and cost compared to cash-in-hand. Also, create a grievance redress and case management system for social protection programs - e.g. a hotline or community grievance focal points, with a clear process to address complaints about exclusion or payment issues. By 2030, aim to have an integrated social protection MIS that links registry data, payment tracking, and grievances, enabling more transparent and efficient management.

- **Build institutional capacity and coordination:** Establish a dedicated Social Protection Management Unit (or strengthen the existing branch in DFCDR) with sufficient staffing and resources to oversee program implementation. Invest in training programs to develop a cadre of social protection officers skilled in targeting, M&E, and community outreach. At local levels, consider assigning or hiring officers in each district to handle social protection casework (possibly by redeploying some staff from other social sectors or using co-location with health offices). Improve coordination mechanisms by creating a standing Social Protection Steering Committee that brings together DFCDR, Finance, Planning, Health, Education, and NDC, to ensure multi-sector alignment. This committee should meet regularly to plan adaptive measures (like emergency responses) and review progress on social protection goals. Additionally, integrate social protection into provincial and district development plans so that sub-national authorities allocate resources (from DSIP/PSIP funds) in a coordinated way for social protection initiatives, rather than fragmented charity.
- **Enhance outreach through partnerships:** Formalize and expand partnerships with churches, NGOs, and community groups for delivering social protection to the *last mile*. For example, sign MOUs with major church councils to define their role in beneficiary identification, information dissemination, and possibly as payment points (many rural churches could host paydays). Train community volunteers in basic case management so they can assist in enrolling people and verifying eligibility in remote villages. As coverage grows, ensure these partners are integrated into the program MIS (reporting who has received what) to maintain accountability. Outreach should also include financial literacy and social awareness campaigns - e.g. educating communities about the importance of saving (to complement pensions) and about rights to assistance (to reduce stigma in asking for help). Leveraging partnerships will multiply the reach of a small government workforce.
- **Secure sustainable financing for social protection expansion:** Gradually increase budget allocation to social protection programs, moving from the current approx. 0.1% of GDP toward at least 1% of GDP by 2030, if fiscal conditions allow. This can be done by phasing in programs (e.g. starting a pension at a higher eligibility age then lowering it, or starting child benefits in poorest provinces then expanding). Work with the Ministry of Treasury to identify savings or new revenues that can be earmarked for social protection - for instance, allocate a portion of resource revenues or sin taxes to a social fund. PNG might also explore establishing a Social Protection Trust Fund that can accumulate reserves in boom years (especially from mining revenues) to finance social protection in lean years, smoothing expenditure. Engaging development partners for co-financing in the medium term will remain important; however, plans should be made for domestic takeover of donor-supported programs (like CNSP) by budgeting for their recurrent costs by the end of the project period. Clear demonstration of impact (through rigorous evaluations) will help make the case for greater domestic financing.

- **Improve monitoring, evidence, and transparency:** By 2025, set up a system to publish annual "State of Social Protection" statistics - covering coverage rates, benefit levels, expenditures, and grievance outcomes. This could be a simple annex in the budget or a report by DFCDR, but it is crucial for transparency and informed policy debate. Continue to strengthen data systems: complete the rollout of the National ID and ensure interoperability with social protection databases for accurate identification. Use the data to drive policy - e.g. identify which districts have the highest exclusion and focus efforts there. Also, conduct impact evaluations of new programs (with support from research partners) to learn what works in PNG's context. For instance, evaluate the poverty reduction effect of the old-age pension pilot or the nutritional outcomes of the child cash transfers. Use these findings to refine program design (course-correct benefit amounts or targeting as needed). Emphasize evidence-based adjustments - for example, if an evaluation finds certain vulnerable groups are still not reached, consider expanding categorical eligibility.
- **Formalize adaptive social protection mechanisms:** Institutionalize the arrangements for responding to shocks through social protection. This means pre-defining vertical and horizontal expansion protocols for each major program - e.g. if a disaster is declared, an automatic top-up of X Kina to current beneficiaries in affected areas, or temporary inclusion of additional households (horizontal expansion) using the social registry in those areas. Work with the Disaster Centre and climate agencies to set up early warning triggers (for drought, floods, etc.) that automatically engage social protection support, backed by contingency financing (possibly from a dedicated disaster finance fund or parametric insurance payouts). Developing an adaptive social protection manual or playbook for PNG by 2025 would be a useful output, consolidating lessons from recent emergencies and clearly assigning roles for delivering cash assistance quickly during crises. By 2030, the goal is that whenever a major shock strikes - be it a pandemic, earthquake or economic downturn - PNG can rapidly scale up support to affected households through its social protection programs, rather than relying solely on ad-hoc humanitarian aid.

By pursuing these priorities, Papua New Guinea can move from a fragmented, nascent system toward a more mature, integrated social protection system by the end of the decade. The emphasis is on starting small but concrete (pilots, foundational systems) and building momentum for broader coverage.

Solomon Islands

Profile
System Overview: Solomon Islands in Melanesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include no universal social pension; categorical assistance is modest. Contributory protection is anchored by SINPF for formal workers and the youSave micro-pension for informal workers. Health services are tax-funded health services with persistent provincial delivery gaps. These building blocks are complemented by targeted social welfare services and disability assistance on a limited scale. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with feasibility work on cash assistance and the use of humanitarian cash after disasters providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is no universal social pension; categorical assistance is modest. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation

to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: SINPF for formal workers and the youSave micro-pension for informal workers covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-funded health services with persistent provincial delivery gaps. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Solomon Islands' safety net is limited, and disaster response has largely relied on humanitarian aid and food distribution. While the national provident fund covers formal workers, there is no mechanism to channel quick cash to informal households after shocks. Governance is fragmented, with little coordination between social protection and disaster management. Developing a basic social registry, codified SOPs, and contingency financing are necessary to operationalise shock-responsive delivery.

Overview

Solomon Islands operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the challenge of delivering services across widely dispersed islands. The formal contributory pillar is anchored by the Solomon Islands National Provident Fund (SINPF) for formal sector workers, complemented since 2017 by the youSave micro-pension scheme targeting informal workers. In contrast, non-contributory provisions are very limited - there is *no universal social pension* and only modest categorical assistance in place. Public health services are tax-funded and provided free at the point of use, but significant provincial delivery gaps persist, often requiring costly patient travel and off-island referrals for specialized care. These building blocks are supplemented by small-scale social welfare services and disability assistance programs, though on a limited scale.

However, the overall social protection system remains underdeveloped and fragmented. There is no dedicated national social protection policy or legislative framework, and public spending on social protection is among the lowest in the Pacific. Coverage across the lifecycle is thin - most children, elderly, and vulnerable groups are not reached by any formal support - and the system is largely unprepared to provide shock-responsive assistance at scale. In recent years, government and partners have taken steps to strengthen emergency preparedness and pilot cash assistance (including the use of humanitarian cash transfers after disasters), yielding lessons to inform future reforms. Moving forward, strengthening coordination, delivery systems, and fiscal sustainability will be key to expanding coverage and building a more adaptive and resilient social protection system.

Strategy and Policy Architecture

Solomon Islands *lacks a comprehensive national social protection policy or law*. Efforts to develop a policy have been initiated with support from development partners, but remain incomplete. In the absence of an overarching framework, responsibilities are split across ministries. The Ministry of Health and Medical Services (MHMS) oversees public health services, while the Ministry of Women, Youth, Children and Family Affairs (MWYCFA) and the Ministry of Education and Human Resources Development (MEHRD) implement some categorical initiatives (e.g. child protection programs and education support). Contributory social protection is limited to the SINPF, a defined-contribution pension fund established by the SINPF Act 1973, which covers formal sector workers. There are no statutory unemployment, maternity, or child benefit schemes in place. In recent years, Solomon Islands has collaborated with development partners such as UNICEF, ILO, the Australian Department of Foreign Affairs and Trade (DFAT), and the Asian Development Bank (ADB) on assessments and pilot programs. These include small-scale cash transfer pilots for children and persons with disabilities, as well as humanitarian cash assistance programs following natural disasters, implemented in coordination with the National Disaster Management Office.

Coverage and Impact

The contributory pension, SINPF, covers approximately 90,000 members, largely from urban formal sector jobs, which represents less than 20% of the country's labour force. Voluntary contributions by informal workers are permitted (notably through the youSave scheme), but uptake remains low, leaving the majority of the workforce without pension coverage.

On the non-contributory assistance side there is *no nationwide government cash transfer program*. To date, social assistance has been limited to donor-supported pilot initiatives. For example, UNICEF and other partners have piloted cash transfers for children in select provinces, and have supported development of disability-inclusive social protection tools. These pilots have been small in scale and are not yet institutionalized as permanent programs.

The education ministry (MEHRD) has provided periodic fee relief schemes and capitation grants to schools, particularly in response to shocks like COVID-19, to alleviate the cost burden on families. However, these measures are generally categorical (by education level) rather than poverty-targeted - i.e. they are not means-tested based on household income and thus may not specifically reach the poorest households.

Public health care is tax-funded and nominally free of charge, which provides a baseline of health coverage for all citizens. In practice, out-of-pocket costs for items like medicines and transportation are substantial barriers to access, especially for rural communities spread across outer islands. Gaps in service delivery and medical supply in the provinces mean many residents have limited effective health protection despite the no-fee policy.

In the absence of a formal adaptive social protection system, recent disaster responses have relied on humanitarian assistance. After events such as Tropical Cyclone Harold (2020) and localized flooding, agencies like the Red Cross and the World Food Programme (WFP) delivered cash and voucher assistance in coordination with the government's disaster management authorities. These responses utilized community-based targeting and existing payment platforms (e.g. the EziPei mobile money service) to reach affected households, demonstrating the potential for cash-based emergency support even in remote settings. However, these efforts have been ad hoc and externally driven, underlining the need for a more systematic national approach to shock-responsive safety nets.

Gaps and Constraints

There is no national policy or framework, with the result that social protection remains fragmented with no overarching law or policy to guide program design or scale-up. This institutional void leaves many citizens - especially those in rural and outer islands - outside any form of formal social protection coverage. Along with this critical gap there are a number of associated constraints:

- **High informality of work**: Over 80% of the workforce is engaged in informal employment or subsistence agriculture, meaning the vast majority of workers are not covered by SINPF or any contributory scheme. The dominance of informal livelihoods severely limits the reach of both contributory and formal social assistance programs.
- **Lack of delivery systems**: The country currently lacks fundamental delivery infrastructure for social protection. There is no national social registry or integrated management information system (MIS) for beneficiary data, and no government electronic payment system dedicated to cash transfers. As a result, past cash transfer efforts have relied on *ad hoc* arrangements (often led by NGOs or donor projects), which are not sustainable for routine administration.
- **Gender and disability exclusion**: Women and persons with disabilities face systemic barriers in accessing financial and social services. For example, limited mobility, communication barriers, and lower financial literacy among these groups impede their inclusion in programs. Without deliberate inclusive design, many vulnerable individuals are left behind by mainstream interventions.
- **No shock-responsive mechanism**: Despite the country's high exposure to cyclones, floods, and droughts, there is currently no institutionalized adaptive social protection system for disaster response. The social protection system remains largely unprepared to rapidly scale up assistance after shocks, relying instead on external humanitarian responses. This gap means post-disaster support is often delayed or inconsistent, and not integrated into any permanent program that could protect affected households.

Delivery and Governance Innovations

In recent years, UN agencies and NGOs have trialled digital cash delivery in Solomon Islands as proofs of concept. UNICEF, the Red Cross, and WFP have implemented mobile money transfers via local providers (such as the EziPei platform) to deliver emergency cash to affected communities. These pilots indicate that even in remote islands, digital payment channels can work if agent networks are in place, improving the speed and transparency of cash assistance.

Given the absence of a national registry, programs have leveraged local community structures for beneficiary identification and grievance redress. For instance, humanitarian pilot programs enlisted local chiefs, church groups, and village committees to help target beneficiaries and handle complaints. Such community validation mechanisms have been culturally appropriate and can build trust, though they require oversight to ensure fairness and avoid elite capture.

Pilot initiatives have introduced new tools to improve inclusion of persons with disabilities. This has involved testing functional disability assessment instruments and inclusive payment mechanisms (e.g. allowing proxy collectors for those unable to travel, and providing information in accessible formats). Collaboration with Disabled Persons' Organizations (DPOs) in these pilots has helped tailor the design to the needs of disabled beneficiaries and demonstrates how future programs can be made more inclusive.

During the COVID-19 crisis, the education sector implemented stopgap measures to support students and schools. MEHRD rolled out remote learning support and continued providing school grants (capitation funding) even when schools were closed. These actions ensured some continuity in education services, although no direct household assistance (such as cash for families of out-of-school children) was provided. The experience highlighted the importance of having mechanisms to sustain social services during emergencies, even if not targeted as traditional "social protection" per se.

Capacity Assessment

The capacity for routine social protection delivery in Solomon Islands is generally low. There is no single dedicated social protection agency, and coordination among the various ministries involved (health, education, women/children, finance, disaster management) is ad hoc, relying on inter-agency committees or external partner support rather than institutionalized processes. The National Statistics Office has recently gathered updated household poverty and demographic data (through surveys), but these data are not yet integrated into any operational social registry or management information system for social protection. Administrative systems remain rudimentary - for example, beneficiary identification and payment verification are largely manual due to the lack of a digitized registry.

Delivery infrastructure is gradually evolving, but significant gaps remain. Mobile money services (like EziPei) are expanding and have been used in pilot programs, yet penetration outside urban centres is limited. Many remote villages lack reliable network coverage or banking agents, constraining the reach of digital payment modalities. Administrative and fiscal capacity constraints mean that government-led programs have depended heavily on technical and financial assistance from development partners. Indeed, agencies such as UNICEF, WFP, ADB, and DFAT have been central to designing and executing pilot projects, as well as building local capacity through training and evaluations. Strengthening human resources, data systems, and delivery infrastructure within government will be crucial for scaling up pilots into a national system.

Priorities for 2025-2030

There are a number of significant needs and priorities for social protection in Solomin Islands in the coming years:

- **Establish a national social protection policy and framework:** Finalize and adopt a national social protection policy that clearly defines institutional mandates, coordination mechanisms, and financing strategies for the sector. This will provide an overarching vision and legal basis to guide program development and inter-ministerial collaboration.
- **Scale up categorical cash transfers:** Transition from pilots to permanent programs by institutionalizing key cash transfer schemes. A practical next step is to introduce disability assistance and child benefit programs at the national level, drawing on the design lessons and community-based delivery mechanisms tested in recent pilot projects. These schemes would establish an initial social safety net for two highly vulnerable groups.
- **Develop a national social registry:** Create an integrated social registry and beneficiary database, linked with National Statistics Office data, to improve targeting and outreach. The registry should be designed for phased expansion, starting in urban centres and gradually covering rural provinces, to build a comprehensive platform for enrolment and case management across programs.
- **Implement adaptive social protection mechanisms:** Build shock-responsiveness into the nascent social protection system by codifying adaptive social protection protocols. This includes setting triggers (e.g. disaster severity thresholds) and standard operating procedures for emergency top-up payments and horizontal expansion of beneficiary coverage after natural disasters. Embedding these mechanisms, alongside pre-arranged disaster risk financing, will enable faster and more predictable assistance when crises hit.
- **Leverage digital and mobile payment systems:** Expand the use of electronic payment rails to widen access and improve efficiency of transfers. Priorities include growing the network of mobile money agents and banking touchpoints in rural areas, negotiating cash-in/cash-out partnerships (for

example, with postal services or cooperatives), and providing basic financial literacy training for recipients. This will support safe and timely delivery of benefits, even in remote communities.

- **Strengthen disability inclusion:** Mainstream disability considerations across all programs. Key actions are to adopt a consistent national disability assessment and certification process (to identify eligible individuals fairly) and to partner with Disabled Persons' Organizations for outreach, training of staff, and safeguarding of beneficiaries. Ensuring accessibility in communications, registration, and payment processes will help the social protection system better serve people with disabilities as it expands.

Vanuatu

Profile
System Overview: Vanuatu in Melanesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include no universal social pension at national scale. Contributory protection is anchored by VNPF for formal sector workers and contributors. Health services are tax-financed health services; outer-island access remains a constraint. These building blocks are complemented by selected social services and grants; administrative capacity strengthening underway. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with adaptive social protection pilots and humanitarian cash lessons from recent cyclones providing practical lessons that inform future reforms.
Non-contributory Support: The most visible lack of tax-financed entitlement is no universal social pension at national scale. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: VNPF for formal sector workers and contributors covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-financed health services; outer-island access remains a constraint. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Vanuatu has pioneered disaster-linked cash top-ups following cyclones, using its social pension and disability allowances as delivery channels. However, these were largely donor-funded and ad hoc. Governance coordination between the Ministry of Finance and NDMO has improved, but lacks codified SOPs and pre-arranged financing. Investment in MIS, digital payments, and clear expansion protocols could make Vanuatu's system more predictable and resilient to recurrent climate shocks.

Overview

Vanuatu's social protection system is limited in scope and remains at a nascent stage of institutionalisation. Coverage is concentrated in the Vanuatu National Provident Fund (VNPF) for formal workers, while non-contributory assistance is largely ad hoc and driven by donor-supported humanitarian or development programs**.** The country is highly vulnerable to climate change and disasters, including cyclones, earthquakes, and volcanic activity. Yet, social protection is not yet fully integrated into national disaster response or poverty reduction strategies. Despite these constraints, Vanuatu has recently initiated steps toward a national social protection policy**,** supported by development partners including UNICEF, ILO, and DFAT**.**

Vanuatu in Melanesia operates a nascent social protection system shaped by small-island contexts, high exposure to natural disasters, and a predominantly informal economy. Traditionally, family networks and community "kastom" support provide the main safety nets, but these informal mechanisms are strained by aggregate shocks. Formal social protection provisions are limited - the main scheme is the Vanuatu National Provident Fund (VNPF) for formal sector workers. There is no universal old-age pension or broad-based cash transfer for vulnerable groups (unlike some neighbouring countries), and no established safety net targeting the poor. Small-scale programs exist (e.g. *Home Island Passage* travel grants, student scholarships, ad-hoc family assistance and disaster relief), but their coverage and adequacy are minimal. As a result, overall coverage of social protection in Vanuatu is very low and many at-risk populations receive no regular assistance. Social protection spending remains a small fraction of GDP and reaches only a small portion of potential beneficiaries. Consequently, the current impact on poverty and vulnerability is limited - one analysis noted that introducing modest child and old-age grants (at a cost of approx. 1.2% of GDP) could reduce Vanuatu's poverty gap by about 20%, underscoring the potential human impact if coverage is expanded. High climate and disaster risks (cyclones, volcanic eruptions, etc.) further highlight the need for adaptive social protection, as seen when communities relied almost entirely on humanitarian relief after Cyclone Harold and COVID-19 in 2020. Recent reforms indicate a growing policy commitment to build a more inclusive and shock-responsive social protection system.

Strategy and Policy Architecture

Vanuatu has no formal legal or policy framework for national social protection, although a draft social protection Policy has been under consultation since 2022, led by the Ministry of Internal Affairs (MoIA). This policy proposes lifecycle-based assistance, including for children, persons with disabilities, older people, and those affected by shocks. Contributory protection is limited to the Vanuatu National Provident Fund (VNPF), established under the VNPF Act (1986), covering formal private-sector workers. No mandatory unemployment, maternity, or health insurance exists. Non-contributory assistance includes small-scale disability allowances, school grants, nutrition programs, and disaster-related assistance, much of it delivered with NGO and UN support. The National Disaster Management Office (NDMO) coordinates humanitarian assistance but lacks institutional links to social protection programs.

Until recently, Vanuatu lacked a dedicated social protection policy, with efforts scattered across sectors. However, social protection has emerged on the policy agenda through broader development and resilience strategies. The national sustainable development plan (*Vanuatu 2030: The People's Plan*) recognizes social inclusion and resilience goals, and the government has begun to articulate a vision for social protection in that context. In 2024, the Council of Ministers endorsed a National Adaptive Social Protection Policy 2024-2028, marking Vanuatu's first comprehensive social protection policy framework. This policy defines guiding principles, governance arrangements, priority interventions and delivery mechanisms to ensure timely support for poor and vulnerable populations during shocks. It explicitly aligns social protection with climate and disaster risk management, aiming to "introduce social protection mechanisms in Vanuatu" for enhanced resilience. Institutional coordination is being strengthened via an inter-agency taskforce on adaptive social protection, bringing together ministries responsible for finance, social welfare (within Justice/Community

Services), climate change, disaster management and others. The policy framework is supported by development partners (e.g. DFAT's Partnerships for Social Protection and the World Bank), who have provided technical assistance for strategy development. Vanuatu is also integrating social protection considerations into its disaster risk financing plans - for example, alongside the new social protection policy, a National Disaster Risk Financing Policy has been developed to secure pre-arranged funds for emergency response. Overall, the policy architecture is now taking shape: the NASP Policy provides a roadmap for expanding both routine and shock-responsive programs, while existing legislation (such as the VNPF Act) and sectoral plans (education subsidies, health financing arrangements) form complementary pieces. A remaining challenge is translating high-level policy into operational programs and laws - for instance, setting up legal entitlements for any new benefits and clarifying institutional roles. But the recent policy moves demonstrate government commitment to embed social protection within Vanuatu's development and resilience strategy.

Coverage and Impact

Coverage of formal social protection in Vanuatu is currently very limited across the lifecycle. On the **contributory** side, the VNPF covers formal employees (mainly public servants and private sector workers in urban centres) and permits voluntary membership for some self-employed. Yet with roughly 80% of the workforce in informal livelihoods, the majority of working-age ni-Vanuatu lack any pension or insurance coverage. This leaves most elderly without secure income in old age aside from family support, as there is *no social pension or old-age allowance* in place. For those who do contribute to VNPF, benefits are usually lump-sum at retirement (no annuity option), which are often rapidly spent, meaning limited long-term protection.

On the **non-contributory** side, only small categorical programs exist. For example, the government has provided a *Home Island Passage Allowance* (a travel subsidy to help citizens return to home islands), education scholarships, a family assistance program, and ad hoc disaster assistance. However, these programs are niche and resource-constrained, covering a small fraction of the population for specific needs. For instance, even at their peak the travel allowance reached at most approx. 60% of citizens in a given year (often as one-off transit support), and the family assistance program has only a few thousand beneficiary families. There is no nationwide child benefit, disability grant, or poverty-targeted cash transfer. As a result, overall coverage of social safety nets (non-contributory) is among the lowest in the Pacific.

In terms of **impact**, the absence of broad programs means that current social protection has negligible aggregate impact on poverty or inequality. Any benefits are too limited in scale to substantially reduce hardship or vulnerability. During shocks like TC Harold, the lack of an existing beneficiary registry or scalable cash transfer meant affected households initially received support only through external humanitarian aid. That said, recent experience demonstrates the potential impact if coverage were expanded. The emergency cash transfer program in 2020-21 reached about 3,745 vulnerable families and injected VT 262 million (US$2.36 million) into communities, which households used primarily for basic needs (food, water, shelter). Simulations suggest that institutionalizing modest child or elderly grants would significantly improve food security and reduce the poverty gap. Current coverage is very low and benefits are inadequate, but the social protection system's impact could grow greatly if the planned expansions under the new policy are implemented. The impetus now is to move from pilot and contributory-only coverage toward inclusive programs that reach the poor, the rural remote, persons with disabilities, and other vulnerable groups across the life cycle.

Gaps and Constraints

Vanuatu faces pronounced gaps and constraints in its social protection system. A fundamental gap is the lack of core social assistance programs - there are no universal or poverty-targeted cash transfers for children, the elderly, or persons with disabilities, leaving coverage gaps across all vulnerable cohorts. This reflects both fiscal constraints and policy choices: as a lower-middle income small state, Vanuatu has a constrained budget and competing development needs, limiting the fiscal space for new entitlements. Reliance on external aid for disaster response also reduced urgency to create domestic programs in the past.

Another gap lies in **contributory coverage**: with the bulk of the population engaged in subsistence agriculture or informal work, formal schemes like VNPF miss most workers. Extending coverage to the informal sector is challenging due to irregular incomes and limited enforcement capacity.

The **administrative capacity** constraints are significant - until now, Vanuatu lacked a social registry or robust management information system (MIS) for social programs, making it difficult to target or coordinate any large-scale assistance.

Identification and delivery infrastructure also pose barriers: while a national ID card has been introduced, not all citizens (especially in remote islands) have IDs or bank accounts, and many outer island communities have limited connectivity. This makes means-testing or electronic payments difficult, hence why any social transfer design must be simple and inclusive of those without formal IDs or access. Geographical dispersion across 83 islands is a structural constraint for delivery - reaching remote communities entails high logistics costs and often unreliable transport.

Inter-agency coordination has also been ad hoc; social protection functions are scattered (education handles fee waivers, local government and NGOs handle emergency relief, etc.) and there was no single agency dedicated to social protection. This fragmentation leads to overlap or gaps and inconsistent service standards.

Another major constraint is **shock responsiveness**: although Vanuatu is extremely disaster-prone, pre-arranged mechanisms to deliver assistance quickly after shocks have been minimal. The government has relied on humanitarian agencies for post-disaster cash/voucher distribution, which can be delayed by funding and logistical hurdles. Lack of standard operating procedures for scaling up support after an event was a clear weakness during Cyclone Harold and the COVID border closure, when many affected households waited weeks or months for relief.

Finally, ensuring **financial sustainability** is a challenge - VNPF's ability to meet future retirement payouts and the need to protect its funds during crises (such as allowing emergency withdrawals) require careful governance. Limited domestic revenue and high exposure to economic shocks mean any new social programs must be planned with long-term financing strategies (e.g. trust funds, contingency budgets, or donor support). In sum, Vanuatu's social protection system must overcome gaps in program coverage, data systems, delivery networks, and coordination, all under tight fiscal and capacity constraints. These weaknesses are being acknowledged in current reforms, with plans to address them through simple, phased approaches (e.g. starting small categorical benefits, building basic registries, leveraging mobile payments) rather than complex means-tested schemes that are not presently feasible.

Delivery and Governance Innovations

Although still nascent, Vanuatu has begun experimenting with innovations to improve social protection delivery and governance. **Shock-responsive cash delivery** has seen notable pilot efforts. After Cyclone Harold, humanitarian partners implemented an electronic voucher cash transfer program - distributing prepaid cards that beneficiaries in Sanma and other provinces could use at local shops. This program, led by Oxfam and local NGOs, demonstrated a novel approach to reach dispersed communities quickly and transparently. The e-voucher system leveraged digital technology (smartphone apps and POS devices) to track transfers and allowed households flexibility in purchases, while stimulating local markets. The government is now looking to *consolidate lessons from this humanitarian cash pilot into a national adaptive social protection playbook* for future disaster responses.

On the routine delivery side, there is momentum to **digitize payments and registration** processes. The VNPF has been upgrading its information systems and exploring the use of mobile technology to enhance member services. In fact, VNPF partnered with the Pacific Financial Inclusion Programme to design micro-pension products and use digital channels for informal workers' contributions. This could allow, for example, market vendors or farmers to save for retirement via mobile money in small, flexible amounts - an innovation to extend coverage. The expansion of mobile money and agent banking in Vanuatu underpins these efforts; while coverage is still limited outside urban areas, both major telecom providers have mobile wallet platforms, and the Reserve Bank's recent guidelines for mobile money aim to improve interoperability and reach.

The government is also **modernizing its civil registration and ID systems** - since 2017, a biometric national ID card has been rolled out, and by requiring ID for voting and public services, coverage has rapidly expanded. This foundational ID will enable more reliable verification of beneficiaries and reduce duplication. In terms of governance, transparency and accountability are gradually improving. VNPF, for instance, publishes annual reports and is guided by an investment policy, though further measures (like regular actuarial reviews and member outreach) are being encouraged to strengthen public trust. There is recognition that data protection and privacy frameworks need to keep pace as systems digitize - an area highlighted for development to ensure safe handling of personal information.

Another emerging innovation is the integration of **disaster risk financing with social protection delivery**. Vanuatu participates in regional parametric insurance pools (PCRIC), and recent payouts (for example, after the 2023 earthquakes and cyclones) provide quick liquidity to the government. Going forward, the plan is to link such financing to pre-planned "surge" support through social protection - e.g. using a portion of an insurance payout to fund emergency cash top-ups or expansion of benefits when a trigger event occurs. Developing simple standard operating procedures (SOPs) for this is a priority, drawing on lessons from other Pacific countries. Finally, Vanuatu is looking at service delivery standards: for instance, contracting payment providers (banks, mobile operators) with service-level agreements to ensure timely deliveries to outer islands, and establishing grievance redress channels accessible even in remote areas (via phone or community focal points). These efforts, though in early stages, indicate a shift towards a more agile, technology-enabled delivery system with stronger governance. They aim to make social protection "adaptive by design" - able to scale up after shocks, while ensuring routine payments are predictable and accountable.

Capacity Assessment

Vanuatu's capacity to implement social protection is currently limited, but gradually building.

Institutional capacity remains low - there is no single ministry of social protection, and responsibility is split among several agencies (e.g. Ministry of Education for scholarships, Ministry of Internal Affairs for civil registration, Ministry of Finance for policy and disaster financing, etc.). This fragmentation has meant coordination is often ad hoc, though the new NASP Policy establishes a multi-sector coordination mechanism to improve this. Human resource capacity (staff with social protection expertise) is scarce within government, as programs to date were few. Much of the technical work (e.g. designing a cash transfer or building an MIS) has relied on support from development partners and consultants.

The **National Statistics Office (NSO)** provides a foundation with recent household surveys (the 2019/20 Household Income and Expenditure Survey offers updated poverty and demographic data), but these data are not yet integrated into any dynamic social registry or beneficiary database. Establishing a basic social registry is on the agenda, but will require training and sustained funding. On delivery systems capacity:

Payment infrastructure is improving but still uneven. Urban centres have banks and mobile network coverage, enabling digital payments, but many rural villages lack banking services and reliable connectivity. This means the government and partners must maintain manual or cash delivery options for the foreseeable future, which are labour-intensive and risk delays. Expanding the agent network (e.g. local shops as cash-out points) and improving mobile coverage in outer islands are recognized needs.

Monitoring and accountability systems are in infancy - grievance mechanisms, for example, are not institutionalized for the few existing programs. There is limited experience with case management (enrolment, compliance monitoring, etc.) in delivering cash benefits, since such programs have not been permanent. The VNPF, however, does offer some institutional experience (it has an existing contributor database of tens of thousands and processes claims regularly), which can be instructive for nascent social assistance administration. Financial management capacity is another concern: ensuring that funds for social protection (especially any emergency funds) are managed transparently and reach intended recipients will require stronger public financial management processes and audits. Vanuatu's public service generally has thin capacity due to the country's small size and budget - this affects social protection too. Digital capacity is also limited: while systems like the civil registry and VNPF IT are being upgraded, there is a shortage of local IT specialists and data analysts to maintain sophisticated systems. On a positive note, political and community support for social protection is growing, which is an intangible capacity factor. The experience of COVID-19 and recent disasters has raised awareness among leaders of the importance of having systems in place to support citizens quickly. Development partners (UNICEF, WFP, World Bank, ADB, Australia, etc.) have been central to piloting programs and building capacity through trainings and technical assistance. Their continued support is a key asset as Vanuatu implements its new policy. Overall, current capacity is characterized as low to moderate - an assessment in a regional comparison rated Vanuatu's social protection capacity as low-medium on coverage and adequacy, but medium on delivery systems and sustainability dimensions. This suggests that while there is a long way to go in terms of program management and reach, the country does have some foundational elements (like basic financial infrastructure and emerging policy frameworks) to build upon. Strengthening institutional capacity - through clear mandates, training of staff, improved data systems, and pilot-to-scale learning - will be critical over the next few years to ensure new social protection initiatives can be effectively delivered.

Priorities for 2025-2030

Looking ahead, Vanuatu has identified clear priorities to develop its social protection system by 2030, focusing on building an adaptive, inclusive framework. Key priorities include:

- **Consolidate humanitarian cash lessons into adaptive social protection mechanisms:** Develop a national *"adaptive social protection playbook"* that codifies triggers, standard operating procedures, and roles for scaling up cash assistance after disasters. This means institutionalizing shock-responsive protocols (e.g. pre-agreed cyclone response plans that use social protection channels for rapid aid).
- **Expand payment delivery to remote areas:** Pilot and scale **agent-based and mobile payment delivery** on outer islands, contracting service providers (banks, mobile operators) with clear service-level standards. Ensuring multiple payment modalities (bank transfers, e-wallets, cash-out agents) will improve resilience if one channel is disrupted and extend reach to unbanked populations.
- **Introduce basic categorical benefits:** Design and implement simple eligibility and payment processes for a **categorical senior citizen benefit or disability grant**, as a first step toward a social protection floor. This could involve a modest universal or pension-tested allowance for all elderly or persons with disabilities, leveraging community structures for identification and using the nascent delivery systems. Establishing such a flagship non-contributory program is central to closing coverage gaps.

- **Strengthen administrative and case management capacity:** Invest in **case management systems and grievance redress mechanisms** that work across programs. This includes training social welfare officers, developing an integrated MIS or registry for enrolment and tracking, and ensuring citizens in all provinces can lodge grievances or appeals (for example via phone hotlines or local committees). By improving administrative capacity, programs can operate more reliably and accountably.
- **Integrate data and early warning for shock response:** Link any emerging social registry or beneficiary databases with **disaster early-warning systems** to enable proactive expansion of support when a cyclone or other hazard is forecast. For instance, if a severe cyclone warning is issued, the system could automatically prepare a list of beneficiaries in the affected area for emergency top-up payments. This priority ties together investments in data systems with the adaptive focus, ensuring faster horizontal expansion to newly affected households.
- **Enhance transparency and results monitoring: Publish annual social protection results reports** detailing coverage, payment timeliness, and error or grievance statistics. Regular public reporting will build accountability and help identify operational bottlenecks. It also signals the government's commitment to good governance as programs grow (echoing practices in other Pacific countries of sharing performance indicators).
- **Sustain and govern the contributory system prudently:** While not explicitly in the above list, an ongoing priority is to maintain confidence in VNPF and any other insurance schemes. This involves robust governance (e.g. **regular actuarial reviews, transparent annual reports, and clear rules for crisis-time withdrawals**) so that the fund remains sustainable and members trust it. In parallel, efforts to extend coverage via voluntary micro-pension products should continue, learning from pilots and regional experiences.

By pursuing these priorities, Vanuatu aims to establish a foundational social protection system by 2030 that provides life course protection and shock response, even within the constraints of a small island economy. The emphasis is on simple, scalable interventions - starting small but designed for expansion - and on integrating social protection with the country's disaster risk management apparatus. If achieved, these reforms will greatly enhance the resilience and wellbeing of ni-Vanuatu, ensuring that the most vulnerable are protected in both good times and bad.

Kiribati

Profile
System Overview: Kiribati in Micronesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include Senior Citizens Allowance providing a national old-age benefit (age threshold set in law). Contributory protection is anchored by Kiribati Provident Fund for formal workers. Health services are tax-funded primary care with referrals to regional facilities for advanced treatment. These building blocks are complemented by assistance programs that must operate reliably across scattered atolls. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with work on interoperability between humanitarian mechanisms and government delivery during droughts and storms providing practical lessons that inform future reforms.
Non-contributory Support: the most visible tax-financed entitlement is Senior Citizens Allowance providing a national old-age benefit (age threshold set in law). The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where

detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: Kiribati Provident Fund for formal workers covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-funded primary care with referrals to regional facilities for advanced treatment. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Kiribati has relied on ad hoc donor-financed cash and food aid after droughts and COVID-19 border closures. While the Senior Citizens Allowance and Provident Fund could serve as channels for vertical top-ups, no formal disaster protocols exist. Governance remains highly centralised, with limited MIS or payment systems for rapid expansion. Developing SOPs and strengthening coordination between the Ministry of Finance and Social Affairs are urgent for building adaptive capacity.

Overview

Kiribati's social protection system is a mix of universal benefits and a provident fund, adapted to its small atoll geography and high climate vulnerability. A tax-financed Senior Citizens Allowance (SCA) provides an old-age pension as a basic income floor for all older I-Kiribati (with the qualifying age defined by law). In parallel, the Kiribati Provident Fund (KPF) serves as a contributory pillar for formal sector workers' retirement savings. General healthcare is tax-funded and free at point of use, focused on primary care, with government-funded referral schemes for patients needing treatment abroad given the limited domestic tertiary services. In recent years, the government and its partners have also enhanced shock-responsive measures, integrating disaster risk financing and emergency cash transfers into the social protection system to help households cope with cyclones, droughts, and king tides.

Over the last decade, Kiribati has significantly expanded its social assistance programs as part of a national commitment to "leave no one behind." Buoyed by windfall fishing revenues, public social protection spending more than doubled since 2019. The SCA benefit was more than tripled in 2020 (to A$100 per fortnight) to bolster support for approximately 9,500 elderly citizens. The government also introduced a broad-based unemployment cash benefit - the Support Fund for the Unemployed (SFU) - and a Disability Support Allowance (DSA) for persons with disabilities. As a result of these investments, Kiribati now leads the Pacific in social assistance spending relative to GDP, and initial outcomes are impressive: over 19,000 people have been lifted out of poverty, driving a nearly 75% reduction in the national poverty rate and effectively ending extreme poverty. This rapid progress, achieved despite COVID-19 shocks, underscores Kiribati's resolve to use its resource revenues to build an inclusive social safety net.

Government Strategy and Policy Architecture

Kiribati's social protection strategy is anchored in its long-term development vision (KV20) and a policy ethos of sharing the nation's wealth to benefit all citizens. The universal pension (SCA) introduced by law in 2004 established the principle of a tax-funded income guarantee for older persons. Since acceding to the UN Convention on the Rights of Persons with Disabilities in 2013, Kiribati has expanded its legal and policy framework to include the DSA, launched in 2019 as a dedicated allowance for people with disabilities. Social protection initiatives are led by the Ministry of Women, Youth, Sport and Social Affairs in coordination with the Ministry of Finance for funding. The contributory schemes are managed separately: the KPF is administered by its own board with tripartite representation of government, employers, and workers, operating under the Provident Fund Act 1976.

Policy design emphasizes simple categorical eligibility and broad coverage over complex means-testing, given administrative constraints. For instance, the SFU (unemployment benefit) effectively reaches almost the entire working-age population as a social dividend in lieu of formal jobless insurance. This universalist approach reflects Kiribati's policy choice to use untied fishing revenue for social dividends, alongside other subsidies like the copra price scheme. At the same time, reforms are evolving to fill gaps: in the 2023 budget the government introduced paid leave grants for private sector employees to incentivize formal employment and social insurance uptake. There is also movement toward integrating climate resilience into social protection policy - for example, developing protocols so that disaster contingency funds can trigger temporary benefit expansions during crises. Overall, Kiribati's social protection architecture is characterized by a strong state role in guaranteeing minimum income security, with external partners (notably Australia) providing technical and fiscal support to shore up program delivery.

Coverage and Impact

Old-age and disability coverage: The Senior Citizens Allowance achieves near-universal coverage of the elderly - with roughly 9,500 seniors receiving the pension, virtually all citizens above the eligibility age. The Disability Support Allowance, while newer, extends support to registered persons with disabilities nationwide. These categorical programs follow simple rules (age or disability status and residency) to ensure even those in remote outer islands are included. One policy consideration is ensuring that seniors who receive even small contributory KPF payouts are not excluded from the SCA - to avoid penalizing those with scant pension savings. There is ongoing debate on raising benefit levels and indexing them to inflation to preserve purchasing power on these allowances, as Kiribati faces imported inflation pressures.

Working-age coverage: Kiribati's Support Fund for the Unemployed now reaches an estimated 54,000 people, meaning nearly 95% of the population lives in a household with at least one SFU recipient. This effectively functions as a near-universal basic income for adults in a context where formal employment opportunities are scarce. By providing broad cash support, the SFU has cushioned families from destitution and helped decouple income security from the narrow formal job sector. However, as the IMF has noted, improving the targeting or eligibility criteria of the unemployment benefit may eventually be needed to ensure fiscal sustainability and direct resources to those truly not working. Health coverage is essentially universal for primary care - all citizens can access free basic health services at local clinics, and the government funds medical referrals overseas for more complex care. This prevents catastrophic health costs in principle, though physical access to services can be difficult for outer-island communities.

Impact on poverty and vulnerability: The expansion of social transfers has had a dramatic antipoverty impact. According to the latest Household Income and Expenditure Survey, the national poverty rate fell by almost three-quarters, with approximately 19,000 individuals lifted above the poverty line in recent years. Extreme poverty has been virtually eliminated in Kiribati - a remarkable achievement in a small island state.

The greatest consumption gains have been among the poorest households, indicating that cash transfers like the SCA and SFU are reaching their target groups. These programs also promote social inclusion; for example, the SCA has empowered elders to contribute financially within their families rather than be seen as burdens. Nonetheless, pockets of hardship remain. An estimated 7,000 people still live below the national poverty line, concentrated in South Tarawa and the Southern Gilbert Islands. Moreover, about 23% of people live just above the poverty threshold and are highly vulnerable to falling back into poverty with any shock. This underscores the need to maintain and refine social protection mechanisms to guard against backsliding, especially as climate-related and economic shocks threaten these fragile gains.

Gaps and Constraints

Despite its bold expansion, Kiribati's social protection system faces structural gaps and implementation constraints. Coverage gaps in contributory schemes are significant: with most of the workforce in informal livelihoods (subsistence farming, fishing, self-employment), the provident fund (KPF) covers only a small minority of workers. This leaves the majority without any formal retirement savings or insurance, relying instead on the social pension or family support in old age. Efforts to extend contributory coverage (for example through voluntary KPF enrolment or micro-pension products) have had limited uptake so far, due to irregular incomes and low awareness. In the non-contributory sphere, coverage for children is one notable gap - there is currently no universal child benefit or dedicated cash transfer for families with young children, even though child poverty and malnutrition are concerns. The heavy focus on elders and unemployed adults means the lifecycle floor for children and working mothers is less developed (apart from modest programs like school fee waivers or employer-paid maternity leave in the formal sector).

Adequacy and sustainability: The generosity of benefits, while improved, remains a constraint. Even after the 2020 increase, the Senior Citizens Allowance (about A$100 per fortnight) provides only a modest supplement to subsistence needs. There is no automatic inflation indexation yet, so real value can erode year by year. Similarly, the SFU's flat cash amount (not publicly reported in this excerpt) may be small relative to the high cost of imported goods, especially given Kiribati's remote island context. From a fiscal perspective, Kiribati's ability to sustain these wide-reaching programs is vulnerable to volatile revenue sources. The country's social spending spree has been financed largely by fishing license fees (which fluctuate with ocean conditions and tuna stock) and external grants. A downturn in fisheries income or donor support could force difficult choices. The IMF has highlighted the need for a medium-term fiscal framework to manage this volatility and protect priority spending like social protection. It also recommends better targeting of the unemployment benefit - currently almost universal - to improve cost-effectiveness if fiscal pressures rise. Balancing broad coverage with long-term affordability is thus a key challenge.

Delivery challenges: Reaching a dispersed population across 32 atolls and reef islands is inherently difficult. Many beneficiaries live in remote villages only accessible by boat, and payment delivery can be slow and logistically complex. In the past, cash benefits were often distributed through island councils or periodic visits, leading to delays and long queues. Connectivity is limited, with some outer islands lacking mobile network or banking infrastructure. This poses constraints for any digital payment or management information system. Identification and registration of beneficiaries is another gap - while most citizens are covered, those without formal IDs or with low literacy can struggle to navigate enrolment and grievance processes. The social protection system does not yet have a unified social registry or robust MIS linking all programs; data is siloed by program, making it harder to detect overlaps or update beneficiary information in real time. Grievance redress and monitoring mechanisms are in their infancy - communities may not have clear channels to report issues, and program performance data (timeliness, errors, etc.) is not routinely published.

Institutional capacity: Kiribati's public sector capacity is limited by its small size and human resource constraints. The rapid scale-up of cash transfers has stretched administrative systems. The ministry managing social welfare programs must coordinate with local governments, churches, and community leaders to implement payouts and verify eligibility on the outer islands. This arrangement works thanks to community solidarity, but it lacks formal service standards. There are few trained social workers or case managers per capita, which limits proactive outreach (for instance, identifying persons with disabilities in remote areas who might qualify for DSA). The delivery of health referrals and disability assessments relies on ad-hoc arrangements rather than institutionalized processes. While the KPF is a relatively well-governed entity in terms of managing funds (it regularly publishes interest rates and audited reports), its linkage with the social assistance system is weak - coordination is needed so that KPF pensioners can still access social assistance if needed without bureaucratic hurdles. Overall, the government heavily depends on development partners for technical assistance in areas like payment systems, registry development, and disaster planning. Building up local capacity - staff skills, information systems, and inter-agency coordination - remains a pressing priority to ensure the ambitious programs are delivered reliably and accountably.

Delivery and Governance Innovations

Kiribati has begun implementing innovations to improve social protection delivery and governance, recognizing its unique context. One notable area is the integration of social protection with disaster response mechanisms. The government, with support from partners, is developing pre-arranged financing and standard operating procedures so that when a natural disaster strikes, *vertical* top-ups (increase in benefit amounts) or *horizontal* expansion (temporarily including more people) can be quickly rolled out using the existing cash transfer programs. Simulations and recent experiences with droughts have demonstrated the value of linking humanitarian cash assistance with the national social protection system for faster, more coordinated relief. Kiribati's National Disaster Management Office is working with the social welfare authorities to formalize trigger indicators (e.g. drought declarations or storm warnings) that would activate emergency payments to affected communities, financed by a combination of the national contingency fund and regional disaster risk finance instruments.

Another key innovation is the push toward digital and multi-channel payment delivery. To overcome geographic barriers, Kiribati is exploring a "multi-rail" payment approach - leveraging bank accounts, local agents, mobile money wallets, and traditional channels in combination. For example, where commercial banks have branches or agents (mostly on South Tarawa), beneficiaries can opt to receive transfers electronically. In areas with mobile coverage, an e-money platform could be used for cash-out through phone-based vouchers. The government has also piloted scheduling techniques (appointment-based payout days) to reduce overcrowding and wait times at cash distribution points. These measures are improving convenience and transparency: digital transfers create an audit trail, and the use of local payout agents (such as post offices or retail stores) brings services closer to distant communities. Accompanying these delivery changes, Kiribati is introducing more robust identification and grievance systems. A drive to strengthen civil registration and issue national IDs is underway to ensure each beneficiary can be uniquely verified, including those in islands with historically low ID coverage. Grievance redress has been tailored for remote contexts - for instance, allowing complaints through village councils or mobile phone hotlines, recognizing that internet access is limited. These innovations collectively aim to make the social protection system more accessible, user-friendly, and accountable despite the country's logistical challenges.

Additionally, Kiribati's approach to governance and monitoring of social protection is evolving. There is an increasing emphasis on data and evidence to guide programs. The authorities have leveraged household survey data (HIES) to measure impact and identify remaining gaps, as seen in the recent poverty results. Going forward, plans include establishing a simple integrated social registry that can be used across multiple programs for registration and reporting. This would enable better case management (e.g. tracking if a household is receiving all the benefits it's eligible for) and faster emergency scaling. The government is also looking to publish annual social protection performance reports with metrics on coverage, timeliness of payments, and grievance resolution, to enhance transparency and public accountability. Such steps will complement existing fiduciary reforms (like implementing an IFMIS for all government payments) to strengthen trust in the system. Finally, on the contributory side, governance improvements in the KPF are being pursued - for instance, clarifying rules for early withdrawals during crises and improving member communication, so that provident fund contributors know their options and rights. By modernizing both the delivery infrastructure and governance practices, Kiribati is gradually building a more resilient and adaptive social protection system suited to its context.

Capacity Assessment

Implementing an expansive social protection portfolio in a low-capacity environment like Kiribati is an ongoing challenge.

- **Human resources and institutional setup:** The core social assistance programs (SCA, SFU, DSA) are managed by a relatively small team at the Ministry of Women, Youth, Sport and Social Affairs, with no separate social security agency. Frontline delivery relies on local government officers and community structures. While this community-based approach has enabled wide coverage, it exposes capacity gaps - many staff handling beneficiary lists and payments at island level have limited training in social administration. The country lacks specialist social workers or a dedicated cadre for case management and M&E. This means proactive identification of beneficiaries (e.g. locating all persons with disabilities in villages) and follow-up on payment issues can be inconsistent. The administrative data systems are rudimentary: much of the enrolment and payroll for benefits was initially done via spreadsheets and manual records. Efforts are underway to computerize these and establish a unified beneficiary database, but technical expertise is limited on-island, so Kiribati depends on external IT consultants for system development.
- **Financial and logistical capacity**: Kiribati's government has shown strong commitment by allocating over $50 million annually to social assistance, but executing this budget effectively is constrained by logistical hurdles. The Ministry of Finance's treasury systems have to push cash out to far-flung islands, which requires coordination with transport (ships/planes) and secure handling of funds. The introduction of electronic transfers is gradually easing this, but many recipients still prefer cash, meaning the government will need to maintain costly dual systems (cash plus digital) until digital literacy and trust improve. On the financial management side, there is progress in integrating social protection disbursements into the national IFMIS and strengthening audit controls, yet on-the-ground monitoring (to prevent ghost beneficiaries or leakage) relies on community validation since formal audit capacity is thin. The KPF, on the other hand, has a relatively stronger institutional base - it operates like a pension fund with its own professional staff and is supervised by a Board, which lends it more robustness in managing funds. However, KPF's operations (member enrolment, contribution collection) cover only urban formal workplaces and it has little presence or capacity in the outer islands where informality prevails.
- **Coordination and governance**: There is currently no single national social protection coordinating body or framework - programs have expanded in an ad-hoc but opportunistic manner (e.g. scaling up SFU during COVID-19, adding DSA after CRPD ratification). This means inter-ministerial coordination is an area for improvement. For instance, aligning health services with social protection (for medical referrals or assistive devices for disabled persons) requires coordination between the social welfare ministry and the

Ministry of Health, which is still nascent. The National Disaster Management Office and the social protection programs are beginning to coordinate for shock responses, but joint protocols and training exercises are needed to cement this collaboration. The lack of a formal social protection strategy document (as some neighbours have) means priorities can shift with political changes, and institutional roles may be unclear. To address this, Kiribati may move toward institutionalizing its social protection framework in the coming years, possibly by forming a multi-stakeholder social protection steering committee or enacting a comprehensive social protection policy that clarifies mandates and standards. Strengthening local capacity will also involve continuous training (with support from regional initiatives) and South-South learning from other Pacific nations. In sum, Kiribati's capacity to deliver on its social protection promise is improving but remains the weakest link - it will require sustained investments in people, processes, and technology to ensure the ambitious programs translate into efficient services on the ground.

Priorities for 2025-2030

Looking ahead, Kiribati's focus is on consolidating recent gains and addressing the system's vulnerabilities. Key priorities for the next five years include:

- **Sustain the universal pension with indexation**: Maintain the Senior Citizens Allowance as a universal right and develop a clear indexation mechanism so that benefit levels keep pace with inflation. Continue efforts to ensure *every* elder, especially those in outer islands, can enrol easily and receive payments regularly (e.g. through mobile teams or local agents).
- **Strengthen registries and inclusive access**: Invest in a basic social registry that captures all beneficiaries and eligible individuals, enabling better planning and reducing duplication. Improve outreach and communication so that people without formal ID, those with low literacy, and other vulnerable groups can enrol and access benefits without barriers. This may involve community-based registration drives and simplified application processes (like proxy enrolment for persons with disabilities or the very frail).
- **Modernize delivery systems**: Upgrade payment options by expanding the network of bank agents, post offices, and mobile money outlets that can deliver cash transfers. Pilot innovative delivery schedules (such as appointment-based payout days or staggered payments) to eliminate long queues and ensure dignity in the payment process. Over time, aim for a cashless transfer system for those who are comfortable with it, while retaining cash delivery for remote areas as a fallback.
- **Enhance support for disabilities and caregiving**: Expand the scope of the Disability Support Allowance program by considering a caregiver allowance or additional child disability grants, to support families providing care. Strengthen linkages with health and education services - for example, use clinics and schools as points of outreach to identify and assist children with disabilities or special needs. Ensure disability assessments and benefits are aligned with the 2018 Disability Act and are accessible across all islands.
- **Institutionalize shock-responsive mechanisms**: Formalize horizontal expansion rules so that during natural disasters (droughts, king tides, cyclones) the social protection system can rapidly extend support to affected households. This includes setting pre-agreed triggers and benefit top-up amounts, and securing contingency financing (through national reserves or regional risk insurance) to fund these surge payments. Conduct annual disaster response drills involving the social protection payment systems to test readiness.

- **Governance and sustainability**: Continue to refine the targeting and efficiency of social spending - for instance, periodically review the unemployment benefit's design to ensure it encourages job search while providing a safety net. Develop a medium-term fiscal plan that safeguards funding for core social protection programs even under revenue shocks. This could involve setting aside a portion of fishing revenues in a stabilization fund for social programs. Additionally, improve transparency by publishing an annual State of Social Protection report with data on coverage, expenditures, and outcomes, to inform policy dialogue and build public support.

Kiribati aims to solidify an inclusive social protection system that delivers Lifecyle coverage, is resilient to shocks, and is administratively sound. The period up to 2030 will be critical for translating the current investments into a sustainable system.

Nauru

Profile
System Overview: Nauru in Micronesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include elderly allowance and a disability allowance determined by national budget parameters. Contributory protection is anchored by Nauru Super as the national superannuation scheme. Health services are publicly funded health services with referral arrangements. These building blocks are complemented by a national social protection strategy guiding program development. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with DRF arrangements appropriate to a compact island state and strengthened administration providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is elderly allowance and a disability allowance determined by national budget parameters. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: Nauru Super as the national superannuation scheme covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are publicly funded health services with referral arrangements. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Nauru's small size allows quick policy decisions, but shock response has been mostly through Trust Fund withdrawals and external aid. The Superannuation Fund and elderly/disability stipends offer potential platforms for scaling

payments, yet there are no codified SOPs or digital mechanisms for rapid disbursement. Governance remains vulnerable to fiscal shocks, highlighting the need for predictable disaster financing rules and integration of social protection into national emergency management frameworks.

Overview

Nauru operates a mixed social protection system shaped by small-state constraints, high exposure to climate shocks, and a narrow economic base. The Government provides a tax-financed Elderly Allowance and a Disability Allowance as the core non-contributory support, with benefit levels set through the national budget. These categorical allowances offer basic income security for older persons (e.g. ages 60+ as per policy) and persons with disabilities, favouring simple eligibility criteria over complex means-testing in a context where administrative capacity is limited. On the contributory side, the Nauru Super scheme serves as the national superannuation fund for formal sector workers, providing retirement savings for government and private employees. Publicly funded primary health care is guaranteed for all, supplemented by medical referral arrangements for specialized treatments offshore. These building blocks collectively aim to address lifecycle risks in a country of just over 11,000 people, spread across small communities on a single island. In recent years, Nauru has also begun integrating disaster risk financing into its social protection operations - for example, planning pre-arranged contingency funds and standard operating procedures to enable rapid “top-up” cash transfers to vulnerable households in the event of cyclones, droughts, or other shocks. Delivery reforms are emphasizing multi-modal payment channels (bank accounts, payment agents, mobile money) and grievance redress mechanisms tailored to reach all residents, including those in remote locations on the island. Overall, Nauru’s social protection system is nascent but evolving, combining modest universalist programs with contributory schemes underpinned by a national policy vision for expansion.

Strategy and Policy Architecture

Policy development in Nauru is guided by a recently adopted National Social Protection Strategy 2022-2032, which provides an overarching framework for system reform. Launched in 2022 with support from development partners (Asian Development Bank and the Ireland Trust Fund), the strategy is anchored in the universal right to social security and an adequate standard of living. It lays out a roadmap to reduce poverty and vulnerability by strengthening leadership, multisector coordination, and governance of social protection programs. The strategy explicitly prioritizes establishing minimum income guarantees across the lifecycle - notably formalizing support for the elderly and persons with disabilities - and improving shock responsiveness and fiscal sustainability. It is accompanied by an implementation plan and M&E framework to translate policy into action. Institutionally, the Ministry of Finance (through its Social Welfare Division) leads the social protection agenda, reflecting Nauru’s approach of integrating welfare programs within the financial and planning apparatus of government. Line ministries (health, education, etc.) collaborate on relevant components (e.g. health fee waivers, school support schemes), and a multi-stakeholder National Social Protection Steering Committee has been envisioned to oversee strategy rollout (as per the strategy’s design). The policy architecture thus consists of the national strategy and existing sector plans, underpinned by the National Sustainable Development Strategy, aligning social protection with broader development goals.

Coverage and Impact

Nauru’s existing programs provide partial coverage across key demographic groups, but gaps remain in achieving full lifecycle protection. The elderly allowance is intended to reach all older Nauruans above the qualifying age (roughly 7-10% of the population), and the disability allowance targets persons with permanent disabilities as identified through a medical/certification process. In practice, coverage of these allowances is constrained by budget ceilings and eligibility rules - for instance, seniors with other sources of income or pension may be excluded from the elderly benefit, meaning not every older person in need is necessarily receiving support. Working-age adults have very limited coverage aside from the contributory Nauru Super (which itself reaches mainly formal employees) and small-scale programs such as birth grants, death/funeral grants, and an annual Back-to-School payment for families with schoolchildren. These latter programs, while helpful for specific life events, are narrow in scope and funding. As a result, a large portion of the population (especially informal workers and poor households without elderly or disabled members) have no routine cash assistance. The health system offers free or highly subsidized basic care, which provides a level of protection for all citizens; however, the need for overseas referrals in serious cases means households can still face hardships without adequate support for travel and treatment costs.

In terms of impact, Nauru's social protection spending is modest - the country spends a smaller share of GDP on social safety nets than the Pacific Island average, reflecting both fiscal constraints and the small scale of programs. Poverty and hardship remain prevalent: about 24% of Nauru's population lives below the basic-needs poverty line, according to the latest survey estimates. Inequality is also relatively high in Nauru's context, which means that existing benefits, while crucial for those who receive them, have limited aggregate impact on closing income gaps. Nonetheless, even modest transfers have shown positive effects on reducing vulnerability. Studies in Nauru indicate that the categorical benefits - especially the disability allowance, elderly pension, and school support payments - help lift people out of extreme hardship (defined as living on less than 50% of the poverty line) when they reliably reach the intended recipients. The challenge is that benefit adequacy is low: for example, the Elderly Allowance provides approximately A$75 fortnightly (as of the last adjustment in 2012), which covers only a fraction of basic living costs on the island. With the average cost of living estimated around A$1,000 per month, the current benefit levels fall short of needs, limiting their poverty-reduction impact. Indexation of benefits to inflation is not yet institutionalized, so real values tend to erode over time. Nauru's social protection system reaches key vulnerable groups in principle, but coverage gaps (especially for those outside categorical programs) and low benefit levels mean the overall impact on poverty and inequality is still modest.

Gaps and Constraints

Several structural gaps and constraints hinder Nauru's social protection system from achieving comprehensive coverage and robustness.

Adequacy and Indexation: Benefit levels for the non-contributory allowances are low and subject to irregular adjustments. There is no formal indexation mechanism to keep pensions or allowances in line with cost-of-living increases, which has led to declining real value between ad-hoc raises. Ensuring that transfers maintain their purchasing power remains a key challenge.

Coverage Exclusions: Because the elderly benefit historically has not been given to those drawing any other pension (even a small one), some vulnerable seniors with a contributory pension from Nauru Super have been inadvertently excluded from receiving the social pension. This "double dipping" rule, intended to avoid overlap, can create a coverage gap and is a point of policy debate (how to harmonize contributory and non-contributory schemes so that a modest provident fund payout does not disqualify someone from needed income support). More broadly, there is an absence of any unemployment or active labour market support for working-age adults, and no child benefit or poverty-targeted household transfer exists (beyond the limited school-related assistance).

Informal Sector and Contributory Coverage: Given that a large share of Nauru's workforce is engaged in informal or semi-formal employment (including subsistence or intermittent work), the Nauru Super scheme leaves many without any pension savings or insurance. Coverage gaps in the contributory pillar are inherent to the small, informal-dominated economy. While formal public sector workers contribute to Nauru Super, informal workers have no equivalent mechanism, and voluntary contribution options are not yet widely utilized.

Fiscal Sustainability: Nauru's capacity to expand or enhance benefits is constrained by a very limited domestic revenue base. The country's budget relies on volatile revenue sources (fisheries licenses, phosphate mining royalties, and external arrangements such as hosting offshore processing centres), and spending on social protection has historically been low as a share of total expenditure. This raises concerns about sustainable financing for any new programs or benefit increases, especially once donor project support (such as technical assistance from ADB or others) winds down. Nauru has established an Intergenerational Trust Fund (ITF) to save windfall revenues for future generations and stabilize spending, and indeed the ITF (with contributions from development partners) is envisioned as a mechanism to help fund social programs in the long run. Still, in the near term, the social protection system's expansion is limited by what the annual budget can accommodate.

Administrative Capacity Constraints: The delivery of social protection in Nauru is hampered by minimal institutional capacity (addressed further below). For example, the absence of a unified social registry or management information system means identifying and enrolling eligible beneficiaries (especially for any expansion or emergency assistance) is a slow, manual process. Grievance redress and monitoring systems are underdeveloped, which can erode accountability and public trust.

Shock Responsiveness: While Nauru is working to integrate disaster-response financing with its social protection programs, these arrangements are not yet fully codified. Ad hoc disaster assistance in the past has depended on external funding and one-off distributions, rather than an institutionalized system. Until standard operating procedures for emergency cash top-ups and expansions are formally adopted and tested, the system remains vulnerable to delays when shocks strike. Nauru faces the twin constraints of scale and capacity - its small economy and administration make it challenging to run extensive programs, and yet those very limitations underscore the need for a well-designed social protection floor that can reliably protect all citizens. Addressing adequacy, coverage gaps (especially for those currently ineligible or uncovered), and financing constraints will be critical to realizing the goals of the national strategy.

Delivery and Governance Innovations

Despite its challenges, Nauru has begun to introduce innovations in social protection delivery and governance, often drawing on regional best practices. One area of progress is in payment delivery mechanisms: the government is exploring a shift from purely manual cash payments to a multi-rail payment system, including transfers through bank accounts, local agents (such as post offices or bank agents), and potentially mobile e-money platforms. Given Nauru's high cell phone penetration and the presence of digital networks, leveraging mobile technology for cash transfers is being considered to improve convenience and reach. These steps aim to ensure that beneficiaries on Nauru's far edges (although the island is small, some communities are less connected to services) receive assistance more reliably and efficiently. Alongside this, authorities are working on establishing a social registry and digitizing beneficiary data to strengthen enrolment and verification processes. Such a registry, once in place, will enable quicker identification of households for new programs or for scaling up support after shocks. It will also facilitate interoperability of information across agencies - for example, allowing social welfare, health, and disaster management systems to share data for targeted interventions.

Another important innovation is the incorporation of disaster risk financing (DRF) protocols into social protection. Nauru is developing pre-arranged financing agreements (such as dedicated contingency funds or parametric insurance payouts) that can trigger emergency social protection responses in the event of natural disasters. The goal is to move from reactive, donor-dependent relief to an “adaptive social protection” model where cash transfers can be scaled up rapidly through existing programs when a shock occurs. In practice, this could mean automatically topping-up the elderly or disability allowances nationwide if a severe drought or cyclone hits, using funds that have been set aside in advance. Coupled with this, Nauru plans to develop standard operating procedures (SOPs) for disaster-response cash transfers, and to conduct simulation drills with payment providers to ensure readiness. These measures represent a significant governance improvement, embedding resilience into the social protection system.

Transparency and accountability initiatives are also on the agenda. The new strategy calls for publishing clear eligibility criteria, payment schedules, and service standards for social protection programs, which would be a change from past practice where such information was not readily available. By ensuring, for example, that beneficiaries know exactly when payments will be made and how to report grievances, the government aims to boost public confidence and uptake. There is a push to establish formal grievance redress channels (e.g. a hotline or community focal points) and to track their usage and resolution, in line with good governance practices in the region. Additionally, Nauru is reviewing the governance of the Nauru Super fund - including investment management, transparency of fund performance, and member communication - to strengthen trust in the contributory system. This may involve more regular publication of annual reports and audits of the fund, as well as better outreach to contributors about their account balances and retirement options. Although many of these innovations are in early stages of implementation, they collectively point toward a more modern, robust delivery system: one that is digital where feasible, financially prepared for crises, and accountable to the public.

Capacity Assessment

Nauru’s ability to implement social protection programs is constrained by very limited institutional capacity, which is typical for a country of its size. There is no dedicated social protection ministry; instead, the Social Welfare Division under the Ministry of Finance manages the core schemes (elderly and disability allowances, and related family grants) as part of its portfolio. This division operates with a small staff and a basic administrative setup. Human resources for social protection are minimal - a handful of officers process applications, authorize payments, and coordinate with other departments (such as Health for disability assessments or Education for school support). The absence of a decentralized administrative structure (given Nauru’s single-island geography) means everything is managed centrally in Yaren, which can be efficient in some respects but also means there are no local offices in communities for outreach. As a result, proactive identification of beneficiaries (for instance, finding all persons with disabilities in need) is limited; the system often relies on individuals coming forward or being referred.

Information systems are rudimentary. Enrolment and payment records are largely handled through spreadsheets or simple databases, and there is not yet a unified Management Information System (MIS) for social protection. This makes it challenging to monitor program performance in real time - for example, tracking payment timeliness, error rates, or overlaps between programs is labour-intensive. Data sharing between agencies is also ad hoc; there is no national ID system or unified registry that links, say, the health, education, and welfare data for a household. The government recognizes these gaps and, as noted, is working toward a social registry and better data integration, but these are works in progress.

Capacity for **service delivery** and case management is nascent. Beneficiary outreach, grievance handling, and monitoring are areas requiring development. At present, if issues arise (such as missing a payment or a dispute over eligibility), they are handled informally or through general administrative channels, rather than a dedicated social protection grievance unit. The staff have limited training in social protection administration, though recent technical assistance under the new strategy is focusing on building these skills.

Coordination between sectors - for example, social welfare, the Nauru Super fund administrators, the health referral unit, and disaster response teams - is improving under the national strategy's umbrella but still largely depends on personal communication and ad hoc committees.

One bright spot in capacity is the **high-level commitment** to improving social protection governance. The Ministry of Finance's leadership on the social protection Strategy indicates political will to invest in system improvements. Moreover, external partners are actively filling some capacity gaps: ADB and others have provided consultants and training to support the rollout of new systems, and regional organizations (like Pacific Islands Forum and SPC) are providing policy advice. Nauru's membership in regional initiatives (e.g. the Pacific Catastrophe Risk Insurance arrangement, if applicable, and regional social protection peer learning forums) also augments its institutional knowledge.

However, fundamentally, administrative capacity remains the binding constraint - without significantly boosting staffing, skills, and systems, the ambitious goals of the national strategy will be hard to fully realize. Going forward, establishing a small dedicated social protection unit or agency (even within an existing ministry) and investing in information systems and staff training will be key steps to ensure Nauru can deliver an expanded social protection agenda effectively.

Priorities for 2025-2030

Building on the identified gaps and the national strategy, Nauru has outlined several priority actions for the medium term:

- **Implement the National social protection Strategy:** Complete the rollout of the National Social Protection Strategy 2022-2032 with sequenced reforms, starting with the establishment of a permanent disability benefit scheme and enhancements to the senior citizens' support, codified in law and regulations. This includes clarifying eligibility, benefit levels, and operational procedures for these core programs.
- **Strengthen Delivery Systems and Standards:** Ensure predictable payment schedules (e.g. setting and publishing a regular payment calendar for allowances) and introduce clear service standards for benefit administration and grievance handling. By 2030, beneficiaries should know when to expect payments and have access to a functional complaints/appeals process with timely resolution. Advancing the development of a social registry is part of this effort, alongside instituting data privacy and security safeguards as beneficiary data are digitized.
- **Enhance Contributory Scheme Governance:** Undertake a thorough review of the Nauru Super fund's governance, investment policies, and member services. The aim is to strengthen long-term confidence in the provident fund by improving transparency (e.g. annual reports, audited financial statements), member communication (regular statements, awareness of benefits), and exploring options to expand coverage (such as voluntary micro-pension contributions for informal workers).
- **Align Health and Social Protection for Catastrophic Risks:** Improve the integration of health financing support with social protection, particularly for households facing catastrophic medical costs. This could involve aligning the overseas medical referral program or any health cost support schemes with social assistance for low-income families, ensuring that no household is impoverished due to necessary health expenditures.
- **Institutionalize Shock-Responsive Mechanisms:** Codify the rules and procedures for disaster-triggered cash transfers - for example, establish in advance which events (droughts, storm surges, etc.) will trigger an emergency top-up to beneficiaries, the amount of such top-ups, and the source of financing (e.g. a contingency fund or parametric insurance payout). Nauru will also conduct regular

“surge drills” with financial service providers to practice rapidly scaling up payments after a shock, thereby improving readiness.

- **Governance and Coordination:** Formalize a cross-agency coordination mechanism (if not already in place) such as a Social Protection Steering Committee to oversee policy implementation. Also, strengthen monitoring and evaluation by publishing an annual social protection report that tracks coverage, expenditures, timeliness of payments, and program outcomes (building on the strategy’s M&E framework). This will help maintain transparency and inform policy adjustments.
- **Fiscal and Sustainability Planning:** Develop a medium-term financing plan for social protection that integrates domestic resources, the Intergenerational Trust Fund disbursements, and external support. This includes exploring avenues to secure dedicated funding for the social pension and disability benefit (for instance, ring-fencing a portion of budget or trust fund returns) and ensuring the long-run sustainability of these schemes even as Nauru’s phosphate revenues decline. In tandem, efforts will continue to seek technical and financial support from development partners to build administrative capacity until domestic capacity is self-sustaining.

These priorities reflect Nauru’s commitment to move from a set of fragmented, small programs towards a more systematic social protection floor. By 2030, the vision is for Nauru to have in place guaranteed minimum income support for the elderly and disabled, stronger linkages to health and disaster response systems, and a delivery infrastructure that is efficient, transparent, and capable of expanding coverage as needed.

Palau

Profile
System Overview: Palau in Micronesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include no universal social pension; assistance is provided through services and categorical supports. Contributory protection is anchored by a defined-benefit social security scheme alongside the Health Care Fund that combines National Health Insurance with Medical Savings Accounts. Health services are HCF finances benefits domestically and supports off-island referrals when needed. These building blocks are complemented by administrative systems oriented to small-state service delivery. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with membership in regional risk pools and well-established emergency procedures providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is no universal social pension; assistance is provided through services and categorical supports. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: A defined-benefit social security scheme alongside the Health Care Fund that combines National Health Insurance with Medical Savings Accounts covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing

voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: HCF finances benefits domestically and supports off-island referrals when needed. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Palau has advanced contributory and health-financing systems, but social protection has not been systematically leveraged for disaster response. During COVID-19, the government used the Health Care Fund and Social Security to provide temporary relief, but expansions were improvised. Governance capacity is strong compared to peers, yet lacks codified shock-response procedures. Formalising SOPs and linking with parametric insurance or contingency funds would enable Palau to respond faster and more equitably in future crises.

Overview

Palau is a small Micronesian island nation with a mixed social protection system shaped by small-state realities, high exposure to natural hazards, and dispersed communities. The country does not yet provide any universal old-age pension; instead, support for vulnerable groups is offered primarily through public services and a few categorical assistance schemes. Palau’s contributory programs form the backbone of its social protection. A defined-benefit Social Security system (administered by the Republic of Palau Social Security Administration, ROPSSA) provides retirement, disability, and survivor pensions for formal sector workers, and a national Health Care Fund (HCF) combines a social health insurance with mandatory medical savings accounts. The HCF finances most in-country health services and subsidizes off-island medical referrals, recognizing that specialized care often requires treatment abroad.

These core schemes are complemented by administrative arrangements tailored to a micro-state - for example, simple eligibility rules (e.g. age or residency) for any benefits, due to the impracticality of complex means-testing in a small population. In recent years, Palau has also worked to strengthen disaster preparedness within its social protection system: it participates in regional risk insurance pools and has established emergency response procedures that enable rapid expansion of support after shocks. Overall, while Palau’s formal programs cover a broad range of risks (old age, disability, health care), the system leans heavily on contributory schemes and family support networks, with modest direct assistance for those outside the formal sector.

Strategy and Policy Architecture

Palau lacks an overarching national social protection policy or single coordinating agency, resulting in a somewhat fragmented policy architecture. Social protection functions are distributed across different laws and institutions. The Social Security system is governed by its own legislation and overseen by ROPSSA, a self-funded public corporation responsible for collecting contributions and paying pensions. The Health Care Fund was established by the 2010 Healthcare Financing Act, and it is also administered by ROPSSA, integrating pension and health insurance administration under one roof for efficiency.

Non-contributory assistance programs, however, have historically been ad hoc and handled by various departments - for instance, the Ministry of Health and Human Services administers small social assistance payments and subsidies (like child benefits and informal sector support) on an application basis. Recognizing the need for a more coherent approach, the government recently created a new Division of Human Services within the health ministry to serve as a focal point for social welfare programs.

Palau's current National Development Plan 2023-2026 explicitly calls for building a comprehensive social protection framework aligned with the SDGs (especially Goal 1.3 on social protection floors). In line with this, policymakers - with support from development partners like ADB - have acknowledged the importance of formulating a holistic social protection policy and medium-term strategy. Another policy consideration is the coordination between Palau's general social security system and the separate Civil Service Pension Trust. The civil service pension (covering government employees) is more generous, and its beneficiaries tend to have higher incomes, which has raised equity concerns. Going forward, Palau's strategy aims to harmonize these schemes and close coverage gaps through formal policy instruments. Overall, while the legal architecture for pensions and health insurance is well-established, the policy framework for non-contributory social protection is still nascent, and strengthening institutional coordination remains a priority.

Coverage and Impact

Despite its small size, Palau achieves relatively high coverage through its contributory programs, but benefit adequacy and inclusiveness remain issues. The Social Security system covers essentially all formal sector workers and many self-employed, providing pensions to about 5,100 retirees as of 2018. In total (including dependents of insured workers), around 22,000 people benefited from social insurance programs in 2018 - a figure exceeding Palau's population of approx. 18,000, indicating broad coverage via the health insurance scheme. Indeed, Palau has attained near-universal health coverage: the HCF/National Health Insurance enrols the vast majority of residents, with 94% of the population covered for pre-approved off-island care by 2020. The HCF pays 80% of the cost of necessary treatments (including referrals abroad up to $35,000), greatly reducing the financial burden of serious illnesses. This extensive health coverage has helped Palau record strong health outcomes and financial protection in healthcare, with only a modest copayment required (capped based on income).

However, the impact of social protection on poverty and vulnerability is limited by shallow benefit levels and gaps for those outside formal schemes. The average Social Security pension replaces only a portion of preretirement income; notably, the minimum old-age pension is about $148 per month, which is modest given Palau's cost of living. Many retired Palauans who spent years in informal work receive no contributory pension at all. Non-contributory assistance programs are small in scale - for example, a social assistance stipend for indigent seniors reached only 290 elderly persons in 2018, and a Child Maintenance benefit (a yearly $100 per child subsidy for low-income families) benefits roughly 3,500 children. Overall social assistance expenditure was just 0.2% of GDP in recent years, far below the level needed to lift all vulnerable households out of poverty. Consequently, while Palau's formal social insurance yields high coverage and some positive impact (Palau's system was rated the third-highest among Pacific Island countries in terms of coverage and impact in one recent assessment), the depth (adequacy) of support is low. Many households with elderly or disabled members still struggle, and about 7% of senior citizens reported having no income in retirement. Palau's social protection reaches a large share of the population through health insurance and pensions, but the benefits often fall short of providing full income security, especially for those not covered by the formal schemes.

Gaps and Constraints

Palau's social protection system faces several critical gaps and constraints. First, there is **incomplete coverage across the lifecycle** - notably, the absence of a universal old-age pension or comprehensive disability benefit leaves many elderly and persons with disabilities without an income floor. Those who spent their working lives in subsistence or informal activities (and thus didn't contribute to Social Security) have little or no support aside from family networks. The only public old-age assistance has been limited, such as one-off grants (e.g. a proposed $450 one-time payment to retirees without other income) or small monthly stipends to a few hundred low-income seniors. Similarly, outside of contributory disability insurance (which requires a work history), people with severe disabilities rely on minimal government support (Palau has a Severely Disabled Assistance Fund, but it provides only a modest stipend to a small number of beneficiaries). There are few programs specifically targeting low-income families with children beyond basic education and health services - the child subsidy of $100 per year is nominal, and no general child allowance or poverty-targeted cash transfer exists. Another gap is the lack of unemployment protection or active labour market programs: workers who lose jobs (as seen during the COVID-19 tourism collapse) have no unemployment benefits, and ad hoc wage subsidies during crises have been temporary. This leaves households vulnerable to economic shocks.

A second set of constraints relates to **adequacy and financial sustainability**. Benefit levels for those covered are low - for instance, Social Security payouts (which average around 25% of average earnings per the benefit formula) may not keep pace with the cost of living. There is no automatic inflation indexation for pensions or allowances, meaning real values erode over time. The heavy reliance on contributory pensions also creates equity issues: because higher-income formal-sector retirees (especially civil servants) receive larger benefits, the distribution of social protection spending is skewed away from the poorest. In 2018, about 74% of all social protection expenditures in Palau went to older persons (mostly via pensions), whereas only 3% went to persons with disabilities and 7% to children. People below the poverty line received a disproportionately small share of benefits, reflecting the lack of robust pro-poor programs. On the sustainability front, Palau's aging population and limited workforce pose a challenge to the pension system's finances. The Social Security Fund has come under pressure as more retirees draw benefits and relatively fewer young workers enter the system, prompting discussions on reforms to ensure long-run solvency (such as adjusting contribution rates, retirement age, or introducing subsidies). Without reform, the pension scheme faces actuarial deficits in the future, which could jeopardize benefit adequacy or require government bailouts.

Third, Palau's **institutional and administrative capacity** constraints hinder effective delivery. Until recently there was *no central social protection agency or unified registry*, and coordination among different ministries (health, finance, education, disaster management) has been largely ad hoc. This means identifying and supporting vulnerable groups is less systematic. Case management and outreach to remote islands (e.g. Peleliu, Angaur, and the Southwest Islands) are difficult due to limited staff and logistical challenges, leading to potential exclusion of those communities. Data sharing between agencies is still limited - for example, the National Statistics Office collects household poverty data, but these data are not yet linked into any social protection MIS for targeting purposes. The government recognizes this gap and is working toward a basic social registry, but progress is slow. Fiscal space is another constraint: as an upper-middle-income but aid-dependent country, Palau operates with a small domestic revenue base. Budgets for social assistance are tight, and the country's fiscal position (especially with the scheduled decline of certain Compact of Free Association grants) limits the ability to expand benefits without identifying new funding sources. Finally, Palau's heavy reliance on informal community support (the traditional "sharing and caring" within extended families and clans) is under strain due to modernization and urbanization. Policymakers increasingly acknowledge that these informal safety nets no longer suffice on their own; formal social protection programs must expand to fill the gaps left by weakening family support systems. In sum, the key challenges for Palau are to broaden coverage to the currently excluded, raise the adequacy of benefits, and strengthen the institutions and finances underpinning the system.

Delivery and Governance Innovations

Recent reforms in Palau have focused on making program delivery more resilient, accessible, and transparent.

Shock-responsive social protection is one area of innovation: Palau is integrating disaster risk financing mechanisms with its social protection delivery systems. The government maintains contingency plans and has joined regional risk pooling arrangements (such as the Pacific Catastrophe Risk Insurance) so that when events like typhoons or droughts strike, funds can be quickly mobilized and channelled to affected households. Standard operating procedures are being established for scaling up assistance post-disaster - for example, by delivering one-time “top-up” cash payments to all existing pension beneficiaries and rapidly registering newly affected families for emergency support. These pre-arranged financing and response protocols have been tested in recent events and have demonstrated the value of having rules in place for both vertical expansion (increasing benefits for current recipients) and horizontal expansion (reaching new beneficiaries) in times of crisis. Palau is also investing in digital delivery systems to overcome geographic barriers. Benefit payments are increasingly made through multiple channels - direct bank deposits for those with accounts, cash-out through local agents, and even mobile e-wallet options - to ensure reliability if one payment channel is disrupted and to reach those on outer islands without bank access. In parallel, efforts are underway to develop a basic social registry and link databases among ROPSSA (pensions), HCF (health insurance), and social services, enabling interoperable information systems. Such integration will allow quicker verification of eligibility, reduce duplicate efforts, and support case management, especially during emergency response when swift data sharing is vital.

Governance and accountability measures have seen improvements as well. ROPSSA already follows strong governance practices in managing the pension and health funds - it publishes annual financial statements and undergoes audits. Building on this, the government plans to increase transparency for all social programs by regularly publishing program rules, budget allocations, performance statistics, and actuarial reviews. Grievance redressal systems are being strengthened so that beneficiaries and applicants can easily lodge complaints or appeals. For instance, Palau is working to ensure that even those in remote villages can access grievance channels (through phone or local offices) and that grievance cases are tracked and resolved in a timely manner. There is also a push to publish metrics on payment timeliness and complaint resolution, which encourages agencies to meet service standards.

In terms of **inclusive delivery**, Palau has begun tailoring its systems to reach vulnerable sub-groups. Communications about programs are provided in accessible formats and local languages, and the design of payment systems considers those with limited mobility (e.g. allowing authorized proxies to collect benefits for the homebound) - these approaches echo regional best practices for disability-inclusive social protection. Additionally, the health sector’s referral program is a noteworthy innovation in delivery: Palau has formal agreements with hospitals in larger countries and a funded referral system that covers travel costs for patients and caregivers up to certain limits. This arrangement, along with investments in telemedicine and community health outreach, has effectively extended the reach of social protection into healthcare, ensuring even those in remote areas receive life-saving treatments without catastrophic expenses. Overall, Palau’s recent innovations are building a more adaptive and user-friendly social protection system - one that leverages technology, regional partnerships, and good governance to overcome the challenges of scale and distance.

Capacity Assessment

Palau's capacity to implement social protection is a mix of relatively strong core institutions and the limitations inherent to a tiny nation. On the positive side, the Social Security Administration (ROPSSA) provides a solid institutional backbone. It has decades of experience running the contributory pension and health insurance schemes, manages a substantial trust fund with professional investment oversight, and routinely produces audited financial reports. This indicates a baseline of administrative and financial management capacity that is higher than in many similarly sized countries. Palau's health system capacity is also notable - the country employs a high ratio of health professionals per capita and operates a reasonably effective national hospital and overseas referral process. These strengths mean that the delivery of established programs (pensions and healthcare) is largely reliable. Payments to beneficiaries are generally on schedule, and the small population allows for more personalized administration (staff often know claimants by name, and case volumes are manageable).

However, capacity constraints become evident when extending beyond these core schemes. There is *no dedicated ministry of social development*, and until the recent creation of the Division of Human Services, social protection responsibilities were scattered and often secondary to other mandates. The number of personnel focused on social protection (policy, M&E, or IT systems) is very limited. This makes it challenging to design and roll out new programs, conduct outreach, or develop sophisticated management information systems. For instance, Palau does not yet have a unified social registry or poverty targeting mechanism - a technical task that requires data management skills currently in short supply. Coordination across sectors is another issue: linking the work of ROPSSA, the Ministry of Health and Human Services, the states' community programs, and the National Emergency Management Office (NEMO) demands inter-agency collaboration that is still being built up. In past emergencies, Palau has relied on development partner support (e.g. UN agencies, Red Cross) to augment its capacity to deliver cash assistance, highlighting the need for institutionalizing those capabilities domestically.

Geographic dispersion and infrastructure pose capacity challenges as well. While most of Palau's population lives on the main island of Koror and nearby Babeldaob, several hundred people live on outer islands hundreds of kilometres away. Reaching these communities for benefit enrolment, payments, or monitoring requires coordination with state governments and occasional use of boats or aircraft. The government leverages its close-knit community networks - local state officials and traditional leaders often assist in identifying beneficiaries and distributing aid - but this informal capacity can be inconsistent and is vulnerable to disruption (e.g. bad weather delaying transport). Information and communications technology (ICT) capacity is gradually improving: Palau has moderate internet and mobile phone penetration, which the government is starting to use for service delivery (e.g. exploring mobile payments). Still, digitization is at an early stage and technical expertise (programmers, data analysts) is scarce. Ensuring data security and privacy as systems digitize is another concern that requires capacity building.

Palau's administrative capacity for routine social protection delivery is basic but strengthening. The country benefits from a stable core institution (ROPSSA) and strong fiscal oversight of major funds, yet it faces the classic constraints of a microstate: a *small pool of human resources*, heavy multitasking by officials, limited specialized expertise, and logistical hurdles in reaching all citizens. The government's recent steps - such as forming the Division of Human Services and investing in information systems - are geared towards boosting this capacity. Ongoing technical assistance from regional organizations and donors will likely remain important to fill knowledge gaps (for example, conducting actuarial analyses or designing new targeting tools). With continued investment in human capital and systems, Palau can gradually build a more robust administrative apparatus to support an expanded social protection agenda.

Priorities for 2025-2030

Looking ahead, Palau has identified several priorities to strengthen its social protection system in the coming years:

- **Strengthen governance and transparency** - Maintain robust oversight of the Social Security and Health Care Fund by publishing annual reports and regular actuarial updates, ensuring the schemes' financial health and public accountability.
- **Enhance portability of benefits** - Clarify the rules for portability of pensions and health coverage for Palauan workers who move abroad or return, and simplify claims processes so that contributing workers can easily access their benefits when they relocate.
- **Integrate information systems** - Continue building interoperable data systems linking social security, the HCF, and social services. A shared social registry and IT infrastructure will improve targeting, reduce duplication, and enable faster expansions during shocks.
- **Improve citizen experience and feedback** - Strengthen grievance redressal channels across all programs and regularly publish statistics on complaint resolution and payment timeliness. This will help ensure beneficiaries, including those in remote areas, have their issues addressed and build trust in the system.
- **Formalize disaster-response protocols** - Develop and codify standard operating procedures for using parametric insurance payouts and other funding to finance rapid emergency cash assistance. Palau should institutionalize "shock responsive" mechanisms (such as automatic disaster top-ups and payment surge drills with providers) to respond quickly to typhoons, droughts, and other crises.
- **Expand support for vulnerable groups** - Pilot targeted support programs for currently under-served groups, such as a family benefit or caregiver allowance. These pilots should use simple eligibility criteria and leverage mobile/outreach delivery to demonstrate feasibility in Palau's context.

By pursuing these priorities, Palau aims to guarantee basic income security across the lifecycle (particularly for the elderly, disabled, and children who are not covered by contributory schemes) and to build a more resilient social protection system that can withstand economic or climate-related shocks. The emphasis will be on gradual, sequenced reforms - improving what already exists (through better administration and governance) while carefully introducing new benefits or services to fill the most pressing gaps.

Federated States of Micronesia

Profile
System Overview: Federated States of Micronesia in Micronesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include no national non-contributory social pension. Contributory protection is anchored by a national social security system providing old-age, disability, and survivors' benefits. Health services are public health services administered across states with referral abroad for complex cases. These building blocks are complemented by limited categorical assistance complemented by community and church support. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with growing humanitarian-social protection interoperability for response to typhoons and drought providing practical lessons that inform future reforms.

Non-contributory Support: The most visible tax-financed entitlement is no national non-contributory social pension. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: A national social security system providing old-age, disability, and survivors' benefits covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are public health services administered across states with referral abroad for complex cases. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: FSM piloted cash assistance during COVID-19 with ADB support, showing it can deliver cash at scale through community structures. However, there are no SOPs, financing triggers, or registry systems to sustain such responses. Governance remains fragmented across four states, limiting coordination. Investing in a national registry, interoperable MIS, and clear expansion protocols would enable FSM to move from ad hoc emergency cash to institutionalised adaptive social protection.

Overview

The Federated States of Micronesia (FSM) operates a modest social protection system shaped by its small population and dispersed geography. The system is anchored by a contributory Social Security scheme (a defined-benefit pension covering old-age, disability, and survivors) for formal sector workers, alongside publicly funded health services administered at the state level. Unlike some neighbouring countries, FSM does not have a national tax-financed social pension or any universal cash transfer for children or persons with disabilities. Non-contributory support is limited to a few categorical and in-kind programs (e.g. educational support for children with disabilities) and community/church-based assistance. In recent years, FSM's government and development partners have piloted emergency cash assistance programs and begun integrating disaster risk financing with social protection delivery, especially in response to cyclones, droughts, and the COVID-19 crisis.

Strategy and Policy Architecture

FSM lacks a dedicated national social protection policy or law beyond the Social Security Act that governs the contributory pension system. There is currently *no comprehensive social protection strategy* - policy formulation is fragmented across sectors (health, education, gender, disaster management) and between the national government and FSM's four state governments. The country's Strategic Development Plan (2004-2023) acknowledged the importance of stability and social development but did not establish specific cash transfer programs. Recognizing this gap, policymakers (with support from regional agencies) are now aiming to consolidate a national social protection strategy with state-level implementation plans. This would formalize objectives across the federation, define institutional mandates, and align social protection with poverty reduction and climate resilience goals.

From a legal perspective, social insurance is enabled by the national FSM Social Security Act, which sets contributions and benefits for formal workers. However, no legislation exists for universal pensions or social assistance entitlements - social welfare initiatives (such as public assistance for vulnerable groups) are ad hoc or project-based. Some states have introduced related laws in specific areas (for example, Pohnpei and Kosrae have domestic violence and family protection acts, which provide a framework for victim support). FSM is not a member of the International Labour Organization, and thus has not ratified ILO social security conventions, but it has committed to SDG 1.3 (implementing nationally appropriate social protection systems) in principle. The emerging policy architecture is therefore nascent: priority is on establishing a formal policy framework, clarifying roles between the Department of Health and Social Affairs (DoHSA) and state social affairs divisions, and drafting legislation for targeted benefits (such as for disability or old age) in the coming years.

Coverage and Impact

Formal coverage of social protection in FSM is narrow. The FSM Social Security Administration (FSMSSA) covers government and private employees (and voluntary contributors), but the majority of the labour force is informal or subsistence-based. As of the late 2010s, the Social Security fund had about 6,500 beneficiaries (pensioners and survivors) - roughly only 6-7% of FSM's population of approx. 100,000. This indicates that only those with sufficient formal work history receive pensions, leaving most elderly people with no pension. Indeed, the scheme's coverage skews toward men in urban employment, given a 66% male labour force participation versus 48% for females. The *breadth* of social protection coverage is very low: one analysis found FSM's coverage rate equated to only 5.7% of potential beneficiaries, far below the Pacific regional average of approx. 19%. In other words, the most vulnerable households (rural poor, informal workers, persons with disabilities without formal jobs) largely do not receive any regular cash benefits.

On the positive side, health coverage is essentially universal for primary care - the government (with donor support) provides public health services and operates hospitals in each state. Basic medical care and essential drugs are subsidized or free, and a referral system exists for patients needing specialized treatment abroad (e.g. in Honolulu or Manila). This provides a foundation of health protection, though out-of-pocket costs can still arise for families (e.g. for companion travel or non-covered treatments). No national health insurance scheme exists, but health financing is bolstered by external grants (including the U.S. Compact of Free Association funding and contributions from development agencies).

FSM's social assistance programs are minimal and mostly in-kind. No child benefit or poverty-targeted cash transfer is in place. A Department of Education program provides modest support to children with disabilities (covering special education needs from birth to age 21) and various small projects distribute assistive devices or food aid to vulnerable groups. These have limited reach and are not cash-based. Some assistance is delivered through community organizations and NGOs (often supported by churches or external donors) rather than through a permanent government program.

Although the overall social protection system is limited, recent emergency programs have had significant short-term impact. During the COVID-19 pandemic, the FSM government launched a Low-Income Household Assistance Program in 2020-2021, funded by a US$14 million Asian Development Bank grant. Under this initiative, approximately 4,500 low-income households (informal farmers, fishers, and others not eligible for U.S. Pandemic Unemployment Assistance) each received a one-time cash relief payment of $1,000. This emergency cash transfer - the first of its kind in FSM - injected support to roughly 20-30% of all households, mitigating poverty and food insecurity during border closures. The COVID-19 response package also included food security grants (seeds, tools, and training) for communities, stipends to stranded citizens overseas, and targeted assistance to vulnerable groups (e.g. waiving medical fees under the Compact health fund, subsidizing electricity bills for approx. 2,000 households with persons with disabilities, distributing solar lamps to remote outer islands, and supporting gender-based violence survivors). While temporary, these measures demonstrated the potential impact of adaptive social protection in FSM - evidence suggests they helped reduce hardship and hunger for thousands of families during the crisis.

Overall, FSM's social protection spending is dominated by the Social Security pensions. According to ADB's Social Protection Indicator analysis, about 4.5% of GDP is spent on social insurance benefits, whereas only 0.3% of GDP goes to any social assistance. The benefit levels (depth) for those who do receive pensions are relatively high - on average, benefits amount to over 80% of per-capita GDP, one of the highest depths in the Pacific. In practical terms, monthly pension payments range from a minimum of $100 up to $700+ for lifelong high contributors. However, these pensions are *not* indexed to inflation, so real value can erode, and they reach a limited segment of the population. The impact on poverty and vulnerability is therefore limited: households receiving a pension or the recent emergency transfers have better income security, but most rural and outer island households rely on informal support networks (extended family, church charity, and remittances from relatives abroad). Without a social pension or child benefit, FSM's safety net coverage is insufficient to significantly reduce poverty at the national level - a point underscored by analyses that link the absence of social assistance to persistent hardship.

Gaps and Constraints

FSM faces major gaps in its social protection system and a variety of constraints to expanding it:

- **Limited Program Scope:** FSM has *no universal or poverty-targeted cash transfers*. The absence of an elderly pension or child grant means vulnerable groups rely on family support. Persons with disabilities have no income support unless they qualify through formal employment for the contributory disability pension. In short, the social safety net has large holes - there is *no guaranteed minimum income* for those unable to work.
- **Low Coverage of Informal Sector:** Because the economy is largely informal, the Social Security scheme excludes the majority of working-age adults. Farmers, fisherfolk, and informal laborers do not contribute and thus receive no benefits. This creates an urban-rural divide in old-age security and leaves many elderly in subsistence communities without any pension. The gender gap is notable, as women's lower formal employment translates to lower coverage for women in old-age and survivor benefits.
- **Fiscal and Sustainability Constraints:** FSM's ability to fund new social programs is constrained by its small tax base and reliance on external grants. The Social Security fund itself has long-term sustainability issues - slow growth in contributors and a growing retiree pool have led to deficits. By 2017 the pension system required government subsidies of $1-2 million per year to meet benefit payments. The scheme is only approx. 16% funded against its actuarial liabilities, implying an unsustainable path without reform. This crowding of resources makes it difficult to allocate budget for new non-contributory programs. While Compact of Free Association grants (from the U.S.) support health and education, they are mostly earmarked and set to be renegotiated; uncertainty over future grant levels adds fiscal risk for expanding social protection.
- **Administrative Capacity:** The government's capacity to design and deliver social protection is limited. There is no dedicated social protection agency - responsibility is spread across the Department of Health & Social Affairs and other line ministries, with *ad hoc* coordination. Data systems are weak: FSM does not yet have a social registry or unified beneficiary database, and civil registration and ID systems are

incomplete (many citizens lack formal ID, complicating eligibility verification). At the implementation level, human resources are thin - there are few trained social workers or case managers in government service, and existing staff juggle multiple roles. This constraint is especially acute at the state and municipal level, where any new cash transfer program would need administrators in all four states and outer islands.

- **Geographical and Infrastructure Challenges:** FSM's population is spread across 607 islands spanning vast ocean areas. Reaching remote atolls with services or payments is logistically difficult and costly. Digital infrastructure is improving but still limited - internet and mobile network coverage on outer islands is patchy, and electronic payment systems (mobile wallets or banking agents) are only just emerging. For instance, while FSM is expanding 4G networks and testing mobile money, many rural communities remain cash-based with no local bank branches. This makes delivery of benefits (e.g. cash transfers or pensions) to remote beneficiaries slow and expensive (relying on manual methods like mailing checks or sending staff by boat). It also hampers grievance reporting and monitoring in far-flung areas.
- **Fragmentation and Coordination:** As a federated nation, policy implementation is split between national and state authorities. There is currently *no formal mechanism* to coordinate social protection initiatives across the national government and the states. This can lead to duplication or gaps - for example, one state might pilot an elderly support program while others have none; lessons learned are not systematically shared. Similarly, coordination between sectors (social welfare, disaster management, education, health) is informal. During disasters, relief efforts have not always been well-integrated with existing beneficiary lists or systems, though this is beginning to change. Strengthening inter-agency collaboration and clarity of roles is a known challenge.
- **Legislative Gaps:** Without a legal framework for social assistance, any new programs lack longevity and entitlement status. Programs remain donor-driven or politically discretionary. This legal gap means vulnerable citizens cannot claim support as a right, and programs may disappear once pilot funding ends. Drafting and passing new social protection legislation (such as a Social Protection Act or amendments for specific benefits) will be necessary but could face political and capacity hurdles.
- **Shock Exposure:** FSM's high exposure to natural hazards (typhoons, droughts, coastal flooding) underscores the need for adaptive social protection, yet the system is not fully prepared. Financing for disaster response relies on donor aid and limited contingency funds; pre-arranged instruments like insurance have only recently been explored. When disasters strike, there is a risk that the most affected (often in remote islands) may not receive timely assistance due to the system's current limitations in scalability and reach.

FSM's social protection system is underdeveloped, covering only a small formal sector minority and leaving significant coverage gaps for the poor, informal workers, and outer-island communities. Institutional constraints - financial, human, and technological - impede rapid progress. These gaps and challenges form the basis for the reforms and investments needed over the next decade.

Delivery and Governance Innovations

Despite the challenges, FSM has started to introduce innovations in delivery systems and governance to strengthen social protection:

Adaptive and Disaster-Responsive Mechanisms: Lessons from recent crises have prompted FSM to make its social protection more *shock-responsive*. The COVID-19 cash assistance program pioneered methods to identify and pay beneficiaries quickly by leveraging existing data - applicants were cross-checked against the U.S. Pandemic Unemployment Assistance and Social Security databases to verify no other support. This interoperability between programs was novel and reduced inclusion errors. FSM is also working to integrate disaster risk financing (DRF) tools with social protection. For example, the government has explored membership in regional parametric insurance pools and is developing standard operating procedures (SOPs) for using contingency funds or insurance payouts to trigger emergency cash transfers after typhoons. Simulation drills have been conducted to practice rapid vertical expansion (top-ups to existing beneficiaries) and horizontal expansion (adding new affected households) in emergencies. These steps, though in early stages, indicate a move toward *adaptive social protection* that can respond faster to shocks.

Digital Payment Systems: Recognizing the difficulty of reaching scattered islands with cash, FSM is investing in digital delivery infrastructure. The government, in partnership with donors, is working to establish multiple payment channels (bank transfers, mobile wallets, and local agent cash-out points) to deliver benefits. Currently, many Social Security beneficiaries in main islands receive their pension via direct deposit into bank accounts, and efforts are underway to extend financial services to unbanked populations. Pilot initiatives have introduced mobile banking agents in some rural areas, and FSM is planning a "shared payments platform" that government programs can use for disbursing funds to individuals. While connectivity issues persist, the strategy is to build a resilient payment system with offline-capable solutions (such as prepaid card vouchers or satellite-based communication for outer islands) so that aid can reach all communities even when infrastructure is disrupted by disasters.

Management Information Systems (MIS) and Social Registry: FSM does not yet have a unified social registry, but groundwork is being laid. The National Statistics Office has updated household poverty and demographic data (e.g. the 2019/2020 Household Income and Expenditure Survey) which could feed into a beneficiary registry. Plans for a "lean social registry" are in development, aiming to start with a simple database of poor and vulnerable households that can be gradually expanded. This registry would be shared across states and programs to improve targeting and reduce fragmentation. In parallel, the government is cognizant of data governance - moves to draft data protection guidelines are intended to ensure that as systems digitize, privacy and security safeguards keep pace (learning from other countries' experiences on consent and data minimization).

Transparency and Accountability: To build public trust in nascent social programs, FSM is emphasizing governance improvements. The Social Security Administration has begun publishing audited financial statements and actuarial reports regularly (audits by Deloitte are available up to 2021, and an actuarial valuation as of 2023 has been completed) to inform policymakers and the public about the fund's status. Moving forward, FSM plans to strengthen grievance redress mechanisms for social programs - for instance, establishing channels (SMS hotlines or community focal points) where citizens can inquire or appeal social benefit decisions, and publicly reporting on the number of grievances and their resolution times. During the COVID cash transfer rollout, the government used municipal task forces to handle complaints and verification issues, which highlighted the value of local structures in program oversight. Institutionalizing such practices (grievance logs, independent audits of benefit distribution, and community validation of beneficiary lists) is part of the governance reforms.

Inter-agency and Humanitarian Coordination: FSM has leveraged partnerships with humanitarian organizations to complement its delivery capacity. In recent disaster responses, *coordination between the national government and agencies like the Red Cross, World Food Programme (WFP), and UNICEF has improved*. Notably, agreements are being forged to allow "interoperable" cash delivery, whereby humanitarian cash assistance can be channelled through government systems or vice versa. For example, discussions are underway to pre-arrange that if a major typhoon hits, WFP could fund additional payments to FSM's Social Security beneficiaries or other registered households, using the government's payout mechanism to achieve speed and scale. This kind of cooperation (often termed "piggybacking") was successfully piloted in other Pacific countries and is now being localized in FSM's context. Additionally, standard operating procedures are in draft to clarify roles: the National Disaster Management Office would trigger the social protection response (e.g. emergency top-ups), while DoHSA would manage beneficiary data and the Finance Department would execute payments. Such playbooks for shock response, once tested, will be a significant innovation in FSM's delivery system.

Local Governance and Community Delivery: Given the importance of community structures in Micronesia, FSM is also innovating by involving local leaders in program delivery. The COVID-19 relief program, for instance, worked through mayors and municipal COVID-19 taskforces to disseminate application forms and validate households' information. This community-based targeting and verification helped reach remote families and ensured that assistance went to those truly in need (e.g. village leaders could certify that a household had no other income). Building on this, future programs plan to formalize the role of community authorities - for example, in a potential disability benefit pilot, village councils or church groups might help identify eligible persons with disabilities and assist them in enrolment. Such an approach both decentralizes delivery and bolsters social inclusion by tapping local knowledge in this tight-knit society.

These innovations are in early phases but collectively point to FSM's commitment to modernize its social protection delivery. By embracing digital solutions, cross-sector coordination, and community engagement, FSM is gradually overcoming the logistical barriers inherent in a multi-island nation. Continued support from regional technical agencies (SPC, UNICEF, ADB, World Bank, etc.) is aiding the design of these systems. The expectation is that over the next few years, FSM will have in place a basic social protection infrastructure - including a beneficiary registry, e-payment options, and emergency expansion protocols - that can support larger-scale programs in the future. Strengthening governance (through transparency and accountability measures) is further critical to ensure these innovations translate into more reliable and citizen-centric services.

Capacity Assessment

FSM's capacity to implement and expand social protection is low but improving, reflecting its status as a small island developing state with limited resources:

- **Institutional Capacity:** There is currently *no single social protection agency*. The Department of Health and Social Affairs (DoHSA) at the national level has a division that handles social services (including gender, youth, and disability programs), but it is relatively small and under-resourced. Each state has its own Health/Social Affairs department, which primarily run health programs and some social initiatives (like youth services or disability support in schools) - these are not yet coordinated under a national social protection framework. The FSM Social Security Administration is a well-established entity but focused solely on managing the pension fund, with expertise in contributions and benefit processing for formal workers. Coordination between these bodies is ad hoc. The absence of a dedicated ministry (or inter-agency social protection task force) means policy development and program planning are fragmented. This has been identified as a gap; development partners often need to work across multiple agencies when introducing any pilot program.
- **Human Resources:** The pool of technical staff knowledgeable in social protection is very limited. FSM has a handful of social policy experts - often, these are individuals who have worked on donor projects or attended regional training. Day-to-day program administration is handled by generalist public servants who multitask across health, education, and social issues. For example, an "Anti-Poverty" coordinator position may also handle disability affairs or gender-based violence programs. This strains capacity and expertise. The Social Security Administration has around 50 staff across the country (including branch offices in each state) focusing on pensions, and they have institutional knowledge in running an

contributory scheme. However, to implement new cash transfer programs or social registries, capacity building is needed in areas like targeting methodologies, management information systems, case management, and M&E (monitoring and evaluation). Encouragingly, FSM has been investing in training: the FSMSSA recently started a work-study program to build local skills in benefits administration, and regional workshops (such as Pacific social protection training by SPC/ILO) have had FSM participation. Still, going forward FSM will likely rely on technical assistance for design and initial implementation of major reforms.

- **Data and IT Systems:** As mentioned, FSM lacks integrated information systems for social protection. The National ID system is nascent - FSM citizens often use passports or state-issued IDs, but there isn't a universal ID card yet. The Civil Registration and Vital Statistics (CRVS) system has improved for births and deaths registration (with support from SPC), which will be valuable for underpinning beneficiary identification. Currently, program data is kept in siloed spreadsheets or simple databases (e.g. the COVID cash program created its own beneficiary list of 16,000 applications, and Social Security has its contributor/beneficiary database). There is no networking between these databases. The government's IT infrastructure is also limited; many outer island administrations have no real-time connectivity with Palikir (national capital). This means manual processes (sending forms, mailing checks) remain common. However, FSM is expected to gain better internet connectivity as undersea fibre optic projects progress (the World Bank and ADB have supported ICT connectivity projects linking the states). As connectivity improves, FSM can start deploying a centralized social protection MIS on a cloud server accessible to all states. A positive development on data use: the COVID relief effort demonstrated that basic cross-checks (using existing program lists) are feasible and useful to prevent duplication. This experience builds confidence in pursuing a more permanent data-sharing platform among agencies.
- **Financial Management and Fiscal Space:** FSM's public financial management capacity is moderate - it manages significant U.S. grant funds with acceptable standards, and the Department of Finance has experience disbursing funds to individuals (e.g. student scholarship stipends, payroll, etc.). The COVID cash transfer was managed by the Department of Finance & Administration, which successfully delivered payments to thousands of households, albeit with some delays and heavy paperwork. This indicates that with adequate planning, the government can channel funds to the population when needed. A constraint, however, is ensuring ongoing fiscal space for social protection. Social spending (outside health and education) has traditionally been a low priority in the budget. To sustain programs like a social pension, FSM would need to allocate a portion of its domestic revenues or reprioritize expenditures. The capacity to conduct budget planning and costing for social protection is being developed - for instance, the Office of Budget is receiving TA to include social protection scenarios in the Medium-Term Fiscal Framework. The renewal of the Compact funding (expected to provide grants through 2040) may offer an opportunity: a dedicated allocation for social protection could be negotiated or internally set aside. However, the knowledge to design sustainable financing (e.g. setting up a social protection trust fund or ring-fencing certain tax revenues for SP) is an area for capacity growth.
- **Governance and Accountability:** On governance, FSM benefits from a culture of communal accountability but lacks formal mechanisms in government programs. Audit coverage is spotty beyond the Social Security fund. The Public Auditor's office has not regularly audited small social programs, partly due to their project-based nature. Going forward, strengthening governance entails training staff in compliance, fraud detection, and grievance handling. During the pandemic cash rollout, instances of potential duplication or false claims had to be filtered - local task forces played a role in verification, which shows community oversight can complement official monitoring. The capacity to manage these grievance/appeals processes in a systematic way is still developing. Encouragingly, FSM has committed

to improve transparency - for example, by publishing program rules and performance stats. As noted, FSMSSA already shares annual reports publicly, and new programs would be expected to report on coverage and impacts to both Congress and citizens.

FSM's implementation capacity is gradually expanding from a very low base. The country will continue to depend on external expertise for sophisticated tasks (such as actuarial analysis, systems development, or evaluation) in the near term. But at the same time, local capacity is being fostered through training and learning-by-doing via pilot projects. Building a core team of social protection professionals within government is a priority. The success of any new policy or program will hinge on concurrent investments in people (skills) and systems (data and delivery infrastructure), without which even well-designed policies would falter in execution.

Priorities for 2025-2030

Looking ahead, FSM has identified a set of strategic priorities to strengthen its social protection system over the remainder of the decade. These priorities, developed in consultation with regional partners, aim to address current gaps and build a more inclusive and shock-responsive system by 2030:

- **Develop a National Social Protection Strategy:** Formulate and adopt a comprehensive national social protection policy/strategy by 2025. This strategy should articulate FSM's vision for social protection, set coverage and adequacy targets (e.g. commit to basic income security for elderly, disabled, children), and delineate the responsibilities of national vs. state governments. Each state would then develop its own implementation plan under the national framework. This will ensure political commitment and coordinated action, backed by appropriate legislation and budget allocations.
- **Expand Non-Contributory Programs (Pilot and Scale):** Begin introducing categorical cash transfer programs on a pilot basis, with the aim of scaling up gradually. A top priority is to pilot a social pension for seniors or a disability benefit (or both) with simple eligibility criteria. For example, FSM could start with a modest old-age social pension (e.g. $50 per month to all citizens above 70 years) or a disability allowance for persons with severe disabilities, to complement the contributory pension. These pilots should use lessons from COVID assistance - leveraging local verification and mobile payments - to demonstrate feasibility. By 2030, FSM should aim to have at least one permanent non-contributory cash benefit in place (likely for the elderly or disabled), providing a floor of income security to those not covered by Social Security.
- **Strengthen the Contributory Social Security Scheme:** Ensure the sustainability and adequacy of the FSM Social Security fund through policy reforms. Following the latest actuarial review, FSM will likely need to implement measures such as *gradually increasing the retirement age beyond 65*, adjusting the benefit formula, and/or raising the contribution rate to improve the fund's solvency. Alongside these, improving compliance (ensuring all eligible employers and workers are contributing) and enhancing fund governance (regular actuarial assessments, transparent investment management) are priorities. By shoring up the contributory scheme, FSM protects the core pension benefits for formal sector retirees while reducing the burden on general revenues. Additionally, FSM can explore options for portability of benefits for its citizens who migrate or work abroad, possibly through bilateral arrangements (for instance, studying Palau's example of a totalization agreement with the US) so that contributions made overseas can be recognized at home.
- **Build a Social Registry and Integrated Information System:** Invest in data systems by creating a national social registry - a consolidated database of vulnerable households and potential beneficiaries. Initially, this can be a "lean" registry using existing data (household survey poverty data, disability lists from

education, etc.) and covering a subset of the population (for example, those in the bottom income quintile or all households on outer islands). Over time, expand and update this registry through new surveys or on-demand registration drives. The registry should be linked with or compatible to other information systems (civil registry, social security database) to enable cross-verification. In parallel, digital management information systems (MIS) should be developed for each program - e.g. a beneficiary management system for any new cash transfer. By 2030, FSM should have an integrated platform (or interoperability between systems) so that social protection administrators can quickly identify eligible individuals, track enrollment, and monitor payments across programs. This will greatly improve targeting accuracy and the ability to scale up assistance in emergencies.

- **Modernize Payment and Delivery Mechanisms:** Continue to enhance the delivery infrastructure for social protection. Specifically, develop shared payment rails that can be used by multiple programs at both national and state levels. This could involve expanding partnerships with banks, telecom operators, and agents to ensure every island has access to at least one payment modality (whether it's bank direct deposit, mobile wallet, or cash-out points at post offices). Training recipients in using digital payments and ensuring options for those without digital access (e.g. still providing a manual cash option or proxy collection for the elderly) will be important for inclusion. The goal is to make payments more efficient, timely, and transparent. By 2030, all regular social protection payments (pensions, any new benefits) and post-disaster emergency payouts should be executable within a few days via electronic means, dramatically cutting the delay and costs compared to current manual methods.
- **Institutionalize Adaptive Social Protection for Shocks:** Make disaster-responsive social protection a permanent feature. This entails codifying rules and protocols for emergency expansions of social protection - for example, establishing pre-approved disaster top-up schemes where, if a state of emergency is declared due to a typhoon, all beneficiaries of a certain program automatically get an extra payment, or new beneficiaries can be temporarily enrolled from affected areas. FSM should secure dedicated financing for this purpose: setting aside some reserve funds or arranging parametric disaster insurance whose payouts fund cash transfers. Simulation exercises ("surge drills") should be conducted annually to test the system's readiness to deliver cash quickly post-disaster. By doing so, FSM can ensure that when climate-related shocks hit, relief reaches households not just through ad hoc food aid but through scalable cash assistance using the social protection network - a faster and potentially more dignified form of support.
- **Improve Access to Health and Social Services Linkages:** Strengthen the financial protection in health by formalizing support for medical referrals and other indirect social protection in health. A priority is to document and formalize the referral assistance scheme that helps patients (and caretakers) travel off-island for specialized treatment. By codifying eligibility criteria (who qualifies for travel subsidies), standardizing benefit levels (e.g. per diem or airfare coverage), and streamlining the approval process, FSM can ensure more equitable and timely support for those facing catastrophic health costs. Additionally, exploring a health insurance or contributory health fund could be a longer-term goal, but immediate action is to bolster the existing referral fund and perhaps integrate it with social protection so that impoverished patients are identified and supported. This ties into broader social protection as it prevents medical impoverishment and complements cash benefit programs.
- **Governance, Grievances, and Citizen Engagement:** Prioritize governance reforms that make the system accountable and responsive. By 2025, FSM should establish a grievance redress mechanism for social protection - a simple, accessible way for citizens to ask questions or lodge complaints about program eligibility or delivery. This could be as straightforward as a dedicated phone line or helpdesk at each state capital and community focal points in each municipality. The data from grievances should be tracked and

used to improve programs (for example, monitoring if payments are delayed or if certain areas have low uptake). Public reporting of key social protection indicators is another priority: FSM can commit to publishing annual statistics on coverage rates, benefit amounts, and audit results for each program. Transparency will build trust and support informed decision-making. Furthermore, enhancing social accountability by involving community committees in program oversight (as was done in the COVID response) can be a low-cost way to extend governance to the local level. Regular beneficiary feedback surveys could also be undertaken (perhaps via mobile phone polls, given FSM's high mobile penetration on main islands) to gauge satisfaction and identify implementation bottlenecks.

- **Capacity Building and Partnerships:** Invest in capacity development throughout the period. This includes training a cadre of social protection officers (through regional programs, exchange visits to other Pacific countries, and in-country workshops) so that FSM has home-grown expertise to manage and innovate in social protection. The government should also institutionalize collaboration with development partners: organizations like the World Bank, ADB, ILO, UNICEF, and SPC can provide technical assistance, funding, and knowledge exchange. For instance, the Pacific Safety Net Pilot initiatives and the newly launched *Partnership for Social Protection (P4SP)* by Australia can be leveraged for FSM's context to bring in expert advice on program design. By 2030, FSM should aim to not only rely on external aid but also have a core team that can independently run analyses (like poverty targeting simulations or actuarial projections for the pension fund) and adapt global best practices to local needs.

Ultimately, FSM's 2025-2030 priorities reflect a dual approach: building the foundations (policy, data systems, financing mechanisms, human capacity) and rolling out initial programs to extend coverage. This period will be critical for FSM to move from fragmented, reactive measures to a more systematic social protection system. Achieving these priorities will help FSM guarantee at least a basic level of social security for all citizens - ensuring the elderly, persons with disabilities, children, and disaster-affected families are better protected against poverty and hardship.

Republic of the Marshall Islands

Profile
System Overview: Republic of the Marshall Islands in Micronesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include no national non-contributory social pension. Contributory protection is anchored by a defined-benefit social security system covering workers and dependents. Health services are tax-funded health with referral options; compacts and partnerships support financing. These building blocks are complemented by selected assistance programs with strong community implementation. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with regional DRF membership and preparedness for storm and drought events providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is no national non-contributory social pension. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.

Contributory insurance: A defined-benefit social security system covering workers and dependents covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-funded health with referral options; compacts and partnerships support financing. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: RMI has tested humanitarian cash transfers after droughts and COVID-19, but these were donor-led. The government operates pensions and social support schemes that could form the backbone of shock-response. Governance capacity is growing, but SOPs, pre-arranged finance, and digital payment systems remain underdeveloped. Strengthening coordination between the Ministry of Finance, MISSA, and disaster management authorities will be key to institutionalising adaptive responses.

Overview

The Republic of the Marshall Islands (RMI) is a small, upper-middle-income atoll nation in Micronesia with a population of around 42,000 (as of 2024). Its geography - 29 dispersed coral atolls prone to cyclones, droughts, and rising sea levels - and its historical ties to the United States (through the Compact of Free Association) heavily shape its social protection landscape. The RMI operates a *mixed* social protection system characterized by a contributory social insurance scheme for formal sector workers and a nascent tax-funded social assistance scheme for vulnerable groups. Public health and education services are predominantly government-funded (largely enabled by U.S. Compact grants), but until recently the government's role in safety nets was very limited.

Contributory social protection is anchored by the Marshall Islands Social Security Administration (MISSA), a defined-benefit pension system covering formal employees and their dependents. This scheme provides old-age, disability, and survivor pensions, but coverage is narrow due to a small formal workforce and widespread informal livelihoods. On the non-contributory side, RMI has historically lacked broad cash transfer programs. In 2023, however, the government introduced the Social Support Scheme, a tax-financed universal pension and disability benefit aimed at providing basic income support to all elderly citizens and persons with disabilities not covered by MISSA. This marked the first national social assistance entitlement in the Marshall Islands, essentially a *universal basic income (UBI)* for seniors and people with disabilities. The benefit is modest (initially USD 100 per month for eligible seniors) and is designed to alleviate hardship among those without formal pensions.

In addition to pensions, the social protection system includes a few categorical and community-based supports. A long-standing Copra Subsidy program effectively functions as an income support for outer island communities by guaranteeing a minimum price for copra (coconut) production, though it is an inefficient poverty alleviation tool. There are also compensation trust funds and programs for communities affected by nuclear testing (e.g. the Four Atolls program), scholarships for students, and ad hoc disaster assistance mechanisms. Health protection is provided through tax-funded healthcare with universal primary care and off-island medical referral programs, supported by external partnerships. This means that basic health services are available to all residents without insurance premiums, though specialized care often requires costly overseas referrals.

Overall coverage of social protection in RMI has been very limited but is improving with recent reforms. As of 2024, only about 25% of the population is covered by at least one social protection benefit, indicating significant gaps in the safety net. Notably, coverage of children is “essentially absent,” as no child or family cash benefit program exists. With the introduction of the Social Support Scheme and planned new programs, RMI is at a turning point in expanding its social protection system to better protect its population against poverty, shocks, and vulnerabilities.

Strategy and Policy Architecture

RMI’s social protection policy framework is in a formative stage. There is currently no single consolidated national social protection strategy or dedicated ministry overseeing all programs. Instead, responsibilities are split across institutions: MISSA administers the contributory social insurance scheme, while the Ministry of Finance and line ministries coordinate donor-funded projects and any social assistance initiatives. The recent Social Support Scheme was established by legislation (the RMI Social Support Scheme Act 2023, amended in 2025) to provide a legal basis for non-contributory pensions and disability support. This law enshrines a universal entitlement for residents above a certain age and for persons with significant disabilities, reflecting a policy shift toward basic income guarantees for vulnerable groups. The program is overseen by the government and implemented with support from MISSA (leveraging its administrative capacity to register and pay beneficiaries). The 2025 amendment to the Act aimed to improve implementation, indicating a process of refining eligibility rules and delivery mechanisms as the scheme scales up.

On the contributory side, the Marshall Islands Social Security Act (and subsequent amendments) provides the legal architecture for MISSA. The scheme operates as a mandatory pension system for formal sector workers, with a current normal retirement age of 63 years. MISSA is a defined-benefit system financed by payroll taxes; it has undergone periodic reforms to improve sustainability (e.g. increasing the retirement age, adjusting benefit formulas and contribution rates). For instance, a 2017 amendment capped the maximum pension payout (US$1,200-$1,600 per month depending on retirement date) to contain costs. The government also supports MISSA with an annual budget transfer (around $1.24 million) to shore up the fund’s solvency. These measures are part of a broader policy to ensure the long-term fiscal sustainability of the contributory system while it continues to provide income security to retirees, survivors, and people with disabilities who contributed during their working lives.

Beyond these core schemes, policy coordination remains ad hoc. Social protection functions (e.g. welfare services, disability affairs, disaster assistance) are scattered across different ministries and agencies without a formal coordinating body. The RMI government recognizes this gap. High-level planning documents (such as the national development framework “Agenda 2030”) call for expanding social protection and improving support to vulnerable groups as a development priority. However, an official integrated social protection strategy had yet to be published as of 2025. Development partners are advising RMI to formulate a clear strategy that defines institutional roles, targets, and financing plans for social protection. A recommended step is to establish a central policy unit or task force to drive the social protection agenda, potentially within an existing ministry (e.g. Ministry of Culture and Internal Affairs or Ministry of Finance) or as a new dedicated agency.

In terms of legal frameworks, the Marshall Islands has been updating laws to support social protection goals. Alongside the Social Support Scheme Act, RMI has labour laws (like the minimum wage legislation and a

Workers' Compensation Act) that contribute to the broader social protection floor for workers. The Compact of Free Association with the U.S., renewed in 2023, also influences policy architecture: the amended Compact arrangements allow RMI to use Compact Trust Fund revenues for social programs, which is precisely how the new UBI-style cash transfers are funded. This integration of external funding into domestic law and budgets underscores the importance of development partner agreements in RMI's social protection architecture. Going forward, a key policy challenge is to translate these high-level commitments into a coherent policy framework - one that links social insurance, social assistance, and disaster response under common objectives and standards.

Coverage and Impact

Despite recent improvements, the Marshall Islands' social protection system currently reaches only a fraction of those in need. Overall coverage is low: roughly a quarter of the population is covered by at least one social protection benefit. This indicates that large segments - particularly children, informal workers, and unemployed youth - are left without any formal safety net. In fact, coverage of children is essentially zero in terms of cash benefits, since RMI has no child grant or family allowance program. This gap is reflected in persistent high rates of child poverty and malnutrition (31% of children are stunted), pointing to unmet needs in the social protection of young families.

Old-age and disability coverage: Prior to 2023, the only pension coverage was through MISSA's contributory scheme, which by design only enrols formal sector employees (and voluntary contributors). Given RMI's small formal workforce, many elderly were not eligible for any pension. MISSA currently provides retirement, survivor, and disability pensions to qualified workers and their dependents; however, those who spent their careers in subsistence, informal, or unpaid work were excluded. The introduction of the Social Support Scheme (SSS) in 2023 has started to close this coverage gap for the elderly and persons with disabilities. The SSS is essentially a social pension - it pays a flat *"basic income"* of $100 per month to all seniors above the statutory retirement age who are not already receiving MISSA benefits. In practical terms, this means *universal coverage of the elderly*: a retired Marshallese citizen now receives either a MISSA contributory pension (if they paid in during employment) or the SSS benefit if they have no other pension. Likewise, the SSS includes a disability support grant, expanding income support to working-age individuals with severe disabilities (who often had no coverage unless they qualified for MISSA disability insurance). These steps have significantly expanded coverage of social protection among the elderly and disabled. Early estimates suggest that with the SSS rollout, the effective coverage of old-age social protection will exceed 60% of the elderly population (up from roughly 40% before) - a major improvement. The main remaining gap in this demographic is adequacy of benefits (discussed below).

Working-age and unemployed individuals: Outside of old-age and disability, coverage remains very limited. There is no unemployment insurance or general social assistance for the working-age poor. The primary form of support for able-bodied adults in poverty has been indirect: the Copra Subsidy Program for outer island communities. Under this program, the government purchases copra at a guaranteed price, effectively ensuring a basic income for about 1,500-2,000 rural households engaged in coconut harvesting. While this provides some livelihood security in remote atolls, it does not cover urban unemployed or those not engaged in copra, and it has been criticized for inefficiency and leakages. Additionally, some ad hoc public works or temporary employment projects are occasionally funded by donors to address unemployment, but these are not institutionalized. Consequently, the coverage of social protection among the non-elderly adult population is minimal, aside from those few who receive MISSA disability pensions or survivors' benefits. The IMF has noted that proposed new programs like a targeted Extraordinary Needs Distribution (END) for outer-island residents (to be launched with Compact Trust Fund support) could improve coverage for remote unemployed populations. The END, once operational, is expected to provide cash assistance to isolated communities, potentially replacing the copra subsidy with a more direct benefit.

Children and families: As noted, RMI does not yet have a child benefit or family allowance, so formal coverage of children is effectively *absent*. Some related programs exist - for example, school feeding programs have been modest or intermittent (often donor-supported pilot initiatives rather than nationwide coverage). Scholarships and education grants are provided, but these benefit a relatively small number of older students and are not designed as social protection for all children. The lack of cash transfers targeting families means that poverty among households with children is a serious concern. Available data suggest that roughly one-third of Marshallese live below international poverty thresholds, and child poverty rates are likely even higher. The absence of a social safety net during early childhood is reflected in poor nutrition outcomes (high stunting and underweight prevalence) and an overreliance on informal family support or church charity for struggling families. This gap is acknowledged by policymakers and development partners as a priority for future expansion of the system.

Benefit adequacy and impact: The impact of existing programs on poverty and vulnerability has been constrained by relatively low benefit levels and patchy coverage. MISSA pensions replace only a portion of pre-retirement income (with a cap on benefits of about $1,200 per month), which is sufficient for middle-income retirees but less relevant for those who had low or intermittent earnings. The new Social Support Scheme's benefit of $100 per month is modest - roughly 10% of GDP per capita, or about one-third of the cost of a basic food basket - and debates are ongoing about its adequacy and whether it should be indexed to inflation. Still, for an elderly person with no other income, this transfer can make a meaningful difference in meeting basic needs. Preliminary assessments suggest the social pension could reduce the poverty rate among the elderly and households with elderly members, especially in outer islands where cash income is scarce. Similarly, MISSA disability pensions (available to formally insured workers who become disabled) and the new disability benefit (for those without contributions) provide some income security to persons with disabilities, though coverage is limited by the need for eligibility verification and the severity criteria.

One area where social protection has had tangible impact is in **disaster response**. RMI has experimented with using its programs to respond to climate and economic shocks. For example, during past droughts and typhoons, the government provided emergency food assistance and, more recently, has considered using the social pension program for quick "top-up" payments to affected households. Such shock-responsive measures, though still nascent, have the potential to mitigate the impact of crises on the most vulnerable. However, given the current scale of benefits, the overall impact on shock resilience is limited - a major disaster would quickly overwhelm the capacity of these programs without additional external aid.

Coverage of RMI's social protection system is expanding from a very low base. The extension of universal age and disability pensions is a positive development expected to improve the lives of thousands of Marshallese seniors and people with disabilities. Yet large gaps remain, particularly for children, the unemployed, and informal workers. The impact of social protection on poverty and inequality in RMI to date has been modest, but with planned program expansions (UBI scheme, END program) there is potential for a more substantial reduction in hardship. Realizing that potential will depend on how well these programs are funded, targeted, and integrated into the broader social policy framework.

Gaps and Constraints

The Marshall Islands faces significant gaps and constraints in its social protection system that must be addressed to achieve universal and effective coverage:

- **Coverage Gaps:** As noted, entire demographic groups lack coverage. *Children and youth* have no dedicated cash support, leaving childhood poverty unmitigated by government transfers. *Informal and* *self-employed workers* (the majority of the labour force) are mostly outside the contributory pension system, and few have joined MISSA's voluntary contribution option. *Unemployed adults* and *urban poor* have no safety net program (aside from limited church/NGO charity). These gaps result in a fragmented floor of protection - one that largely misses working-age poverty and only recently started to include the elderly and disabled. Even within covered groups, there are exclusions; for example, the Social Support Scheme requires proof of age/residency, which could exclude some elderly lacking birth certificates or IDs (though the program does allow flexibility for those without formal ID). Ensuring no vulnerable person is left behind - especially in remote atolls - remains a challenge.

- **Inadequate Benefits and Poverty Reduction:** The level of support provided by existing programs is relatively low. MISSA pensions, while crucial for formal retirees, often provide minimal subsistence for those with short contribution histories. The new social pension ($100 monthly) is below basic needs for most households - debates are already focusing on its adequacy and how to maintain its real value against inflation. Without indexing, high inflation (RMI saw approx. 9% inflation in 2022) can quickly erode the purchasing power of these transfers. Similarly, the copra subsidy's impact on poverty is limited - it delivers some cash to outer islanders, but not enough to lift families out of poverty and not reaching the poor in urban areas. In short, current benefit levels may alleviate extreme hardship but are insufficient for durable poverty reduction or for meeting all basic needs (especially given high living costs on the islands).
- **Fiscal Constraints and Sustainability:** RMI's ability to fund social protection is constrained by its small economy and heavy reliance on external grants. Historically, U.S. Compact grants have funded a large share of public expenditures (up to 80% of the budget), and while the renewed Compact provides continued support, there are concerns about fiscal sustainability. The newly approved UBI-style scheme and the END program are projected to cost on the order of 8% and 6% of GDP respectively by FY2026 - a massive expansion of social spending. Financing these through annual trust fund drawdowns is feasible in the near term (thanks to Compact Trust Fund rules changes), but it effectively consumes resources that could otherwise be invested. The IMF has warned that such permanent spending increases risk crowding out needed capital investments and could be fiscally destabilizing without careful targeting. In essence, RMI faces a delicate balancing act: extending social protection to all who need it, while preserving fiscal buffers against economic volatility and climate disasters. Budgetary trade-offs are acute; for example, large subsidies (6.2% of GDP on average) to state-owned enterprises and programs like the copra fund divert resources that might be used more efficiently for targeted social transfers. Limited domestic revenue (tax capacity is estimated at approx. 17% of GDP, with current collection lower) further constrains the fiscal space for social protection.
- **Administrative and Human Capacity:** The government's capacity to implement and manage social protection programs is limited, especially for complex targeting or rapid emergency response. There is no unified social registry or management information system (MIS) to identify and monitor beneficiaries - each program operates in its silo with basic beneficiary lists. The National Statistics Office has up-to-date household data (from the 2019/20 Household Income and Expenditure Survey), but these data are not yet linked into any beneficiary registry or used for means-testing. Targeting methodologies (where needed) are rudimentary. For instance, if RMI transitions from a universal pension to a poverty-targeted benefit (as some advisors suggest for cost reasons), current capacity to accurately means-test or proxy-target households is very low. Additionally, staffing constraints are severe: there is no dedicated cadre of social workers or case managers in the islands; MISSA has a small staff focusing on pension administration; and any new social assistance programs rely on temporary project implementation units

or donor support. This thin capacity makes it difficult to scale up programs or to ensure robust oversight and accountability.

- **Institutional Fragmentation:** With no central social protection agency, coordination among ministries is a constraint. MISSA operates under its own board and mandate; the Ministry of Finance handles budgets and some donor projects; the Ministry of Internal Affairs oversees community development projects, etc. This fragmentation can lead to overlapping efforts or gaps. For example, disaster response cash assistance might be planned by the National Disaster Management Office without fully utilizing the mechanisms of the social welfare programs, simply because of coordination gaps. Likewise, data sharing between health, education, and social programs is minimal. Establishing a coordinated framework or inter-agency working group is still a work in progress, meaning governance and delivery improvements lag behind the policy ambitions.
- **Geographic and Infrastructure Challenges:** RMI's widely scattered islands pose logistical constraints for delivering benefits. Payment delivery to outer atolls is difficult - many lack banking facilities or internet connectivity. While there is progress in expanding digital payments (mobile wallets and agent banking), penetration is limited outside the main atolls. The government and banks often have to physically ship cash to remote islands or rely on infrequent transport, which delays and complicates disbursements. Monitoring and grievance redress in remote communities are also challenging due to communication gaps. In short, last-mile delivery is a real constraint that any social protection program must overcome in the RMI context.
- **Exposure to Shocks:** RMI is extremely vulnerable to climate shocks (typhoons, droughts, coastal flooding) and external economic shocks (fuel and food price spikes), which can rapidly increase needs. The current system's responsiveness to shocks, while improving, remains ad hoc. Without a pre-existing scalable mechanism, the government has often relied on emergency donor aid when disasters strike. Although RMI has joined a regional disaster risk insurance pool and is developing standard operating procedures for shock responses, the institutional capacity to execute timely *vertical expansions* (increasing benefits to existing beneficiaries) or *horizontal expansions* (adding new beneficiaries in an emergency) is not fully in place. This means that when a major drought or storm hits, there is a risk of delays or coverage gaps in delivering relief to affected populations via the social protection system. Building an adaptive system is still a work in progress.
- **Governance and Transparency Issues:** Strengthening governance is an ongoing need. Ensuring that programs are transparent, rule-based, and free of corruption is essential for public trust. So far, MISSA has relatively strong governance (regular audits and published financials), but some social programs (like discretionary subsidies or constituency funds) have faced questions about patronage or politicization. The new social pension's simple categorical eligibility should help minimize discretion, but as programs expand, establishing clear legal entitlements, appeals processes, and grievance mechanisms becomes more important. Data protection is another emerging concern - as RMI digitizes social registries and payment systems, it needs appropriate safeguards for personal data. Currently, data sharing and privacy policies are not well developed in the social sector.

The Marshall Islands must contend with *systemic constraints* of limited funds, limited capacity, and high needs. The gaps - notably for children and informal workers - and constraints - fiscal, administrative, and geographic - underline that building a comprehensive social protection system will require sustained reforms and support. Addressing these issues is critical to ensure that the expansions in social protection actually translate into reduced poverty and increased resilience for all Marshallese.

Delivery and Governance Innovations

Although challenges persist, the Marshall Islands has been pursuing a number of innovations and reforms to improve the delivery and governance of social protection, often in partnership with regional organizations and donors:

- **Adaptive and Shock-Responsive Systems:** RMI is moving toward making social protection adaptive by design to better respond to disasters and climate shocks. The government has started to integrate disaster risk financing (DRF) mechanisms with social protection operations. For instance, RMI participates in the Pacific Catastrophe Risk Insurance scheme, which provides quick payouts after qualifying disasters. The intention is to use such funds alongside pre-arranged contingency budgets to scale up cash transfers in emergencies. Standard Operating Procedures (SOPs) are being developed for triggering *vertical top-ups* (increasing benefits for existing beneficiaries, such as adding an extra payment to all social pension recipients when a typhoon is approaching) and *horizontal expansion* (temporarily enrolling additional households, e.g. affected fishermen or farmers, into a cash assistance program after a disaster). Recent disaster simulations and real events (like droughts) have provided practical lessons: for example, how to rapidly verify beneficiaries in remote areas, or how to deliver cash when transportation is disrupted. These experiences are informing future reforms. The goal is a system that can deliver assistance within days of a shock, leveraging the social protection infrastructure as a response vehicle - a marked shift from ad hoc food aid shipments of the past.
- **Digital Payments and Delivery Systems:** To overcome geographic barriers, RMI is modernizing payment delivery. There is an emphasis on using multiple payment channels ("multi-rail" payments) to ensure reliability and inclusion. This includes traditional bank transfers for those with accounts (e.g. in urban centres Majuro and Ebeye), expanding mobile money and e-wallet services, deploying point-of-sale or agent banking in outer islands, and even considering the use of a digital currency for government payments. (Notably, RMI's planned **"SOV" digital currency project, branded as USDM1, was to be piloted as an option for UBI payments, though it raised significant concerns. As of late 2025 the launch of this digital sovereign currency was put on hold due to regulatory and capacity issues, but the exploration itself reflects RMI's innovative approach to reaching unbanked citizens.) In more practical terms, the Social Support Scheme and any forthcoming END program aim to offer beneficiaries choices: bank deposits, cash-out at local agents, or mobile wallet credits. By not relying on a single channel, the system can be more resilient - if a boat shipment of cash is delayed, for example, mobile payments might still go through. Of course, digital inclusion remains a hurdle - many outer island elders do not have mobile phones or network access. Thus, complementary measures like deploying solar-powered VSAT communication hubs in remote atolls or contracting transport companies for cash delivery are in discussion to ensure every beneficiary can reliably receive their transfers.
- **Social Registry and Information Systems:** Recognizing the need for better data management, RMI is planning to develop a national social registry - a unified database of vulnerable households - over the coming years. This would build on the household data from the recent HIES and community poverty mapping. The registry, once operational, can serve multiple programs (avoiding duplication between, say, a disability benefit and a disaster relief distribution) and facilitate data sharing with the National ID system and civil registry (CRVS). Early steps include digitizing beneficiary lists for the social pension and linking them with basic ID information to reduce fraud or double-dipping. In parallel, management information systems (MIS) for programs are being upgraded. MISSA, for example, has computerized its contributions and payments records, and is exploring interoperability with government databases (for instance, to automatically stop payments when a beneficiary is reported deceased, by linking to vital

statistics). Over time, stronger information systems will allow faster beneficiary verification and course correction during responses, as noted in regional best practices.

- **Transparent and Rules-Based Governance:** There is a clear trend toward formalizing program rules and improving transparency. For new programs like the Social Support Scheme, the government has issued administrative guidance defining eligibility, documentation requirements, and payment procedures. These rules (e.g. residency criteria, age cutoff, definition of disability) are made public, which helps manage expectations and reduce arbitrary decisions. The government is also encouraged to publish program performance statistics (number of beneficiaries, budget execution, etc.) and audit findings to build trust. Introducing grievance redress mechanisms is another governance innovation. RMI aims to provide channels for beneficiaries - especially those in outer islands - to voice complaints or appeal decisions (for example, a denied disability claim). Options being considered include toll-free phone lines at local government offices, SMS-based complaint submission, or leveraging local councils of elders to report issues on behalf of community members. Regular analysis of grievances and feedback will help agencies identify bottlenecks (e.g. delays in payments to certain islands) and address any inequities in delivery.
- **Inclusive and Community-based Delivery:** Delivering services in RMI often requires working through community structures. Innovations here include partnering with Disabled Persons' Organizations (DPOs) to improve outreach for the disability benefit - for example, involving DPOs in identifying eligible persons in the communities and in designing accessible communication materials (large-print forms, radio announcements in Marshallese, etc.). There are pilots of proxy collection arrangements where bedridden elderly or persons with disabilities can designate a trusted family member to collect their benefit on their behalf, with appropriate safeguards. During the COVID-19 pandemic, RMI's education ministry demonstrated flexibility by adapting school grants to support remote learning, though direct cash support to households was limited. The lesson learned is that existing service delivery systems (like school grants or health outreach) can be leveraged in novel ways during crises - an idea now carried into social protection delivery planning. Another community-level innovation is the Senior Community Service Program (enacted in 2023), which hires low-income seniors in part-time community roles; this not only gives them extra income but also uses local knowledge to deliver services (for instance, senior monitors who check on other frail elderly in the neighbourhood). Such programs strengthen the social contract and local ownership of social protection initiatives.
- **Policy and Program Integration:** The RMI is also looking to better align its social protection with other policy domains. One example is the alignment with labour mobility programs. Many Marshallese participate in overseas seasonal work or migrate to the US for employment, which can disrupt contributions to MISSA and leave gaps in their social security coverage. Policymakers are studying options like bilateral social security agreements to allow portability of benefits or recognizing overseas work periods towards MISSA pensions. They are also interested in encouraging returning workers to save a portion of their earnings (for example, through automatic savings schemes or matching programs), effectively converting short-term migration earnings into long-term social protection for their families. Another integration is with climate policy: social protection programs (like the END cash transfers) are being designed hand-in-hand with climate adaptation projects, ensuring that as infrastructure is built or relocations are planned, there are social safety nets to support affected communities.

While the Marshall Islands' social protection system is still maturing, it is actively incorporating innovations in delivery and governance. By embracing digital payment technology, establishing adaptive shock-response protocols, improving data systems, and fostering transparency and inclusion, RMI is working to overcome the challenges of scale and isolation. These innovations, many of them in pilot or early stages, are geared toward a future where assistance is timely, efficient, and fair, even in the remotest corners of the archipelago.

Capacity Assessment

A frank assessment of capacity reveals that RMI faces *significant limitations* in the institutional and human resources needed to deliver social protection, although recent efforts and external support are helping to fill some gaps.

Institutional capacity: There is *no single ministry of social protection*, and the existing agencies are small. MISSA, while relatively well-established in managing the contributory pension fund, has a narrow mandate and limited staffing (primarily focused on collecting contributions and paying out benefits to a few thousand beneficiaries). The Ministry of Finance's social sector unit (if any) is thinly staffed and stretches to cover education, health, and social welfare budgeting. The Ministry of Culture and Internal Affairs (MOCIA) oversees some community programs and the gender office, but it does not have a robust welfare division. In essence, routine administration of social assistance is a new function for the government that lacks a purpose-built institution. The creation of the Social Support Scheme has, in practice, required assigning new responsibilities to existing bodies (MISSA was asked to help with enrolment and payment, local government offices assist with outreach on outer islands, etc.). These institutional arrangements are still evolving, and roles are not always clearly defined, sometimes leading to confusion or duplication.

Human resources: The pool of trained social protection professionals in RMI is very small. There are only a handful of people experienced in program design, M&E, or social work. This has led to heavy reliance on development partner technical assistance for designing and piloting programs. For example, UNICEF and the World Bank provided expertise in the initial design of the social pension scheme and early childhood interventions, the World Food Programme (WFP) assisted with developing shock-response plans, and the Asian Development Bank (ADB) funded consultants to advise on targeting mechanisms and information systems. These partners often lead evaluations and data analysis as well. While such support is invaluable, it underscores the need for building local capacity. There are ongoing training efforts: a few staff have attended regional courses on social protection policy, and there is intent to embed advisors in ministries to mentor local counterparts. Still, staff turnover and brain drain pose challenges - skilled Marshallese often migrate abroad or move to higher-paying jobs in the private sector or donor projects, making it hard to retain institutional knowledge within the public sector.

Administrative systems: As mentioned, basic administrative systems like a beneficiary registry, integrated MIS, or case management system are not yet in place. Much of the current operation is managed through Excel spreadsheets and manual processes, which is prone to error and inefficient when scaling up. The payment infrastructure is another facet of capacity - while RMI has a national bank and a telecom provider that can support digital payments, the coverage and user capacity (financial literacy, smartphone use) are limited in rural areas. The government is working with these providers to expand agent networks and train beneficiaries on using ATMs or mobile wallets, but it's a gradual process. Monitoring and evaluation (M&E) capacity is similarly weak; RMI does not yet routinely measure the impact or performance of its social programs. For instance, there is no systematic reporting on the Social Support Scheme's reach or how timely payments are, aside from ad hoc reports to the Cabinet or donor missions.

Policy and coordination capacity: The concept of social protection as a sector is relatively new in RMI's policy discourse. Thus, high-level coordination (like inter-ministerial committees) and policy formulation skills need development. Drafting a comprehensive social protection policy will require local officials to consider cross-cutting issues (gender, disability, climate resilience, etc.) and coordinate with multiple stakeholders - a capacity that needs to be cultivated. The absence of a strong central coordinating agency means leadership for reforms often comes from individual champions in government or pressure from external partners. This can make progress uneven. However, the President's Office has recently shown interest in the UBI scheme and related reforms (evidenced by the inclusion of social protection initiatives in the President's first 200 Days Report), which could galvanize more whole-of-government attention. Still, converting that political will into technocratic planning and implementation will test the bureaucracy's depth.

Financial management: On the positive side, RMI's Ministry of Finance does have experience managing trust funds and grant financing (e.g. Compact funds), which is relevant since the new social programs are funded through a Compact Trust Fund drawdown mechanism. Ensuring accountability and proper use of these funds is critical. The Auditor-General's office will need the capacity to audit social protection expenditures regularly. Additionally, actuarial and financial planning capacity is needed for MISSA - the fund requires periodic actuarial valuations and investment management skills to remain solvent. Currently, RMI relies on external actuarial consulting for MISSA; building local expertise in this area would strengthen the contributory system's governance.

Local delivery capacity: At the community level, RMI has strengths that can be built upon. Local governments (atoll councils) and traditional leaders play roles in identifying needy households and resolving disputes. These local structures have intimate knowledge of community members, which is an asset. However, they are not formally trained in social protection delivery. Formalizing the role of local actors - for example, training council representatives to assist with beneficiary registration and grievance intake - is a strategy to extend capacity to the frontlines. Pilot training of outer island administrators in basic social assistance delivery (how to verify someone's identity, how to distribute cash safely, etc.) has begun under donor projects. Scaling up such training and providing incentives for performance (perhaps small grants to well-performing local councils) could improve the last-mile administrative capacity.

Capacity constraints are a binding factor in RMI's social protection expansion. The country will need ongoing technical assistance, capacity-building initiatives, and possibly South-South exchanges with other Pacific nations to learn best practices. Over 2025-2030, priorities will include establishing a dedicated unit (even a small one) for social protection, training staff in program management and M&E, and developing robust information systems that reduce the load on personnel. Importantly, building capacity is not just about government - engaging communities, NGOs, and even the private sector (banks, IT providers) in delivering social protection will be vital to compensate for the limited size of the public sector in the Marshall Islands.

Priorities for 2025-2030

Looking ahead, the Marshall Islands has a critical opportunity in the second half of this decade to solidify and expand its social protection system. The renewal of the U.S. Compact and the creation of new programs (UBI and END) give momentum, but also carry risks that need to be managed. The following are key priorities for 2025-2030, aimed at technical strengthening and strategic focus to achieve a comprehensive, sustainable social protection system:

- **Develop a Comprehensive Social Protection Policy and Strengthen Coordination:** A top priority is to formulate and adopt a national social protection policy. This policy should articulate a clear vision for social protection in RMI, set coverage and poverty-reduction targets, and delineate the roles of various institutions (MISSA, ministries, local governments). It should also formalize a coordination mechanism - for example, establishing a high-level Social Protection Steering Committee that brings together all relevant actors (finance, health, education, disaster management, MISSA, etc.) under the leadership of a designated ministry or the Prime Minister's Office. This will ensure that fragmented efforts are unified and that social protection is integrated into national development planning (e.g. linkages with the 2030 Agenda and climate adaptation strategies). The policy should address financing strategies as well, clarifying how domestic resources, Trust Fund drawdowns, and donor support will be utilized in a complementary way to fund the social protection expansion.

- **Ensure Fiscal Sustainability and Effective Targeting of New Programs:** With the planned rollout of the UBI scheme in late 2025, RMI must balance generosity with sustainability. The universal pension/income scheme, as approved, could strain finances at approx. 8% of GDP cost. A priority is to re-evaluate the design of the UBI scheme and consider phasing it into a more targeted program once initial objectives (e.g. immediate cost-of-living relief) are met. This does not necessarily mean means-testing every beneficiary (which could be administratively hard), but perhaps refining eligibility over time - for instance, maintaining universality for the elderly and disabled (social pension and disability grant) while shifting working-age components to a targeted basis. The IMF specifically recommends replacing a blanket UBI with a targeted scheme focusing on those who need it most to reduce fiscal burden. By 2026 or 2027, RMI should conduct a thorough review of the UBI's impact and fiscal cost, and make adjustments (e.g. income-testing it, or capping it to certain age groups) to keep it affordable. The Extraordinary Needs Distribution (END) for outer islands must likewise be closely monitored to ensure it achieves its goals of compensating remote communities without becoming an open-ended expenditure. In tandem, RMI should pursue subsidy reform: gradually phasing out inefficient subsidies (notably the copra price support and other loss-making SOE subsidies) and using the savings to fund the more transparent social transfers. This reallocation can improve both efficiency and equity - moving from regressive or geographically limited subsidies to nationwide poverty-focused assistance.
- **Expand Coverage to Missing Populations - Child Benefits and Beyond:** To move toward universal social protection (SDG 1.3), RMI needs to fill the glaring gap in child and family support. A strategic priority for the coming years is to institutionalize a child benefit or family cash transfer. This could build on any pilot designs (for example, lessons from other Pacific nations that introduced child grants) and leverage existing community health or education platforms. Even a modest child grant targeted to young children or poor families would address high child malnutrition and support human capital development. Development partners like UNICEF are likely to support such an initiative, but government ownership is crucial. By 2030, the aim should be to have a permanent child allowance program in place (whether universal for under-5 children or targeted to low-income households with children) to ensure that children are no longer "left behind" in coverage. Additionally, RMI could consider other categorical expansions: for instance, a caregiver allowance for those looking after persons with severe disabilities, or an unemployment benefit (perhaps initially a short-term unemployment assistance for those laid off in crises). While ambitious, these expansions can be staged and prioritized by impact - child benefits being a clear first step due to the long-term payoff in human capital.
- **Invest in Delivery Systems - Social Registry, MIS, and Payment Systems:** Over the next five years, a concerted effort is needed to establish the digital infrastructure for effective program delivery. This includes creating a national social registry database of vulnerable individuals and households. Concretely, RMI should design this registry to integrate data from the 2019/20 HIES, the upcoming census, and program application data, with appropriate data protection measures. By 2027, the target should be to have a functioning registry that programs like the Social Support Scheme and any new child benefit can draw on for eligibility verification and rapid expansion during emergencies. In parallel, a robust Management Information System (MIS) should be developed for the core social assistance programs - a user-friendly platform that tracks enrolment, payments, case notes (for grievances), and exits. This will greatly enhance administrative efficiency and oversight. On payments, RMI should leverage mobile and digital payment innovations: expand the Bank of Marshall Islands' agent network, work with telecom providers to increase mobile money coverage, and possibly introduce a card-based payment (like a debit

card or prepaid card) for social transfers that can be used at local merchants. Training beneficiaries in using these systems (financial literacy programs) will be part of this effort. By 2030, the vision is that a beneficiary on any atoll can receive their payment electronically within days of it being issued, and the government can monitor disbursements in real time via an integrated system.

- **Enhance Adaptive Social Protection for Climate and Economic Shocks:** Building resilience through social protection is a priority given RMI's extreme vulnerability. The period through 2030 should see codification of shock-response mechanisms within the social protection system. This means finalizing and adopting pre-agreed protocols for emergency cash transfers: e.g., if a disaster is declared, the social pension program will automatically provide an extra month of benefit to all recipients ("vertical expansion"), and a contingency list of poor households (from the registry) in affected areas will be temporarily added to receive relief payments ("horizontal expansion"). These triggers and procedures should be written into program manuals and tested with simulation drills. Alongside this, RMI should strengthen its disaster risk financing arrangements - securing contingent funds through the national budget, Pacific insurance pools, or donor facilities - so that financing for these response payouts is guaranteed. By 2030, the goal is to have a proven *Adaptive Social Protection* system where assistance to households can be scaled up immediately when shocks hit, thus preventing disaster-induced poverty spikes. This aligns with global best practice and will make RMI a leader in climate-smart social protection among small island states.
- **Build Human and Institutional Capacity:** None of the above reforms will succeed without parallel investments in capacity building. RMI should prioritize establishing a dedicated social protection unit (even a small one) within government, staffed with trained officers who can manage policy development, program operations, and M&E. Capacity development priorities include: training for MISSA and social affairs staff on advanced pension administration and actuarial analysis; training for new social assistance managers on targeting methods, registry management, and grievance handling; and training for local government liaisons on delivering and monitoring programs in their communities. Partnerships with regional organizations (like the Pacific Community (SPC), ILO, and others) can facilitate tailored training workshops. Twinning arrangements with countries that have more developed systems (for example, Fiji or Tonga for social pensions, or Kiribati for child grants) could be helpful. By 2025-2030, RMI should also aim to institutionalize regular data collection and evaluation - for instance, conducting a social protection module in each Household Income and Expenditure Survey or doing impact evaluations of pilots with support from academic partners. This will build a culture of evidence-based policy-making. The government may also consider creating more formal roles for NGOs and community organizations to extend its capacity - for example, contracting an NGO to run a particular service (like community-based rehabilitation for disabled persons receiving the benefit) or to assist with beneficiary outreach. Overall, investing in people and processes is fundamental to ensure the system can be managed effectively as it grows.
- **Strengthen Governance, Accountability, and Inclusion:** Finally, a cross-cutting priority is to ensure good governance and inclusive practices in social protection. By 2030, RMI should have in place strong accountability mechanisms: routine public reporting on social protection budgets and performance, independent audits of major programs, and active grievance redress channels that are accessible even from outer islands (for example, a hotline or an SMS system that beneficiaries actually use). A legal framework for data protection and privacy should be developed to safeguard beneficiary information as digital systems come online. Inclusion means continuing to identify and break down barriers for marginalized groups: ensuring persons with disabilities can access benefits by streamlining disability certification and providing accommodations, ensuring gender equity so that women (who often head

households or serve as caregivers) receive equal support and are represented in program feedback, and reaching remote communities in their own language and cultural context. Targeted measures like translating program materials into Marshallese, using radio broadcasts for public awareness, and partnering with church groups for community education on entitlements will help. By focusing on inclusive delivery, RMI can maximize the uptake and positive impact of its social protection programs.

In conclusion, the Marshall Islands' social protection system is set to undergo transformative growth in the coming years. The period through 2030 must be used to consolidate gains and address weaknesses: establishing a solid policy foundation, expanding coverage responsibly, innovating in delivery, and investing in the capacity to sustain the system.

Samoa

Profile
System Overview: Samoa in Polynesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include a universal Senior Citizens Benefit for older persons (age threshold and amounts set through budget processes). Contributory protection is anchored by SNPF as the national provident fund for contributors. Health services are tax-funded health services with noncommunicable-disease focus and referral pathways. These building blocks are complemented by disability and family supports on a modest scale through the social sector. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with risk pooling via regional mechanisms and established disaster response protocols providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is a universal Senior Citizens Benefit for older persons (age threshold and amounts set through budget processes). The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: SNPF as the national provident fund for contributors covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-funded health services with noncommunicable-disease focus and referral pathways. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Samoa has relied on its pension scheme to anchor emergency responses, providing top-ups during cyclones and COVID-19. The Ministry of

Finance and MWCSD managed disbursements efficiently, but expansions were temporary and donor-backed. While administrative systems are relatively strong, SOPs and disaster-linked financing are still absent. Institutionalising these arrangements would strengthen governance and ensure rapid, rules-based support in future climate and economic shocks.

Overview

Samoa's social protection system combines universal and contributory programs with strong informal support networks, reflecting the country's small-island context and exposure to natural disasters. The flagship non-contributory program is the Senior Citizens Benefit Scheme (SCBS) - a universal pension for all citizens (and permanent residents) aged 65 and above. As of recent years the SCBS provides a monthly benefit of SAT 135 (about USD 50) to over 8,700 seniors, at an annual cost near 1% of GDP. This guarantee has helped reduce hardship among the elderly, who traditionally rely on extended family and community (fa'a Samoa) support and on remittances (remittances constitute around 20% of Samoa's GDP).

Complementing the social pension, Samoa's contributory pillar is anchored by the Samoa National Provident Fund (SNPF), a compulsory savings scheme covering approximately 33,000 formal sector workers. The SNPF provides old-age benefits (with lump sum or annuity options at retirement), and also manages disability, survivor, and withdrawal provisions under the National Provident Fund Act 1972. In addition, Samoa offers tax-funded health services (primary and hospital care free at point of use) and certain categorical programs at a modest scale - for example, free school fee grants for children and a worker's compensation insurance scheme for employment-related injuries, both established by legislation. Until recently, other vulnerable groups (such as low-income families, persons with disabilities, and the unemployed) had little to no direct income support, making the formal system heavily skewed toward old-age protection. However, authorities and development partners have increasingly recognized these gaps.

In 2024 Samoa introduced a new Disability Benefit - a monthly transfer of SAT 100 for persons with permanent disabilities under 65 - to begin addressing the life-cycle coverage gap (recipients transition to the pension at 65). Overall, Samoa's formal social protection is still nascent by global standards, but it provides basic income security for the elderly and formal workers. This foundation, combined with robust informal safety nets, is now being expanded to reach a broader range of vulnerabilities.

Strategy and Policy Architecture

Historically, Samoa lacked an integrated social protection policy, with programs developing in an ad-hoc manner across different agencies. In recent years, the government has moved to formalize a **national strategy for social protection**. Notably, in 2023 the Cabinet approved the **National** Social Protection Policy Framework (NSPPF) 2023, the country's first comprehensive social protection policy. The NSPPF establishes guiding principles of lifecycle coverage, inclusion, and shock-responsiveness, and aims to "improve the livelihoods of vulnerable citizens, while providing timely response and targeted assistance in the face of external shocks.". It aligns with Samoa's broader development plans (the Strategy for the Development of Samoa 2021-2025 and Samoa 2040) in positioning social protection as a key tool for reducing poverty and inequality. Institutional responsibilities are delineated under this framework. The Ministry of Finance (MoF) has led the policy development and coordination of the NSPPF, reflecting the high-level prioritization of social protection in the national agenda.

Program implementation is shared across agencies: the Samoa National Provident Fund administers the universal pension scheme on the government's behalf (via a dedicated SCBS unit within SNPF), and now also disburses the new disability benefit in partnership with the Ministry of Women, Community and Social Development (MWCSD). The MWCSD, as the social services ministry, handles beneficiary registration and welfare oversight for vulnerable groups (such as verifying disability status), while leveraging SNPF's payment infrastructure. Meanwhile, the Accident Compensation Corporation (ACC) - under the oversight of the Ministry of Commerce, Industry and Labour - manages the statutory work injury insurance scheme, which is funded by employer contributions and fuel levies. Legally, the contributory system is grounded in the SNPF Act 1972 (with amendments over time to allow early withdrawals and new products), and the Accident Compensation Act of 1978/1989 covers occupational and vehicle accident benefits. The universal pension and other social assistance have until now operated via annual budget provisions rather than a dedicated law, but they are supported by Cabinet mandates and the new policy framework. Samoa has also ratified key disability rights and aging conventions, which inform the policy direction (e.g. the CRPD guiding disability inclusion measures).

The policy architecture is now evolving toward a more unified system. The NSPP Framework calls for establishing a social protection floor with basic guarantees for children, working-age vulnerable groups, and the elderly. It emphasizes a rights-based, lifecycle approach - explicitly aiming to "ensure that Samoa's society and citizens are protected against vulnerability, poverty, inequality and exclusion throughout their life cycle". To operationalize this, the framework seeks to harmonize existing programs and introduce new ones (e.g. proposals for child benefits or unemployment support) under a coherent strategy.

A National Social Protection Steering Committee has been mooted to coordinate across ministries and stakeholders, building on earlier social sector coordination mechanisms. Development partners (UN agencies, ILO, World Bank, etc.) have supported Samoa in this process - for instance by conducting analytical studies and policy costing exercises to inform the NSPPF. The NSPPF also stresses the integration of social protection with disaster risk management plans, given Samoa's exposure to cyclones and other shocks. In practical terms, the MoF and MWCSD are now tasked with drafting detailed action plans and possibly new legislation to implement the policy framework over 2024-2029. This marks a shift from fragmented programmatic decisions toward a strategic, whole-of-government approach. Going forward, clear institutional arrangements (potentially a dedicated social protection division or strengthened inter-ministerial committee) and updated legal frameworks will be critical to carry out the NSPPF's vision of an inclusive, forward-looking and sustainable social protection system for Samoa.

Coverage and Impact

Samoa achieves near-universal coverage of older persons through the **Senior Citizens Benefit Scheme**. All citizens and permanent residents aged 65 and above are eligible, provided they meet a simple residency requirement. As a result, virtually 100% of the elderly population (approximately eleven thousand people in 2023) receive the monthly pension benefit. This universal pension has become a cornerstone of income security in Samoa - for many rural and informal-sector elders it is the main reliable income. Studies indicate that old-age poverty in Samoa is relatively lower than it would be without the pension, as the SCBS, combined with family support and personal savings, helps older people meet basic needs. However, adequacy remains a concern: the benefit level (SAT 135 per month in recent years) is modest - roughly 14% of Samoa's 2020 per-capita GDP on a monthly basis - and its real value has been eroded by inflation and rising living costs. The government occasionally provides top-ups (for example, a one-off extra SAT 50 per month was budgeted in late 2022 as a temporary relief), but there is no formal indexation mechanism yet. Nonetheless, the SCBS's universal reach means it functions as a social safety net floor for the entire elderly population, regardless of their work history. The scheme's impact extends beyond poverty relief: by injecting cash into extended households, it often supports intergenerational family wellbeing (many Samoan pensioners share their stipend with grandchildren or other dependents). Pensioners are also entitled to certain in-kind benefits, such as free public health care and inter-island ferry transport, which further improve their living conditions.

The **Samoa National Provident Fund** covers formal sector workers with mandatory contributions (currently 7% of wages each from employer and employee). With about 33,000 active members, SNPF coverage is roughly 25-30% of the labour force, indicating that the majority of workers (in informal agriculture, subsistence, or small enterprises) remain uncovered by formal pensions. SNPF members accumulate savings that can be withdrawn as a lump sum or converted to an annuity at retirement (eligible at age 55). The fund also offers limited early withdrawals for specific needs (medical, housing loans, etc.) and pays survivor benefits to heirs. In terms of impact, the SNPF has been successful in mobilizing national savings - it manages assets well over SAT 500 million (around 10% of GDP) invested in domestic and regional markets, helping to finance development projects. It provides a measure of old-age income for career workers, although lump-sum withdrawals mean some retirees exhaust their balances quickly. For the economy, SNPF's annual payouts and loans inject liquidity and can support consumption (notably, during the COVID-19 crisis, SNPF allowed additional withdrawals to cushion members). The challenge is that informal and self-employed workers can only participate voluntarily, and very few do, leading to a coverage gap in contributory pensions. Consequently, large segments of the workforce rely on family support and the SCBS in old age. Recognizing this, SNPF and regional partners have explored micro-pension innovations - such as reducing minimum contributions and using digital channels - to encourage voluntary coverage by informal workers. As of 2025, these efforts are still at pilot stages, but they hold promise for increasing long-term coverage and adequacy of retirement savings in Samoa.

For the first time, Samoa has introduced a dedicated benefit for persons with disabilities. Starting July 2024, individuals with permanent disabilities (as certified by medical and community authorities) can receive SAT 100 per month from the new **Disability Benefit Fund (DBF)**. This program is funded by the government (MWCSD budget) with about SAT 2 million allocated in FY2023/24, and is administered through SNPF's payment system parallel to the pension scheme. By design, the disability benefit covers disabled persons up to age 64, after which they transition to the senior pension. The initial benefit level (approx. USD 37) is modest, but it provides a regular income where previously there was none. It is expected to reach on the order of 1,500-2,000 people in its first year (exact coverage will depend on the uptake and verification process). This marks a significant expansion of Samoa's social protection floor, addressing a group that had been identified as particularly vulnerable and left-behind. Early impacts anticipated include improved daily living conditions for persons with disabilities and their families (e.g. affording assistive devices or transportation), as well as heightened visibility of disability issues in communities. Apart from cash support, people with disabilities in Samoa benefit from government-funded health services and education support (special schooling), but these are limited in reach. The new cash benefit thus fills a critical gap.

Working-age poor and unemployed individuals, however, still have very limited formal support. Samoa does not have an unemployment insurance or general social assistance scheme for working-age adults. The government operates a public employment service for jobseekers (registration and some training referrals) and small programs like the Seasonal Worker Programme preparation (to help citizens take up overseas seasonal jobs), but these reach only a fraction of those in need. In practice, the working-age population relies on the extended family, village networks, and churches for support during hardship, as well as on labour mobility opportunities. Remittance income from Samoans working abroad is a major source of household support, indirectly functioning as social protection - it is not uncommon for unemployed youth or rural families to be sustained by a relative's earnings from New Zealand or Australia. While effective to a degree, these informal transfers are uneven and can be strained by economic shocks. The government's planned strategy (as per the NSPPF) includes exploring cash assistance for poor households and active labour market programs, but concrete schemes (such as a targeted poverty benefit or a public works program) are not yet in place.

Health and education services: Samoa's social protection concept also encompasses universal access to **health and basic education**. Primary and secondary education are fee-free under the School Fees Grant Scheme, which began with donor support and is now government-funded, alleviating the cost burden on families. In health, Samoa has a tax-financed national health service - primary health centres and the national hospital provide free or highly subsidized care to all citizens. For serious conditions that cannot be treated in-country, there is a medical referral scheme (with government subsidies for treatment overseas, often in New Zealand). These health provisions are vital to prevent medical impoverishment, though disparities persist (rural districts often have lower access and must travel for care). Notably, senior citizens enjoy free public healthcare and pharmaceuticals by policy, which complements the pension in maintaining their well-being. Overall health outcomes have improved (life expectancy and maternal health are high by Pacific standards), but non-communicable diseases (NCDs) such as diabetes are prevalent, implying rising social protection needs for disability and health expenditure support in the future. In sum, while Samoa's formal social protection coverage is still narrow outside the pension, the combination of universal health/education and the emerging cash benefit programs provides a basic platform. The impact of these measures, particularly the SCBS, is evident in mitigating extreme poverty - for example, the national basic-needs poverty rate was 21.9% in 2018, and would likely be higher without these supports. Yet many households hovering above the poverty line remain vulnerable to shocks due to the absence of unemployment or child benefits. This underscores the importance of ongoing reforms to broaden coverage across the life cycle.

Gaps and Constraints

Despite recent progress, Samoa's social protection system faces significant coverage gaps and operational constraints. A fundamental gap is the limited coverage of vulnerable groups beyond the elderly. Until the introduction of the disability allowance in 2024, there was effectively no cash assistance for people with disabilities or caregivers, and still today there is no dedicated child or family allowance program. Children and youth receive indirect support through free education and community care, but there is no child benefit or nutrition support scheme for poor families with young children. This leaves child poverty and stunting risks to be addressed largely by NGOs and informal kin networks. Similarly, working-age adults who are unemployed, underemployed or in poverty have no income support or social insurance (apart from the narrow workmen's compensation scheme for on-the-job injuries). The absence of a general social safety net means that when shocks hit (be it a pandemic, natural disaster, or economic downturn), many households fall through the cracks. The COVID-19 crisis highlighted this gap: with no established cash transfer mechanism for out-of-work individuals, the government's ability to deliver emergency assistance was impeded, and it had to rely on one-off measures (such as food parcels and allowing SNPF withdrawals) which did not fully reach all affected groups.

Another key challenge is adequacy of benefits. The SCBS pension, while universal, is small relative to the cost of living and has not been systematically adjusted for inflation. Beneficiaries and advocacy groups have called for higher pension amounts or a lower eligibility age, but fiscal constraints have so far limited permanent increases. For those receiving SNPF provident payouts, the lump-sum nature can result in insufficient income in later years - some retirees deplete their savings and may become vulnerable before reaching eligibility for the universal pension at 65. The new disability benefit (SAT 100) also faces questions of adequacy; it is unlikely to cover the additional costs associated with disability (assistive devices, transport, caregiving) without further complementary support. Formal indexation of benefits is not yet in place, meaning real values erode until ad-hoc adjustments are made. This undermines the programs' poverty-reduction potential over time.

Coverage and adequacy issues are intertwined with fiscal constraints. Samoa's social protection programs are heavily reliant on general government revenues (and in some cases external donor support), given the limited contributory base. The SCBS and now the disability benefit draw from the budget; as these programs expand (with an aging population and possibly lower age thresholds or higher payouts in the future), they will strain public finances. The country's small tax base and vulnerability to external shocks make financing of new schemes challenging. For instance, any introduction of a child benefit or unemployment assistance would require either reprioritizing expenditures or securing external funding. Long-term sustainability of the pension scheme is another consideration - although the SCBS is relatively affordable now, costs will rise as the number of elderly grows. On the contributory side, SNPF's defined-contribution design avoids explicit pension liabilities for government, but it puts the onus on individuals and can be inadequate for those with intermittent contributions. The ACC (Accident Compensation Corporation), which is funded through payroll levies and a fuel levy, has to manage in a small insurance pool and may face sustainability questions if there are major payouts (e.g. a large disaster causing many injuries). Overall, fiscal space for social protection in Samoa is limited, meaning difficult trade-offs in extending coverage versus maintaining prudent debt levels. Donor-supported programs (like the school fees scheme, which was initially funded by Australia/New Zealand) have helped fill gaps, but reliance on external funding raises continuity concerns.

Institutional and administrative capacity constraints also limit the effectiveness of Samoa's social protection. There is fragmentation of responsibilities and no single social protection agency, which makes coordination difficult. The MWCSD has a broad mandate but only a small division for disability and community welfare, with limited staff for intake, case management or monitoring. The Ministry of Finance oversees policy but is not a service delivery agency. The SNPF, while efficient in managing funds and payments, historically focused on formal retirement savings and is only now expanding into social assistance delivery (pensions and disability payouts). This multi-agency landscape can lead to overlap or gaps - for example, identifying and enrolling all eligible disabled persons requires outreach that neither SNPF nor MWCSD alone has traditionally done at scale. Targeting and data management are nascent: Samoa does not yet have a national social registry or unified beneficiary database (each program has its own list and criteria). The lack of an integrated management information system (MIS) means it's hard to share data across programs or to perform cross-checks (for instance, to ensure a person receiving a disability benefit transitions to the pension at the right time, or to target assistance quickly after a disaster). Efforts to develop an MIS and registry have been slow, partly due to the previously unclear mandate of who should host it. Without strong data systems, reaching eligible individuals (especially in rural areas or vulnerable groups not already in SNPF records) is challenging. Identification documentation is another issue - while most Samoans have basic IDs (e.g. church or village letters, or the National ID introduced in recent years), some elderly or disabled in remote areas may lack formal IDs or bank accounts, complicating enrolment and payment delivery.

Geography poses additional constraints: Samoa's population is spread across two main islands (Upolu and Savai'i) and smaller outer islands, which makes last-mile delivery expensive and logistically complex. Rural and outer island residents may have to travel to district centres or banks to collect payments, incurring costs and potentially missing out if communications are poor. Service quality disparities exist; for example, healthcare infrastructure is weaker in remote regions, affecting the social health protection aspect (rural seniors might have the pension but not easy access to the free health services that complement it). Connectivity issues (limited internet and patchy mobile coverage in some villages) also hinder the rollout of digital payment systems or online services for social protection. The country's exposure to disasters (cyclones, floods) is another challenge: while Samoa has developed disaster response protocols, shock-responsive social protection is still a work in progress. There is no pre-positioned contingent benefit scheme; when disasters strike, the government must mobilize ad-hoc relief, sometimes channelling it through existing programs (e.g. topping up pensions or providing one-off food/cash assistance). The absence of codified rules and dedicated disaster financing can lead to delays or inconsistencies in reaching affected households.

Finally, monitoring and governance mechanisms for social protection are relatively weak at present. There is little regular reporting of coverage, expenditure, or outcome indicators by the implementing agencies. Grievance redress systems (for beneficiaries to lodge complaints or appeals) are informal - many issues are handled through local village councils or by contacting the SNPF/MWCSD offices directly. This can disadvantage those in remote areas or those unaware of how to seek redress. Audit and oversight of programs like the SCBS have not been very visible to the public; publishing annual reports or statistics has not been routine (unlike SNPF which, as a financial fund, does publish financial statements). This lack of transparency can obscure errors or exclusion cases that need fixing. Policy continuity is another concern, given changes in administration: the commitment to expand social protection has grown under the current government and with donor advocacy, but sustained implementation will require maintaining political will and technical expertise over the medium term. Samoa's system is at an early stage - it faces major gaps in who is protected (notably children, informal workers, and the poor of working age) and constraints in how well it can deliver (data, capacity, finance). These gaps underscore why the new policy framework and ongoing investments in systems are so important to the next phase of Samoa's social protection development.

Delivery and Governance Innovations

Samoa has been actively exploring improvements in delivery systems and governance to make its social protection more efficient, accessible, and disaster-ready. One notable innovation is the **leveraging of the Samoa National Provident Fund's infrastructure for social assistance payments**. Since SNPF had an established network for contributor services and a reliable payment system, the government chose to route the universal pension through SNPF, and now the disability benefit as well. This has created a de facto "single payer" mechanism for cash benefits to citizens, which brings advantages in consistency and potential economies of scale. For example, seniors can receive their pension at SNPF offices or through bank accounts set up via SNPF, rather than a separate welfare bureaucracy. With the new disability benefit, SNPF's system will disburse monthly payments similarly to pensions, simplifying the process for beneficiaries (many of whom may eventually receive both at different points in their life). This integration required legal amendments (the National Provident Fund Amendment Act 2023 authorized SNPF to handle non-contributory payouts), and it illustrates Samoa's pragmatic approach to delivery: using an existing trusted institution to perform social transfers. To support this, Samoa is modernizing its payment and information systems. In 2023, SNPF began upgrading its aging IT platform (the old AS/400-based system for the Senior Citizens Benefit was replaced) and integrating the new disability benefit module, contracting a New Zealand firm for a modern MIS solution. This upgrade is expected to improve record-keeping, reduce errors, and enable faster reconciliation of payments.

Parallel to backend improvements, Samoa is pushing towards **digital delivery channels and financial inclusion** for beneficiaries. The government's policy (as stated in the NSPPF) is to have social protection payments distributed via the banking system or digital wallets wherever feasible, to reduce transaction costs and bring recipients into the formal financial system. In practice, this means encouraging pensioners and others to use bank accounts, ATM cards or mobile money instead of cash pickups. Currently, many rural pensioners still prefer cash-out (and some villages organize group transport for elders to collect pensions), but initiatives are underway to expand options. A mobile application for SNPF members was launched with UNDP support, enabling users to check their provident fund account balance and eventually to access information on benefits like the pension. The SNPF mobile app, which as of 2022 had over 35,000 registered users, extends outreach especially to younger members and those in remote areas with a smartphone. This digital platform lays the groundwork for two-way interaction - for example, in the future a beneficiary could update their contact details or submit certain requests through the app. Moreover, the app and SNPF's online services contribute to financial literacy, by helping members track their savings and understand benefit options. SNPF has also enhanced its member communication via newsletters and employer engagement, to ensure contributors are aware of their rights and the importance of retirement savings. On the payments side, Samoa is exploring mobile money as a delivery channel: Digicel's MyCash and other mobile wallets are growing in usage domestically. Disaster response trials have shown that cash transfers can be delivered through mobile platforms even to remote communities (as was piloted in some post-cyclone relief by NGOs). The government is interested in these multi-rail payment options - "bank accounts, agents, e-money, with cash fallback" - to ensure that even outer island communities can receive assistance quickly and transparently. For instance, if a cyclone strikes, having a roster of beneficiaries linked to mobile payment channels could enable rapid disbursement of emergency top-ups.

In terms of **shock-responsive social protection**, Samoa has made strides in institutionalizing lessons from past disasters. The government has *established disaster-response protocols that interface with social protection*, such as pre-agreed procedures to provide vertical top-ups (extra payments) to all pension beneficiaries after a disaster, and to use village structures to identify additional households for horizontal expansion of aid. These protocols were applied in recent cyclone events on a smaller scale and are now being refined. Samoa participates in regional risk pooling (through the Pacific Catastrophe Risk Insurance facility), which can payout funds after major shocks; the NSPPF envisions linking these funds to the social protection system to finance emergency cash transfers. A practical example was the development of Standard Operating Procedures (SOPs) for disaster cash assistance: in collaboration with partners, Samoa has drafted SOPs that detail how, say, a post-cyclone cash relief will be triggered, which agencies will play what role (e.g. Disaster Management Office providing beneficiary lists in coordination with MWCSD and village councils), and how payments will be delivered via SNPF or other channels. Regular drills and simulations are planned so that these systems can be activated with minimal delay. This *adaptive social protection* approach is still evolving, but it represents an important governance innovation - moving away from ad hoc relief toward predictable, rules-based responses integrated with national systems.

Another area of innovation is **community-based targeting and outreach**. Given Samoa's strong village governance (each village has councils and church networks), programs have started to use community structures to improve delivery. For instance, in identifying disability benefit recipients, MWCSD worked with village mayors and church ministers to verify individuals, leveraging local knowledge to ensure the truly needy are included. This community validation is a form of social registry at the grassroots and helps build legitimacy for the program. Similarly, in any future targeted poverty benefit, the intention (as reflected in discussions around the NSPPF) is to involve local committees in nominating or confirming eligible households, combined with simple means-tests. Such community-driven approaches have been piloted by UNICEF and others in the Pacific (e.g. in neighbouring countries) and are being adapted to the Samoan context. While they carry some risk of favouritism, Samoa's tight-knit communities and the cultural value of caring for vulnerable members can be an asset if harnessed with clear guidelines and grievance mechanisms.

On the **governance and transparency** front, Samoa is laying the groundwork for better monitoring. The NSPPF calls for establishing a consolidated social protection statistics report produced annually, which would publish data on coverage, expenditure, processing times, and grievances for each program (similar to what some larger countries do). Although this is not yet routine, the very inclusion of such a goal is an innovation in mindset - treating social protection with the same rigor as other sectors. There are also efforts to strengthen grievance redress: for example, SNPF has customer service centres and a hotline that pensioners can use if they face issues (such as missing payments or incorrect amounts), and MWCSD is considering village focal points to channel complaints for the disability benefit. With technical assistance, Samoa may develop an ombudsperson or appeals committee for social benefits, to institutionalize the handling of disputes. In addition, Samoa's social protection reforms are paying attention to inclusion and accessibility. Public communications about programs are being translated into Samoan language and disseminated via radio and village meetings to reach those who may not be literate or online. The disability benefit rollout, for instance, has included town hall sessions to inform communities and persons with disabilities about how to register and what documentation is required. This emphasis on accessible communication (use of vernacular and multiple channels) is critical in Samoa's context, and it was highlighted as a priority by stakeholders - ensuring that people know their entitlements and how to claim them.

Finally, Samoa's governance innovations include **regional cooperation and learning**. The country actively participates in Pacific Islands forums on social protection, exchanging experiences on what works in small island settings. Ideas such as the Cook Islands' child benefit or Fiji's e-payment systems are studied and adapted. Samoa has also looked at schemes like the region's youSave micro-pension (pioneered in Solomon Islands) for possible adoption to cover informal workers. By collaborating with organizations like the Pacific Community (SPC), UNICEF, and the World Bank, Samoa is tapping into technical expertise to leapfrog some stages of system development (for example, adopting tested targeting tools or payment technologies). While Samoa's social protection system is still developing, it is doing so in a smart way - by building on existing strengths (SNPF's infrastructure, community networks) and introducing modern tools (digital payments, mobile apps, disaster-linked financing). These innovations aim to improve the reach, reliability, and responsiveness of social protection delivery, thereby increasing public confidence in the system. Over the next few years, the focus will be on fully implementing these changes, such as getting most beneficiaries onto electronic payment rails, operationalizing the social registry and MIS, and formalizing adaptive shock response mechanisms.

Capacity Assessment

Effective implementation of social protection in Samoa is constrained by limited institutional capacity, though certain institutions provide a strong foundation. On the government side, there is no standalone social protection agency; instead, responsibilities are distributed mainly between the Ministry of Finance, MWCSD, and SNPF (with ACC for a specific area). The Ministry of Women, Community and Social Development, which one might consider the closest to a social welfare ministry, has a relatively small team and budget for social protection activities. Its community development officers juggle various portfolios (women's programs, youth, disability services, etc.), leaving little dedicated bandwidth for administering large cash transfer programs. This was evidenced during initial disability benefit implementation: MWCSD needed to coordinate closely with SNPF and local administrators because it lacked field staff solely for managing beneficiary intake and case management. Building capacity in MWCSD - in terms of staff training on case management, outreach, and grievance handling - is an identified need. The Ministry of Finance, while leading on policy, similarly does not have an execution arm at the grassroots; however, it has a Policy Unit that has gained expertise through developing the NSPPF and coordinating technical assistance. Going forward, MoF will need capacity to monitor implementation, manage inter-sectoral coordination, and analyse financing options for social protection. This might involve establishing a small Social Protection Secretariat or assigning dedicated officers to this function.

In contrast, the Samoa National Provident Fund is a relatively capable and well-resourced institution, but its core competency has been managing a pension fund rather than broad social welfare. SNPF has around 100 staff, robust IT and financial management systems, and a presence in both major islands (offices in Apia and Salelologa). It routinely handles contribution collection, investments, and bi-weekly benefit payments to members, indicating solid operational capacity. This made SNPF the logical choice to administer the SCBS pension, which it has done efficiently in terms of payment delivery. However, incorporating new tasks like handling a disability benefit or potentially other social programs requires some adaptation - e.g. adjusting software, training staff on new eligibility rules, and ensuring service is welcoming to non-contributors (elderly and disabled who might not be familiar with SNPF processes). The recent IT system upgrade for SNPF's benefits platform is a capacity booster, enabling better data handling and scalability. Still, SNPF's role expansion will need governance clarity to avoid conflicts (its Board primarily looks after provident fund interests; clear protocols are needed for its social mandates). There is also an implicit capacity dependency: SNPF's strengths help mask weaknesses in the public sector's own delivery capacity. It will be important for Samoa to not over-burden SNPF with tasks beyond its remit or expertise (for instance, social work functions are better handled by MWCSD or NGOs, not a pension fund).

At the community level, local governance capacity is a mixed picture. Village councils (fono) and traditional leaders are highly effective at maintaining social order and identifying those in need in their communities, which is a form of social capital that the system can leverage. However, they are informal structures without formal training in program administration. The success of community involvement in targeting or grievance resolution will depend on providing guidance and oversight. Samoa has some precedents, such as the Village Women's Committees that help with public health outreach; these could potentially be mobilized for social protection awareness and monitoring. Enhancing capacity here might involve training village representatives on program rules, basic data reporting, and safeguarding principles (to ensure fair inclusion of all eligible, including those who might be marginalized in local settings).

Administrative systems capacity is gradually improving. The initiative to develop a social registry and a unified MIS, supported by development partners, is underway but not yet fully realized. As noted, progress was slow due to unclear mandates, but with the NSPPF assigning roles, this should accelerate. Building a registry will require Samoa Bureau of Statistics or a similar body to collect household data, and then continuous updating by an agency (perhaps MoF or MWCSD). The technical capacity for data management needs strengthening - e.g., staff skilled in database management, data privacy protocols, and analysis. There are positive signs: Samoa's engagement with a multidimensional poverty index (MPI) and recent household surveys (e.g. 2018 and 2023 Household Income and Expenditure Surveys) means there is analytical capacity to identify who and where the poor are. Integrating such data into operational tools is the next step. The country's capacity for monitoring and evaluation (M&E) of social programs is currently basic. Each quarter, SNPF can report how many pensions paid, but there is limited analysis of outcomes (like poverty reduction, nutritional status changes, etc.). The NSPPF calls for improved M&E, which will likely involve training personnel in results-based management and partnering with researchers to evaluate pilot programs.

In terms of fiduciary and financial management capacity, Samoa scores reasonably well. Public financial management systems are robust, and audits of government accounts (including the pension scheme transfers) are done regularly by the Audit Office. That said, specific capacity to do social protection expenditure analysis or to evaluate the cost-effectiveness of programs is an area for development. The Ministry of Finance's budget division will need tools and training to forecast social protection costs under various scenarios (e.g. aging population, benefit increases) and to integrate these into the medium-term fiscal framework.

A critical capacity aspect is service delivery in outer islands and remote areas. The ability to reach all eligible citizens is still limited by infrastructure. During consultations, some rural stakeholders noted difficulties in accessing information and payments - for example, ferry schedules affecting when Savai'i residents could collect pensions in person. To address this, agencies have been considering mobile teams or using the network of district administration offices as points of service. Training those local officials to handle inquiries or assist with applications (for disability benefits, etc.) would extend the system's reach. Additionally, capacity to handle grievances and appeals is minimal now; setting up a structured grievance redress mechanism (with clear timelines, tracking, and resolution processes) is on the agenda, and staff will need to be designated for this role.

It's also important to mention development partner support as part of the capacity equation. Samoa has benefited from technical assistance through the UN Joint SDG Fund program, ILO, and the World Bank, which provided expertise for policy development, registry design, and even funding for staff positions in certain projects. This external support has been crucial for initiating reforms. The challenge will be transitioning from partner-driven capacity to sustainable in-house capacity. Training-of-trainers approaches and embedding skills in the civil service are being pursued. For example, the Bureau of Statistics staff were trained to conduct the poverty analysis that will feed into targeting criteria, and MWCSD officers received training on disability assessment processes. Over time, institutionalizing these skills (perhaps by creating a Social Protection Division with permanent qualified staff) will be needed to retain knowledge.

Samoa's current social protection capacity can be characterized as "thin but improving." The strong performance of SNPF in its domain and the high commitment at the policy level are big advantages. Conversely, the lack of a dedicated delivery workforce and nascent data systems are vulnerabilities. The next few years will likely see investment in human capital (through training and possibly hiring) for social protection administration. Moreover, clear definition of roles - perhaps formalized via an implementation plan for the NSPPF - will help each institution focus its capacity-building where it's most needed. If Samoa succeeds in establishing a small, well-trained unit to manage social assistance programs (even if housed in an existing ministry) and in fully utilizing digital tools for efficiency, it can overcome many of its current limitations despite its size. Continuous regional cooperation and learning from peers will also supplement Samoa's domestic capacity. The country's tradition of strong community structures and the public's acceptance of social protection as an emerging policy priority bode well for garnering the support needed to build up capacity from the village level to the central government.

Priorities for 2025-2030

Looking ahead, Samoa has identified clear priorities to strengthen and expand its social protection system over the next five years. These priorities, aligned with the National social protection Policy Framework 2023, aim to consolidate recent gains and fill critical gaps:

- **Maintain and enhance the universal pension**: Samoa will continue to support its Senior Citizens Benefit Scheme as the bedrock of income security for the elderly. The government's priority is to maintain the universality and reliability of the senior benefit, while improving its adequacy and sustainability. This entails introducing a transparent indexation mechanism so that pension amounts are adjusted regularly to keep pace with inflation. Equally important is ensuring predictable delivery - the publication of reliable payment calendars and timely disbursement each month, including in outer islands, so that seniors can count on their income without delay. Any future reforms (such as possibly lowering the eligibility age in line with demographic trends, or creating age-differentiated benefit levels for the very old) will be carefully evaluated against fiscal space. Strengthening the SCBS also involves safeguarding its funding (potentially through a dedicated fund or annual budget provisions) and continuing to outsource administration to SNPF for efficiency. By 2030, Samoa aims for the pension to not only remain universal but to provide a dignified level of support that protects seniors from poverty throughout their longer lives.
- **Institutionalize adaptive social protection for shocks**: Building resilience against disasters is a top priority. Samoa will document, codify, and regularly test Standard Operating Procedures (SOPs) for shock-responsive cash transfers. By 2025, the government intends to have a formal disaster-response addendum to its social protection programs - for example, an SOP that specifies that upon declaration of

a natural disaster, all SCBS and disability benefit recipients in affected areas receive an automatic emergency top-up (vertical expansion), and that additional households can be enrolled temporarily (horizontal expansion) using a pre-vetted list. These SOPs will be linked to the national Disaster Management Office protocols and the Pacific catastrophe insurance payouts. A priority is to secure dedicated financing or contingency funds for these response measures, so that payouts can be made rapidly without waiting for ad-hoc allocations. To ensure the system works when needed, Samoa plans to conduct annual drills or simulations of emergency cash distributions (for instance, simulating a post-cyclone cash transfer to test the registration, payment, and accountability steps). This will help identify bottlenecks and keep staff trained in surge delivery. By 2030, the goal is to have an agile social protection response mechanism that can be triggered within days of a disaster, providing timely relief to vulnerable households and complementing other humanitarian aid.

- **Expand support for persons with disabilities and ensure inclusivity:** With the Disability Benefit Fund now launched, Samoa's priority is to strengthen and possibly expand disability support to better reach this vulnerable group. In the near term (2025-2026), this means fine-tuning the disability benefit program: improving outreach so that all eligible persons with disabilities are aware and enrolled (no one is left behind due to information gaps), and ensuring the registration and certification process is user-friendly. The government will invest in accessible communications - for example, providing information in braille or sign language, and via community networks - so that people with various disabilities can access the program. Another priority is to evaluate the adequacy of the SAT 100 benefit and explore complementary measures: this could include introducing a modest caregiver allowance or transport subsidy for those with severe disabilities, or linking beneficiaries to assistive device programs and physical rehabilitation services. Over the longer term, Samoa may consider expanding coverage to broader categories (such as including caregivers or children with disabilities explicitly) and aligning disability assessments with international best practices. Capacity building for inclusive service delivery - training social welfare officers and community leaders on engaging with persons with disabilities - will also be undertaken. By 2030, Samoa aims to have a more comprehensive disability support system, where the cash benefit is one component alongside stronger healthcare, education inclusion, and community-based support, thus upholding the rights of persons with disabilities in line with the CRPD.
- **Deepen the contributory system's reach and member engagement**: The SNPF will play a central role in the next phase of social protection development. A priority is to extend coverage of provident fund and micro-pensions to informal and self-employed workers, to prevent future old-age poverty. Samoa plans to pilot flexible contribution schemes - for instance, allowing informal workers to contribute at lower or irregular amounts, or seasonal workers to contribute lump sums after returning from overseas stints. Partnerships with banks and telecom companies can facilitate this (e.g. enabling mobile payments into SNPF accounts). By 2025, SNPF will also roll out more features in its mobile app and online services, improving digital access for members. This digital transformation will be accompanied by enhanced financial literacy and education programs for members (and the public). SNPF and financial regulators plan to conduct campaigns on the importance of retirement savings, how compound interest works, and planning for old age, including for youth and women who may not traditionally engage with the fund. Additionally, the SNPF will focus on governance and confidence-building measures: publishing annual reports and actuarial updates on the fund's health (to ensure transparency), and maintaining a strong crediting rate to members. With the contribution rate currently restored to 14% (7+7) after pandemic reductions, the priority is to keep contributions stable or higher, and to introduce new products (such as voluntary retirement annuities or housing loan options) that add value for members. By 2030, the vision is that SNPF will not only cover formal workers, but also offer micro-savings options for informal workers

and be closely interfaced with social assistance - effectively acting as a comprehensive social security institution for Samoa.

- **Build foundational data and delivery systems**: To underpin all reforms, Samoa will prioritize the development of robust administrative systems. A key goal is to establish a central social protection registry that compiles information on beneficiaries and potential beneficiary households across programs. By 2025, design work on this registry (with appropriate data governance and privacy safeguards) will be completed, and initial data (e.g. from the latest household survey and existing program lists) will be populated. The registry will be governed by clear protocols on who can access and update data, protecting personal information while enabling coordinated delivery. Alongside, a Social Protection Management Information System (MIS) will be implemented, possibly building on the new SNPF IT system, to manage enrolment, payments, and case management digitally. This will replace paper-based and fragmented record-keeping with an integrated platform. The government recognizes the importance of cybersecurity and data privacy as these systems expand - accordingly, an ICT capacity boost and legal framework (covering data sharing agreements between SNPF, MWCSD, MoF, etc.) are on the priority list. Furthermore, Samoa will upgrade its payment delivery mechanisms: expanding the network of payment agents (banks, post offices, mobile money agents) especially in rural areas so that beneficiaries have convenient access. This includes working with the private sector to possibly enable on-site village payouts (e.g. bank-on-wheels or periodic mobile bank visits to communities). By 2030, the aim is for every beneficiary to have a choice of at least two safe and accessible payment methods (for instance, direct bank deposit or mobile wallet, with cash as a backup) and for the majority of transactions to be electronically recorded, improving efficiency and accountability.
- **Strengthen governance, monitoring, and inter-sectoral linkages:** Over the next few years, Samoa will put in place the governance mechanisms to ensure its social protection system continuously improves. A priority is to formalize a Social Protection Steering Committee or coordinating body that brings together key ministries (Finance, MWCSD, MCIL, Health, Education) and partners to oversee implementation of the NSPPF. This body will monitor progress on coverage expansion, system development, and policy impact, meeting regularly. In tandem, Samoa plans to develop a monitoring and evaluation (M&E) framework for social protection interventions. By 2025, baseline indicators (coverage rates by demographic group, benefit adequacy ratios, processing times, grievance resolution rates, etc.) will be established. Annual monitoring reports or dashboards will be produced and made public, increasing transparency.
- Another governance priority is to strengthen **grievance and case management systems**: creating multiple accessible channels for citizens to ask questions or file complaints (toll-free hotlines, helpdesks in offices, potentially an online portal) and tracking their resolution. Publishing service standards - for example, that all pension applications will be processed within X days, or grievances addressed within Y days - is a target to drive accountability. Additionally, Samoa will work on linking social protection with other sectors: one priority is integrating health and social protection more closely. This could mean formal referral systems where health clinics can refer destitute patients to social services for support (especially for those with chronic NCDs who may need financial aid), and conversely ensuring that social protection beneficiaries are enrolled in relevant health programs (for instance, disability benefit recipients getting priority assistive devices through health ministry). Another link is with education and jobs - using social protection as a platform, Samoa may introduce conditions or soft encouragements (for example, if a child benefit emerges in the future, linking it to school attendance; or linking unemployed youth from the registry to skills training opportunities).

- Finally, **regional and international partnerships** will remain a priority: Samoa will continue to learn from other Pacific nations and seek technical and financial support from multilateral organizations to implement innovative solutions (such as climate-related social protection financing tools or advanced digital ID integrations).

By 2030, the country envisions a social protection system that is well-governed, citizen-centric, and responsive - a system that provides a basic guarantee of security through the lifecycle, while being adaptable to changing needs and resilient to shocks.

Tonga

Profile
System Overview: Tonga in Polynesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include an elderly social benefit introduced in 2012, with age bands and rates defined by national decisions. Contributory protection is anchored by a national retirement fund with defined-contribution accounts. Health services are tax-funded health services; overseas referral remains important for high-complexity care. These building blocks are complemented by targeted social supports overseen by the social sector. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with rapid-payout insurance and standard operating procedures following cyclone events providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is an elderly social benefit introduced in 2012, with age bands and rates defined by national decisions. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: A national retirement fund with defined-contribution accounts covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-funded health services; overseas referral remains important for high-complexity care. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Tonga has used its Social Welfare and Disability Schemes for emergency top-ups after Cyclone Gita and the volcanic eruption. Delivery was enabled by the NRBF, which already handles payments, but responses were improvised and donor-funded. Governance progress is notable: in 2025 Tonga adopted an Adaptive Social

Protection Framework. The priority now is embedding SOPs, financing triggers, and a social registry to make the system reliably scalable during disasters.

Overview

Tonga is a small Polynesian island nation (approx. 105,000 people across 45 islands) with a mixed social protection system shaped by its small-state context and high exposure to natural disasters. Traditionally, extended families and communities have provided support to the vulnerable, but over the past decade Tonga has introduced formal social protection programs targeting the elderly, persons with disabilities, and other at-risk groups. The flagship non-contributory program is a universal old-age pension (Social Welfare Scheme for the Elderly) launched in 2012, which initially provided T$65 per month to all citizens aged 75 and above. This was Tonga's first nationwide social benefit and, despite the small amount (approx. US$30), it made a tangible difference for over 1,500 seniors who had no other support. The pension has since expanded in coverage and adequacy (as detailed below). In 2015, Tonga introduced a Disability Welfare Scheme, a cash benefit for persons with disabilities - moving towards universal coverage of all registered people with disabilities On the contributory side, Tonga established a National Retirement Benefits Fund (NRBF) in 2012 as a defined-contribution provident fund covering formal sector workers (public and private). Health protection is provided through tax-funded public health services (with overseas referrals for complex care), meaning basic health coverage is essentially universal.

These building blocks - universal pensions, disability benefits, and a national retirement fund - are complemented by smaller, donor-supported initiatives for poor households and children, as well as strong informal safety nets through community and church networks In recent years, authorities (with support from partners) have also enhanced the system's shock responsiveness - for example, integrating disaster risk financing and developing standard procedures to use social protection for disaster relief (such as quick cash top-ups to beneficiaries after cyclones). Overall, Tonga's social protection system remains modest but has rapidly evolved from "infancy" a decade ago to a more comprehensive mix of programs that provide a basic income floor for the elderly and disabled, with emerging efforts to assist children and vulnerable families.

Strategy and Policy Architecture

Tonga's social protection strategy is guided by a nascent National Social Protection Policy (NSPP) that adopts a lifecycle approach to vulnerability. This policy - developed in alignment with the Tonga Strategic Development Framework - articulates the government's commitment to supporting the elderly, persons with disabilities, children in hardship, and other vulnerable groups through coordinated programs. The NSPP has informed recent initiatives such as the expansion of pensions and the design of new pilot schemes. Institutionally, the Ministry of Internal Affairs (MIA) houses the Social Protection and Disability Division, which was established in 2015 to spearhead social assistance programs and advocate for vulnerable groups. This division is responsible for the Social Welfare Scheme (elderly pension), Disability Welfare Scheme, and related safety net initiatives. It works in collaboration with the Ministry of Finance on budgeting and with sector ministries (education, health, etc.) when programs target those areas (for example, a school fees assistance program). The contributory Tonga Retirement Fund Board administers the National Retirement Benefits Fund under its own law (the National Retirement Benefits Fund Act 2012), covering formally employed workers' pensions. Coordination between contributory and non-contributory pillars is an emerging focus - for instance, ensuring that receiving a small NRBF pension does not disqualify elders from the tax-funded social pension.

Policy and legal architecture is still being strengthened. Aside from the NRBF Act, Tonga does not yet have a dedicated Social Protection Act; the non-contributory schemes operate via Cabinet decisions and annual budget allocations. However, the NSPP provides a strategic framework, and the government has embedded social protection goals in national planning. Notably, Tonga's latest budget documents explicitly reference the NSPP and allocate resources to achieve its targets (e.g. expanding the pension coverage). The government also leverages development partner support to build its system - for example, an Asian Development Bank project is funding the development of integrated aged-care services as part of the social protection system, and a World Bank-supported program is helping establish a National Social Registry and poverty-targeted transfers. Overall, Tonga's policy architecture is moving toward a more integrated social protection system that links cash transfers, social services (like aged care and disability support), and disaster response mechanisms under a coherent national strategy. The involvement of civil society (such as churches and NGOs) is also recognized in policy; these partners often help deliver services in remote communities or to special groups, under the guidance of government programs.

Coverage and Impact

Tonga's formal social protection programs now reach a significant share of those most in need. The universal Senior Citizens pension (Social Welfare Scheme for the Elderly) has been steadily expanded. Initially set at age 75+, the eligibility age was later reduced to 70, and in the FY2024/25 budget it was further dropped to 67 years, with plans to lower it to 65 by 2026. As a result, virtually all senior citizens above 67 years are eligible for a monthly stipend. In 2021, Tonga's social pension and disability benefits combined covered over 6,000 recipients - roughly 5-6% of the population - comprising older persons and people with disabilities This coverage will increase as the pension age threshold lowers. The Disability Welfare Scheme (DWS) started as a pilot for 200 persons with severe disabilities in 2015, and has since scaled into a near-universal disability benefit. All persons with certified disabilities are entitled to a monthly allowance (initially T$65, now modestly higher), provided through their caretakers if needed These two programs (elderly and disability grants) form the core of Tonga's social safety net.

The National Retirement Benefits Fund (NRBF), a mandatory contributory scheme, covers formal sector workers (including government and private employees). While exact membership figures vary, the scheme's coverage is limited by Tonga's small formal workforce - the majority of working-age Tongans are in informal or subsistence livelihoods or engaged in seasonal work abroad. NRBF provides lump-sum or annuitized retirement benefits based on accumulated contributions, typically accessible from age 60. Coverage of formal pensions is growing (membership rose after the scheme's launch in 2012 as private employers joined), but still only an estimated 25-30% of the labour force contribute, reflecting the large informal economy.

Beyond these, Tonga has targeted and pilot programs to support other vulnerable groups. With World Bank support, a Conditional Cash Transfer (CCT) program was introduced around 2019-2020 for poor households with secondary-school children. This program helps families in hardship by paying school fees or providing cash stipends conditional on children's school attendance, aiming to reduce dropouts. By 2023 the education cash assistance (including fee waivers) reached nearly 3,600 students from about 1,950 low-income households across all island groups. In addition, humanitarian cash transfers have been used in emergencies: for instance, UNICEF provided emergency cash grants for children 0-17 years after the 2022 volcanic eruption/tsunami, leveraging the social protection framework to reach affected families. These temporary schemes indicated the government's and partners' commitment to extending coverage to children and poor households, groups traditionally not covered by permanent programs. Health and education services, while not direct cash transfers, are largely government-funded and free or subsidized, contributing to social protection by reducing out-of-pocket costs for families (Tonga has near-universal primary healthcare and free basic education).

Although modest in size, Tonga's social protection programs have had meaningful impacts on beneficiary well-being and are associated with poverty alleviation for some households. The social pension provides elderly Tongans - especially those without family support or other income - with a small but reliable income for basic needs. Community observers note that even 65 pa'anga gives isolated seniors "some choice over their purchases" (e.g. food staples) and eases hardship in multi-generation households where no one is formally employed. By 2020, the government recognized the need to boost these benefits: during the COVID-19 crisis, it temporarily topped up payments by T$100 for all elderly and disabled beneficiaries to help them cope. In 2023, the monthly pension was permanently raised to T$90 for seniors 67-79 and T$110 for those 80 and above, a substantial increase aimed at protecting purchasing power. This increase, along with planned eligibility expansion, is expected to improve the adequacy of support and reduce old-age poverty rates. The disability benefit, albeit small (approx. T$70-80 monthly), similarly provides essential support to persons with disabilities and their caregivers, helping with the costs of care and inclusion. Coverage of the disability grant has grown, which means many families with disabled members now receive at least a small regular stipend where previously there was none.

On a broader level, social assistance spending in Tonga - as in other Pacific nations - roughly doubled as a share of national income over the last decade, reflecting these program expansions. Still, benefit levels remain low relative to living costs, and their poverty impact is correspondingly limited in scale. Analysis indicates that Tonga's social pension and disability payments are below global averages for such schemes when measured against per capita GNI. Thus, while they fill crucial gaps and provide a safety net, they typically do not fully lift recipients out of poverty by themselves. Instead, they serve as a basic income floor and often work in tandem with informal support (family remittances and community/church aid). Notably, Tonga is one of the top sources of seasonal migrant workers in Australia and New Zealand, and remittances from Tongans abroad are a major source of household income These remittances complement formal social protection - many families use them to support elders or invest in homes - but labour mobility also means fewer young caregivers at home for the elderly. This dynamic underscores the importance of formal schemes to support those left behind. Tonga's social protection system has expanded coverage to most elderly and many disabled citizens, helping reduce extreme hardship among those groups However, coverage of other vulnerable populations (children, unemployed youth, informal workers) is only beginning via pilot programs, and benefit amounts are still modest. The next challenge is to deepen the impact - through higher benefit adequacy and wider reach - while preserving fiscal sustainability.

Gaps and Constraints

Despite clear progress, Tonga's social protection system faces several gaps and constraints that need to be addressed:

- **High Informality and Limited Contributory Coverage**: The majority of Tonga's workforce is in the informal sector (including subsistence farming, fishing, and those engaged in seasonal overseas work), which means they are not covered by the formal pension or any insurance scheme. While the NRBF covers formal employees, many Tongans have no retirement savings mechanism or unemployment support. This creates coverage gaps - for example, informal workers and subsistence farmers may reach old age without any pension beyond the small social pension. Designing ways to include informal and self-employed workers (e.g. voluntary micro-pensions or matched contributions) remains an unresolved challenge. Likewise, there is currently no unemployment benefit or sickness insurance for workers who are not in the formal scheme.
- **Adequacy of Benefits**: The benefit levels of existing programs, though recently increased, are still low relative to living costs. Prior to 2023, the universal pension stayed at T$65 per month for years, losing

real value to inflation. Even after the raise to T$90-110, it amounts to only a small fraction of average income (Tonga's GNI per capita is around US$4,500). Analysis confirms that Tonga's age and disability benefit levels are below international benchmarks (as a percentage of per capita income). This limits their poverty-reduction potential - they alleviate the worst hardship but may not meet all basic needs or protect households against shocks. The absence of formal indexation is a related issue: benefits are adjusted only ad hoc via budget decisions, so high inflation can quickly erode their purchasing power. The government has acknowledged this and is considering formal indexation mechanisms going forward.

- **Coverage Gaps for Certain Demographics**: While nearly all seniors and many disabled persons are now reached, other vulnerable groups receive less systematic support. There is no permanent child benefit or poverty-targeted family allowance (beyond temporary donor-funded projects). Children in low-income households, youth out of work, and working-age poor (without disabilities) largely rely on community and family support. A humanitarian child grant was trialled in 2022 and a conditional education transfer is in pilot stage, but these are yet to become institutionalized entitlements. Thus, households with young children or unemployed members remain vulnerable to poverty and shocks in the absence of routine assistance. Tonga's strong kinship networks often fill the gap, but those networks are strained when whole communities face economic difficulty or disasters.
- **Fiscal and Sustainability Constraints**: Tonga's social protection is financed almost entirely from general government revenues (aside from external donor contributions to specific projects). The country's fiscal space is limited, especially with high public debt and the costs of disaster recovery Rapidly expanding the pension (lowering the age to 63 by 2027) will significantly increase the beneficiary headcount and budget outlay. Ensuring these commitments are fiscally sustainable is a challenge - the pension scheme alone is set to cost many millions of pa'anga annually, necessitating either budget reallocations or continued donor budget support. Without prudent planning, there is a risk that benefit levels cannot be maintained or expanded further. Additionally, Tonga has no dedicated social protection tax or fund, making the system sensitive to overall budget health. Any economic downturn or external shock (e.g. another cyclone or pandemic) could divert funds away from social programs, as happened during past emergencies when Tonga relied on donor grants for social assistance top-ups.
- **Administrative Capacity and Systems**: The machinery to implement social protection is still developing. The MIA's Social Protection & Disability Division is relatively small, with limited staffing and technical resources to manage intake, payments, and case management at scale. Until recently, much of the beneficiary data was handled via basic spreadsheets and manual processes. There is no fully unified social registry yet (though one is being built) and data-sharing between agencies is nascent. This fragmentation can lead to inefficiencies - e.g. difficulty quickly identifying all vulnerable households during a disaster, or ensuring no duplication across programs. Grievance redress and monitoring systems are also in early stages; not all beneficiaries (especially in outer islands) have easy channels to report payment issues or appeals. The government recognizes these gaps and, with support, has begun developing an integrated Management Information System (MIS) and social registry to improve targeting and administration. Still, human capacity constraints (limited trained social workers, IT staff, data analysts) mean progress is gradual. Training and retaining skilled staff is difficult, especially as Tonga faces brain drain of professionals to overseas opportunities
- **Geographical Dispersion and Delivery Challenges**: Tonga's population is spread across widely dispersed islands, some very remote. Delivering cash benefits and services to outer islands like the Niuas or distant Ha'apai villages is logistically challenging. In the past, teams had to physically travel to distribute pension payments or rely on local town officers. This raises administrative costs and risks delays (e.g. bad weather delaying a payment trip). Although by 2023 the social service programs extended to all island groups,

inequities in access remain - rural outer island recipients may get payments less regularly or have less access to information and grievance mechanisms. The push toward digital payments and mobile banking is constrained by patchy connectivity and low financial inclusion in some areas. Tonga is working on multi-channel ("multi-rail") payment delivery (bank transfers, mobile wallets, and cash agents) to reach remote beneficiaries more efficiently, but these innovations are not yet fully scaled. Until they are, delivering consistent, timely services across all islands will continue to be a constraint.

- **Disaster Vulnerability**: Finally, Tonga's extreme exposure to cyclones, earthquakes, and volcanic events poses a constant challenge to its social protection system. Catastrophic events can suddenly increase the need for assistance (creating surge demand) at the same time as they disrupt infrastructure for delivering aid. While Tonga has disaster risk insurance and some contingency financing, the protocols for using social protection as a disaster response tool (e.g. temporary expansion of benefits or emergency cash transfers) are still being refined. The experience in 2020 (Cyclone Harold and COVID-19) showed both the potential and the limitations: the government managed to give one-off top-ups to existing beneficiaries, but reaching those not already in the system (e.g. poor households without an elderly or disabled member) was harder. Adaptive social protection mechanisms (pre-agreed triggers, databases to enrol new beneficiaries quickly, etc.) are not yet fully in place. This gap means that in big shocks, some vulnerable people may fall through the cracks or face delays in assistance.

Tonga must address these gaps - low coverage for some groups, low benefit levels, reliance on a thin public purse, administrative and delivery shortfalls, and exposure to shocks - to build a more robust and inclusive social protection system.

Delivery and Governance Innovations

Tonga is actively pursuing innovations to improve the delivery, efficiency, and governance of its social protection programs. Key developments and approaches include:

- **Digital Payments and Multi-Channel Delivery:** The government is moving away from purely manual, cash-based disbursement toward electronic payment modalities to ensure more reliable reach, especially to outer islands. Efforts are underway to enable pension and benefit payments through multiple channels - direct bank deposits for those with bank accounts, mobile money wallets, and local cash agents (such as post offices or retail stores) - while still providing cash in hand as a fallback where digital infrastructure is lacking. For example, Tonga has partnered with financial service providers to allow beneficiaries on remote islands to withdraw their stipends from local agents or via mobile phone-based services, reducing the need to wait for quarterly government missions. These "multi-rail" payment systems improve timeliness and transparency of transfers, and help in situations where a disaster might cut off physical access (digital payments can reach people if communications networks are restored). A next step is to formalize service-level agreements with payment providers (banks, telecoms) to ensure standards like maximum transaction times and grievance handling, as recommended in recent assessments.

- **Management Information Systems (MIS) and Social Registry:** Recognizing the importance of data, Tonga is investing in information systems to register and manage beneficiaries more effectively. A National Social Registry is being developed to serve as a central database of poor and vulnerable households, which can be used across programs and in disaster response. This is part of a World Bank-supported project aiming to strengthen social protection delivery. Parallelly, an integrated Social Protection MIS is being rolled out, which will digitalize enrolment, record-keeping, and payment tracking for the pension and disability schemes (replacing paper forms and spreadsheets). Such systems will enable faster verification of eligibility (e.g. checking a person's age or disability status), reduce errors (through cross-checks like death records to remove deceased beneficiaries), and allow interoperability with other government databases (such as civil registries or disaster damage assessments). In the coming years, the aim is to connect the social welfare MIS with disaster early warning systems so that emergency cash transfers or top-ups can be triggered and disbursed quickly to those in the registry if a cyclone or other shock hits. Data governance is a priority alongside these innovations - officials are drafting protocols for data privacy and secure information sharing as these systems expand.

- **Adaptive and Shock-Responsive Mechanisms:** As noted, Tonga is integrating social protection with disaster risk management. A notable innovation is its participation in the Pacific Catastrophe Risk Insurance scheme, which in 2020 yielded a rapid US$4.5 million payout after Cyclone Harold - the largest in the scheme's history. Lessons from Cyclone Harold and the Hunga Tonga-Hunga Ha'apai volcanic eruption (2022) have led to the development of Standard Operating Procedures (SOPs) for shock responses via social protection. For example, the government has prepared draft SOPs for *vertical expansion* (increasing the benefit amount for existing beneficiaries during crises) and *horizontal expansion* (temporarily enrolling new beneficiaries, such as poor households with children, in emergency cash programs). These were tested when the government, through its Safety and Protection Cluster, provided one-off cash top-ups to all elderly and disabled beneficiaries during the COVID lockdowns. Moving forward, Tonga plans to pre-arrange disaster responses: identifying in advance which programs to scale up, how to deliver payments if normal systems (banks, etc.) are disrupted, and how to use its risk insurance or donor funds to finance the surge. Annual simulations or drills are expected to be conducted to ensure readiness, as part of building an adaptive social protection system.
- **Grievance Redressal and Social Accountability:** Ensuring beneficiaries can voice concerns and get issues resolved is a newer focus. The Social Protection Division is setting up grievance mechanisms that are accessible even in rural villages - including phone hotlines and designated focal points in outer island administrations who can log complaints or appeals. The intent is to have multiple grievance channels (phone, in-person, possibly SMS) and to publicize these so beneficiaries know how to report missing payments or eligibility problems. Moreover, the ministry has committed to greater transparency by publishing quarterly dashboards on program performance. These dashboards (likely shared online and on community notice boards) would show data like number of beneficiaries, timeliness of payments, and any error rates or issues encountered. Such transparency is an innovation in governance, aimed at building public trust and allowing oversight of how well the social protection system is functioning.
- **Use of Community Structures and Partnerships:** Delivery innovations in Tonga also leverage traditional governance and civil society. Town officers, church leaders, and local civil society organizations are being engaged as partners to identify eligible persons and distribute information. For example, disability case managers work with community-based organizations (like Ma'a Fafine mo e Famili, a local NGO) to reach families of persons with disabilities and help them access the DWS benefit and related services. Such partnerships tap into the close-knit community networks in Tonga, improving reach and culturally appropriate delivery. The Tonga Social Service Pilot Program (TSSP), initiated in 2015, expanded by 2022 to cover all outer islands, likely relied on local committees to implement community-based support and referrals. While information on TSSP is limited publicly, it appears to coordinate government and local efforts to ensure remote communities can benefit from social services.
- **Digital Platforms for Contributory Pensions:** On the contributory side, the NRBF has modernized through digital tools as well. The Retirement Fund Board launched an online member portal where contributing members can log in to see their account balances, contributions, and apply for benefits. This enhances transparency and engagement for contributors. They are also exploring options like digital onboarding - making it easier for new members, including self-employed who wish to join voluntarily, to register via

mobile apps or online (an approach being tried in other Pacific countries to widen pension coverage). Additionally, the NRBF has been improving governance by publishing annual reports on fund performance and conducting financial literacy sessions for members, so that workers understand their retirement savings options. Ensuring that Tongans working abroad can continue contributing or transfer their overseas pension credits is another area of development (discussed under priorities).

Tonga is embracing a range of delivery innovations - from digital payments and MIS infrastructure to community-based outreach and disaster-responsive protocols - to make its social protection system more efficient, inclusive, and accountable. These innovations are still in early phases, but they lay the groundwork for a more modern social protection delivery system that can overcome the challenges of geography and limited capacity. The focus on good governance (grievance systems, data privacy, service standards) alongside technology indicates a comprehensive approach to improving service delivery in the coming years.

Capacity Assessment

The capacity of Tonga's institutions to implement social protection is growing but remains relatively limited, commensurate with the country's small size and recent entry into formal social welfare. On the positive side, the government has demonstrated commitment by creating dedicated structures and allocating budget to social protection, but human and technical resources are constrained:

Institutional Capacity: The lead unit - the Social Protection & Disability Division in MIA - has only a modest number of staff to manage all programs nationwide. This includes clerical officers handling enrolments and payments, and a few officers focusing on disability services, often supplemented by volunteers or NGO workers for outreach. The division did not exist before 2015, so it has essentially been building capacity from scratch in recent years. It has benefited from technical assistance (e.g. advisors funded by donors) to develop policies and new programs. However, core civil service capacity for tasks like policy analysis, data management, M&E, and case management is thin. The civil service in Tonga is the largest employer but has known gaps in systems and processes, and social protection is no exception Staff often juggle multiple roles - for instance, the same officer might coordinate the elderly pension roll and disability benefit assessments in a region - which can stretch capacity.

Targeting and Case Management: Tonga's approach so far has kept targeting simple (categorical universal benefits by age or disability status) precisely because detailed means-testing or case-by-case social work would overwhelm current capacity. Identifying the poor beyond those categories is challenging without a robust social registry and trained social workers. The government leans on community knowledge (local officials know which families are struggling) for any ad-hoc targeting, such as selecting households for the fee assistance program. As the system aspires to expand to poor households and children, a substantial upgrade in case management capacity will be needed - including social workers or community development officers who can verify household conditions and follow up on beneficiaries. Right now, such capacity is very limited; much of the individualized support (e.g. for children with disabilities under the Early Intervention Program) is provided by NGOs with external funding.

Administrative Systems: The shift to digital MIS and registries is in progress, but as of 2024 the Social Protection Division is still transitioning from manual records. Data quality and integration are challenges - for example, ensuring the beneficiary list is up to date with deaths or migrations requires coordination with other departments (civil registry, etc.) that is not yet fully streamlined. The new systems under development (with donor support) are expected to ease these issues, but absorptive capacity is a concern: the staff must be trained to operate and maintain these systems. The Ministry of Finance has been involved in designing payment systems and must coordinate with MIA on reconciliation and audits. There is a need for continued training in basic data analysis and IT for staff so that they can utilize the new tools effectively and securely.

Fiscal and Management Capacity: On the financial management side, Tonga has experience managing donor grants and budget funds for social programs, but scaling up programs will test its capacity. For instance, lowering the pension age from 70 to 63 over a few years means registering thousands of new beneficiaries and managing a much larger payment volume. The Ministry of Finance and MIA will need to ensure timely disbursement to all these people without delays or errors - a step-up from previous caseloads. Strengthening internal controls (to prevent fraud or ghost beneficiaries) and conducting audits of social programs will be important; currently, such oversight is nascent. One promising development is the integration of social welfare into the government's budget systems - the budget now clearly earmarks funding for the welfare schemes and even provides a multi-year expansion plan, reflecting improved planning capacity. Yet, executing this plan requires adequate staffing at ground level (e.g. to do outreach and sign up new 65-69 year-old seniors). Tonga may need to hire additional field officers or enlist community authorities to manage the growth of the program.

Inter-agency Coordination: Effective social protection also depends on coordination across government (for example, between the disaster management office and the social welfare division in post-disaster responses, or between health services and disability benefits). Coordination mechanisms are still developing. There are some inter-agency committees - like the Safety and Protection Cluster for emergencies - but day-to-day coordination is often informal. The National Steering Committee on Social Protection, if one exists under the NSPP, is not yet fully institutionalized. Building this "whole-of-government" capacity (so that social protection is mainstreamed in health, education, disaster response planning) is an ongoing task. As one example, linking health sector data on persons with disabilities to the Disability Welfare Scheme could improve targeting, but doing so requires data sharing agreements and technical capacity that are in infancy.

NGO and Community Capacity: Outside government, local NGOs and community groups have played a supplementary role in delivering social support (such as disability services, women's support, etc.). These organizations (for instance, the Tonga Red Cross or disability advocacy groups) often rely on donor funding and have limited scale. The government's capacity assessment recognizes the need to strengthen partnerships with such groups, as they can extend reach and provide specialized services (e.g. physical rehabilitation for disabled persons) that government alone cannot. Ensuring these partners have stable funding and are integrated into the national system (with referral protocols, service agreements) is part of capacity-building as well. Donors like Australia are providing long-term funding to some civil society groups for disability and gender programs, which indirectly bolsters overall social protection capacity.

In essence, Tonga's administrative capacity for social protection is improving but still fragile. The government is aware of its limitations and is gradually putting in place the building blocks - training staff, investing in IT systems, simplifying delivery processes - to manage a larger and more complex social protection system. Continued technical support and learning from peers in the region will be important to shore up capacity in areas like MIS management, payment systems, and monitoring and evaluation. With a solid policy framework now in place, the emphasis is on building the operational muscle to implement that policy effectively across the kingdom.

Priorities for 2025-2030

Looking ahead, Tonga has outlined several priorities to consolidate and expand its social protection system over the next five years. These focus on sustaining recent gains, filling coverage gaps, and strengthening systems and resilience. Key priorities include:

- **Sustain and Enhance Core Benefits:** Maintain the universal elderly pension and disability benefit as permanent entitlements and ensure their adequacy keeps improving. This includes following through on the planned expansion of the Senior Citizens benefit (lowering eligibility to 63 by 2027) and introducing an indexation mechanism so that stipend amounts keep pace with inflation. By publishing a clear indexation policy (for example, indexing yearly to consumer prices or wage growth), the government can protect the real value of benefits and give beneficiaries financial security. Sustaining these programs also means securing the necessary budget resources each year and exploring ways to make financing more resilient (for instance, setting up a reserve fund or ring-fencing a portion of revenues for social pensions).

- Expand Coverage to Vulnerable Children and Caregivers: Addressing the gap in support for poor families and children is a stated priority. The government aims to pilot and eventually implement a child or family benefit - possibly a caregiver allowance or child grant - using simple categorical eligibility. For example, a universal child benefit for young children or a benefit for caregivers of the very vulnerable (such as those caring for the frail elderly or persons with severe disabilities) could be tested. Pilot programs in this vein (perhaps building on the CCT experience) would help determine the most feasible approach. By 2030, Tonga could establish a modest child benefit or poverty-targeted family assistance scheme, which would move it closer to a full life-cycle social protection system (covering childhood, working age contingencies, and old age).
- **Strengthen Delivery Systems and Governance**: A top operational priority is to fully implement the social protection MIS and national social registry and use them to improve program delivery. By 2025-26, the target is to have an integrated beneficiary database covering all major programs, which can be updated in real-time and used to coordinate assistance. Alongside this, Tonga will formalize data governance and privacy safeguards so that personal information is protected. The government also plans to contract service-level standards with payment providers (banks, mobile operators) to ensure reliable delivery to outer islands and regularly monitor performance. This might include agreements on maximum travel distance for beneficiaries to collect cash, frequency of mobile banking services in remote areas, etc., to guarantee equitable access. Additionally, establishing robust grievance redress mechanisms and publishing quarterly performance dashboards are concrete governance improvements slated for the next few years. By 2030, the aim is for Tonga's social protection administration to be highly transparent - with regular reports on coverage, timeliness, and error rates - and accountable to beneficiaries through accessible complaint and appeal processes.
- **Institutionalize Shock-Responsive Social Protection:** Building on recent experience, Tonga will formalize the integration of social protection in disaster response. One priority is to codify Standard Operating Procedures (SOPs) for emergency cash transfers - for example, pre-defining how much extra cash or how many months of support to provide to existing beneficiaries in the event of various disaster scenarios (cyclone, drought, pandemic). Another is to strengthen links with the national disaster management system, such as integrating the social registry with hazard forecasting systems to allow *anticipatory* payouts (e.g. if a cyclone is forecast, triggering an early cash distribution to help people prepare). By 2025, Tonga intends to have tested a vertical expansion (top-up) after a disaster in a simulation or real event annually. By 2030, it should have a well-drilled mechanism where social protection programs can scale up within days of a disaster, financed by either domestic contingency funds, the PCRIC insurance payouts, or donor emergency funds. This will ensure timely relief to affected households through the existing payment channels, increasing the resilience of both the population and the programs.
- **Human Capital and Capacity Development:** Over the medium term, building the capacities of staff and systems is crucial. Priorities include training more social workers or case managers (possibly by creating roles at district level) to improve beneficiary outreach and monitoring. The government may also establish a specialized Social Protection Unit within the Ministry of Finance or Prime Minister's Office to strengthen inter-ministerial coordination and policy oversight, as the system grows in complexity. Ensuring that the MIA division has adequate staffing to handle the increased beneficiary caseload

(especially with the pension expansion and any new child/caregiver scheme) is a must. Development partners are expected to continue providing technical assistance, but the goal is to institutionalize skills locally - for instance, by 2030 Tonga could aim to have a cadre of certified social policy analysts or IT system administrators within the civil service. Capacity building extends to data analysis capabilities so that Tonga can use evidence (from HIES surveys, program data, etc.) to fine-tune its social protection strategy.

- **Portability and Support for Migrant Workers:** Given the importance of overseas labour schemes (e.g. Australia/New Zealand seasonal workers) for Tongan livelihoods, a future priority is to enhance social protection portability and support for migrant workers. This might involve negotiating agreements or guidelines so that Tongans working abroad can contribute to or draw on social security when they return. For example, developing a mechanism where seasonal workers can voluntarily contribute to the NRBF while abroad, or receive credit for their work if they eventually qualify for any unemployment or injury compensation scheme. By 2030, Tonga would like to have clear policies in place so that engagement in labour mobility programs does not leave workers or their families without a safety net. This also means providing social services information and financial education to workers before departure (e.g. encouraging them to save or remit for pensions, or informing them about welfare support for their dependents at home).
- **Fiscal Sustainability and Partnerships:** Ensuring that the expansion of social protection is financially sustainable is an overarching priority. The government will explore a mix of funding strategies: allocating a higher share of domestic revenue as the economy grows, possibly leveraging “sovereign wealth” or trust funds (if any) for social spending, and advocating for continued donor support especially for capacity-building and pilot programs. Tonga will also look to coordinate with regional partners for technical expertise and cost-sharing - for instance, sharing software or approaches with other Polynesian countries facing similar issues. The new Australia-Tonga development partnership plan already signals increased assistance to improve coverage and effectiveness of Tonga’s formal social protection system By prioritizing strong results reporting and demonstrating the impact of social protection (e.g. on poverty and resilience), Tonga aims to secure ongoing investment from both its government budget and development partners.

Tonga’s 2025-2030 priorities for social protection revolve around deepening the system (through new programs for currently uncovered groups and sustained benefit improvements), modernizing its delivery (with digital, data-driven systems and disaster adaptability), and building the foundation (capacity, financing, and governance) for a robust, comprehensive social protection system.

Tuvalu

Profile
System Overview: Tuvalu in Polynesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include a universal Senior Citizens Scheme with parameters set in national budgets. Contributory protection is anchored by a national provident fund for formal workers and contributors. Health services are tax-funded health and outer-island clinics with referral abroad. These building blocks are complemented by small cash and in-kind supports administered by the social welfare unit. In recent years, authorities and partners have strengthened emergency preparedness and

delivery, with disaster mechanisms oriented to logistics across outer islands providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is a universal Senior Citizens Scheme with parameters set in national budgets. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: A national provident fund for formal workers and contributors covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-funded health and outer-island clinics with referral abroad. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Tuvalu's limited social protection system has not yet been a platform for shock-response. Emergency relief has been delivered as one-off food and cash distributions, with donor funding. Governance capacity is constrained by scale and remoteness, and no SOPs or dedicated financing windows exist. Developing a basic registry, adopting digital payment solutions, and codifying expansion procedures would allow Tuvalu to transition from ad hoc relief to predictable, adaptive support.

Overview

Tuvalu is a small Polynesian atoll nation (population approx. 11,500) with a highly dispersed geography and extreme vulnerability to climate change and disasters. Its social protection system is a *mixed* one, combining modest tax-funded assistance with a limited contributory scheme. On the non-contributory side, the flagship program is a universal Senior Citizens Scheme, a social pension financed through the national budget. This provides all eligible older Tuvaluans with a flat monthly stipend (approximately A$100) in recognition of small-state realities that make means-testing impractical. A Financial Support Scheme for Persons with Disabilities was introduced in 2015, likewise offering a monthly cash benefit to people with disabilities (set equal to the senior pension). Together these two categorical programs form the core of Tuvalu's social assistance system. In addition, a handful of small cash or in-kind supports are administered by the social welfare unit on a discretionary or emergency basis. Traditional kinship and community support networks also remain crucial, helping fill gaps informally and ensuring cultural relevance of assistance.

Contributory social protection in Tuvalu is limited to the Tuvalu National Provident Fund (TNPF), a mandatory savings scheme for formal sector workers. Formal employment is relatively small, consisting mainly of civil servants and a few private sector workers, so the TNPF covers only a minority of the working-age population (the vast informal workforce has no pension coverage). TNPF members accumulate savings and typically withdraw lump sums at retirement; there is no unemployment or social insurance for those outside this system. Healthcare is publicly provided and tax-funded: primary health care and outer-island clinics are free at point of use, and the government operates an Overseas Medical Referral Scheme to send patients abroad for specialized treatments not available in-country. This is vital given Tuvalu's geographic isolation and limited domestic medical capacity, and serves as a de facto health protection mechanism for serious illnesses or emergencies. Education is similarly supported through public funding (e.g. fee subsidies and scholarships), though not typically framed as part of social protection.

Overall, Tuvalu's formal social protection spending is very modest - about 1% of the national budget in recent years - reflecting both constrained resources and the reliance on informal safety nets. Only an estimated 5% of Tuvalu's people are covered by at least one social protection benefit, according to 2024 data. This indicates that outside the elderly and persons with disabilities, most citizens - especially children and working-age adults - have no government-provided income support. Recognizing these gaps, the government and its partners have begun prioritizing social protection as a pillar of resilience and inclusion. In particular, the intensifying threats of climate change (sea-level rise, cyclones, droughts) have raised the profile of "adaptive" social protection as a tool for disaster response and climate adaptation. Recent efforts have focused on strengthening delivery systems to reach remote outer islands and on integrating cash assistance into disaster preparedness protocols. The overall tone of Tuvalu's social protection system is one of *nascent but growing* support: a basic foundation of universal old-age and disability assistance is in place, yet much work remains to broaden coverage, improve adequacy, and build robust systems for the future.

Strategy and Policy Architecture

Tuvalu does not yet have a dedicated national social protection policy or law, but steps are being taken toward one. Social protection objectives feature in the country's development plans under goals of reducing hardship and building resilience, yet until recently there was no comprehensive strategy document. The government has been working (with UN and development partner support) on formulating a National Social Protection Policy/Bill to formalize the system. In fact, around 2019-2020 Tuvalu undertook public consultations on a draft Social Protection Bill aimed at extending coverage to additional vulnerable groups - specifically *infants, pregnant women, widows and school-age children*. This indicates a policy vision to move toward a more lifecycle-oriented social protection system beyond the current focus on the elderly and disabled. As of 2025, that policy has not yet been finalized or enacted, but it remains a key strategic priority to establish a unifying framework that defines program mandates, eligibility, and financing for an expanded range of benefits. In parallel, Tuvalu has a National Policy for Persons with Disabilities, which guides efforts on disability inclusion (for example, improving accessibility and support services). A National Population Policy is also in place and acknowledges the Senior Citizen Scheme as a support for older persons. These sectoral policies contribute pieces of the overall social protection agenda, even as an integrated strategy is under development.

In terms of institutional architecture, responsibility for social protection is somewhat fragmented due to Tuvalu's small public sector. There is *no standalone Ministry of Social Protection*; instead, social welfare programs are managed under a division of a broader ministry. In 2020, the government reorganized social portfolios, moving the Gender Affairs and Social Welfare functions under the Ministry of Health, Social Welfare and Gender (a consolidated ministry). Within this ministry, a Social Welfare Unit administers the Senior Citizens scheme, disability payments, and any ad-hoc assistance. This unit is small and centralized in Funafuti (the capital), working in coordination with Island Councils (Kaupule) to reach recipients on outer islands. On the contributory side, the TNPF is a statutory agency with its own governance board, overseen by the Ministry of Finance. The TNPF handles collection of contributions, fund investment, and member services for formal pensions. Meanwhile, disaster-response cash or voucher initiatives (when they occur) involve the National Disaster Management Office (NDMO) coordinating with the Social Welfare Unit and humanitarian partners. Overall coordination across sectors is informal - there is no permanent multi-agency social protection coordinating committee yet, though the National Climate Change and Disaster Risk Reduction policies increasingly reference social protection as a tool for resilience. Development partners often act as de facto catalysts for strategy: for example, UNICEF and the ILO have provided technical advice on social protection planning, and the regional Partnerships for Social Protection (P4SP) program (funded by Australia) has been working with Tuvalu officials on assessing system gaps and financing.

Strengthening the policy framework and institutional setup is recognized as critical for Tuvalu. The draft National social protection Policy (once adopted) is expected to establish clear institutional mandates and a legal basis for programs, improving accountability. It will likely formalize minimum benefit levels and eligibility (to protect entitlements in law) and set out expansion plans for new schemes (such as child grants). Importantly, a policy would also clarify inter-ministerial roles - for instance, how Health, Education, and Finance ministries collaborate on delivering social protection - and embed social protection in the government's budget and planning processes. At present, social protection decisions (e.g. benefit increases or new programs) are made during annual budget planning, in the absence of a standalone law. This ad hoc approach can make programs politically vulnerable or inconsistently funded. The policy architecture goal for 2025 and beyond is therefore to move from the current patchwork of schemes toward a more codified, lifecycle-based social protection system that is grounded in national legislation and strategy. Tuvalu's commitment to international frameworks like the SDGs and the Universal Social Protection 2030 agenda adds impetus to finalize its policy architecture.

Coverage and Impact

Coverage of formal social protection in Tuvalu is narrow but has expanded slightly in recent years. The universal Senior Citizens Scheme reaches all elderly citizens above a certain age (originally age 70, later lowered to 60+ years). With the age eligibility broadened, the senior pension now covers roughly 900 older persons, about 8-10% of the population. In fact, an estimated 18.2% of all Tuvaluan households include a beneficiary of the Senior Citizen scheme - testament to extended families often residing together. Female-headed households are somewhat more likely to benefit (23.6% of them do, vs 17% of male-headed households), partly because women tend to outlive men and may rely on the pension in later years. The benefit amount is *flat* for all: currently A$100 per month (raised from A$70 some years ago). While modest in absolute terms, this pension provides a vital floor of income for the elderly. Many recipients share their pension with family members to help with food, church contributions or school costs for grandchildren, thereby spreading its impact. The Financial Support Scheme for Persons with Disabilities covers individuals with permanent disabilities (across all ages) and has approximately 384 beneficiaries as of 2024. Notably, the majority of disability pension recipients are women (243 women vs 141 men), which may reflect both a higher reported prevalence of disability among women and the fact that men with severe disabilities have higher mortality. Together, the social pension and disability allowance were supporting around 1,284 people in 2024 (with no double-counting, as an individual cannot receive both benefits) - equivalent to roughly 11% of Tuvalu's population.

Despite these programs, overall coverage remains the lowest in the Pacific after very small states like Niue. As noted, only approx. 5% of the total population is counted as directly covered by any social protection benefit in recent international estimates. The discrepancy with the above 11% figure is because many beneficiaries are elderly (a small demographic segment) and the international metric may be outdated or calculated differently. Crucially, children have essentially zero coverage from social protection in Tuvalu - there are no child or family cash benefits, and orphans/vulnerable children rely solely on informal care or sparse charity support. Likewise, working-age adults who are poor or unemployed are not covered by any cash assistance (aside from those with disabilities). This means the social safety net misses large vulnerable groups, including low-income families, youth, and women of working age not in formal employment. The contributory TNPF scheme covers an estimated few hundred workers (primarily public servants and a limited private sector), representing well under half of the labour force. Most Tuvaluans work informally (e.g. subsistence, fishing, small commerce) or overseas on temporary labour schemes, so they do not contribute to any pension and will have no formal retirement income apart from the social pension.

In terms of impact, the existing schemes have a positive but limited effect on poverty and hardship. The senior and disability pensions together account for the bulk of government social assistance spending (for instance, about 88% of social protection spending goes to the Senior Citizen Scheme alone). By channelling this spending as universal pensions, Tuvalu does manage to reach virtually all of its elderly and a significant share of persons with disabilities, groups that might otherwise be among the most destitute. These transfers improve beneficiaries' daily consumption and enable families to better afford basics like food and utilities. However, the adequacy of benefits is modest. When benchmarked globally, Tuvalu's pension levels are below average - only on the order of approx. 10% of per capita GNI, whereas a common international benchmark for adequacy is 15% of per capita income. For example, at A$100 (≈US$65) per month, the pension is too low to meet all of an elderly person's needs in Tuvalu's high-cost environment, especially as inflation has risen. Notably, Tuvalu does *not* index benefits to inflation, and has only raised the pension value in ad hoc jumps. The Partnerships for Social Protection analysis shows that while the benefit level was increased twice since the scheme's introduction, inflation eroded its value in between - by 2023 the real purchasing power of the senior/disability benefit was nearly 30% lower than its peak after the last raise (2019). In other words, cost of living increases have chipped away at what beneficiaries can actually buy with their stipend. This undermines the poverty-reduction impact over time.

Because the social pension is universal (not means-tested), it is not sharply targeted to the poorest households - many recipient seniors live in households that are not poor. Nonetheless, it does reduce poverty among the elderly and provides a form of basic income security in old age. According to regional evidence, well-designed social pensions can significantly cut hardship; for instance, similar schemes in Kiribati and the Cook Islands have measurably lowered poverty rates. In Tuvalu's case, comprehensive data on poverty impact are scarce (the last Household Income & Expenditure Survey was in 2015). Still, given that about 8% of Tuvalu's population is 60+, the pension likely plays a role in smoothing consumption for roughly that share of people. The disability benefit, while covering fewer individuals, is often the *only* reliable support for those who cannot work and their families. Beneficiaries report using it for food, medicines, and transport for care. The absence of coverage for children and unemployed adults means many households must cope through informal means - primarily community sharing and remittances. Tuvalu has a tradition of reciprocity; families with salaried members or pensioners frequently help relatives who have less. However, this informal solidarity can be strained as economic pressures grow. Overall, the current social protection system in Tuvalu provides *partial* income security to the elderly and disabled, but leaves major coverage gaps. Its impact on national poverty and inequality is therefore limited, and highly vulnerable to shocks (given no scalable mechanism for disasters yet). This recognition is driving calls for expansion and reform to increase the system's coverage and effectiveness by 2030.

Gaps and Constraints

Tuvalu faces significant gaps and constraints in its social protection system.

First and foremost is the **coverage gap**: large segments of the population - especially children, youth, and working-age poor - are not covered by any social assistance. There is no child benefit, no poverty-targeted cash transfer, no unemployment support, nor maternity allowances. This means vulnerabilities like child poverty, joblessness, and income shocks are not addressed by the formal system. The lack of a family or child transfer is particularly stark given that children make up 37% of Tuvalu's population and are twice as likely as adults to live in poverty in the Pacific region. Another gap is in social insurance: outside of the provident fund for formal workers, there are no insurance-based schemes (such as unemployment insurance, social security pensions, or health insurance). The vast majority of Tuvaluans working informally or seasonally have no pension to look forward to beyond the small social pension. They also have no insurance against employment injury or loss of income. In short, the system is not yet lifecycle-complete - it heavily skews toward old-age and disability, with other contingencies largely uncovered.

A related issue is **fragmentation and policy absence**. Without an overarching social protection law or strategy in force, efforts can be piecemeal. Coordination is weak among agencies (health, education, social welfare, disaster management) when it comes to identifying and supporting vulnerable households. This can result in overlaps or, more likely, *cracks* through which needy individuals slip. For example, while the health system covers medical costs, there is no formal linkage ensuring that a family facing catastrophic health expenses (beyond what the government covers) receives social assistance - such linkages are ad hoc if they occur at all.

Administrative capacity constraints are severe given Tuvalu's tiny public service. The Social Welfare Unit has very limited staffing and resources to implement programs nationwide. There are no permanent social protection field officers on outer islands; rather, local government (Kaupule) staff double up to help deliver payments or collect applications. This *"thin" on-the-ground presence* makes outreach and case management minimal - many eligible people must proactively seek out information, and grievance redress mechanisms are informal (often simply reporting issues to island officials). Monitoring and data management are other weak spots: there is no single social registry or management information system (MIS) integrating beneficiary data. Current beneficiary lists are maintained largely in basic spreadsheets or paper records. The National Statistics Office (NSO) has gathered poverty and demographic data (e.g. a 2015 HIES and a 2017 mini-census), but these are *not linked to any beneficiary registry or program databases*. This inhibits evidence-based targeting or the ability to rapidly verify eligibility in emergencies. It also means routine monitoring (e.g. tracking how many beneficiaries are female, or how payment timeliness varies by island) is very limited - such statistics are rarely published (something the government aims to change).

Geography poses a logistical constraint. Tuvalu's population is spread across 9 islands, some extremely remote with infrequent transport links. Delivering cash or services to outer islands is costly, slow and weather-dependent. For instance, until recently an official might physically travel by boat to outer islands to distribute quarterly pension payments in cash. Any disruption (a ship breakdown or rough seas) would delay payments. Communications are also a challenge - internet and mobile coverage, while improving, can be intermittent on distant atolls, making modern digital payment solutions or even phone-based grievance hotlines hard to rely on. This isolation increases the risk that outer-island residents have *less access to social protection* or face higher transaction costs to receive it.

Another major constraint is **financial and fiscal**. Although Tuvalu benefited from windfalls (such as fishing license revenues and a sovereign wealth fund), its fiscal base is small and volatile. Government budgets have many competing priorities (health, education, infrastructure, climate adaptation) and social protection has so far been allotted only around 1% of total spending. Expanding benefits or adding new programs (like a child grant) would require sustainable financing or reallocation of funds. The heavy reliance on development partners for any new initiative is a vulnerability - e.g. pilot programs often run on donor grants and may not scale if donor funding ends. This raises the issue of sustainability: Tuvalu's ability to maintain or increase benefits in the long run could be threatened by fiscal shocks or economic downturns. Importantly, current benefits are not indexed to inflation, so in periods of high inflation (as seen in 2022), their real value falls unless ad hoc top-ups are approved.

Adequacy and design issues form another set of gaps. The benefit levels (A$100) are low relative to living costs and have not kept pace with price increases. There is also no formal mechanism for regular review or uprating of benefits - increases tend to happen only after long gaps, leading to a cycle of improvement then erosion in real terms. From a design perspective, the categorical approach (universal pensions and disability allowance) achieves simplicity but may miss those in need who don't fit the categories - for example, a vulnerable single mother in her 40s or a young unemployed man receive nothing because they are neither old nor officially disabled. Conversely, some relatively better-off elderly receive the pension regardless of need. This raises questions of both efficiency and equity. However, Tuvalu has favoured simple categorical targeting due to the impracticality of means-testing in a small community-based society. Targeting by income could be socially divisive and administratively infeasible in such a context, so the challenge is finding other ways to support at-risk groups (like near-poor families) without complex means tests.

Finally, Tuvalu's social protection system remains **largely unprepared for large covariate shocks**. The country is extremely disaster-prone - tropical cyclones, king tides, and droughts regularly threaten livelihoods - yet there is not yet a built-in "shock response" mechanism in the social protection programs. There are no pre-agreed disaster-triggered cash transfers or scalable components in the pension schemes (e.g. no provision to temporarily increase payouts after a disaster). Instead, disaster relief has been handled separately via ad hoc aid distribution (food, water) or small one-off payments. This means households affected by a disaster might not get timely cash assistance to rebuild unless an external humanitarian response is mounted. Recognizing this gap, Tuvalu has started to explore linking disaster risk finance with its social protection operations (for example, considering the use of regional catastrophe insurance payouts to fund emergency "top-ups" to beneficiaries). But as of 2025, those adaptive measures are not yet institutionalized. Tuvalu's system is constrained by limited scope, shallow benefits, weak administrative systems, and high external and environmental risks. These challenges are common to small island states, but are especially acute in Tuvalu's case due to its extreme remoteness and tiny bureaucracy. Addressing these gaps will require both domestic commitment and sustained support from regional partners.

Delivery and Governance Innovations

Delivering social protection in Tuvalu's context requires creative solutions given the geographic and capacity hurdles. In recent years, the government and partners have piloted or implemented several delivery and governance innovations to improve coverage, efficiency, and shock-responsiveness.

One area of focus has been **disaster-linked delivery mechanisms**. With Tuvalu's high exposure to cyclones, floods, and droughts, authorities have started integrating social protection into disaster response plans. For example, they have developed standard operating procedures (SOPs) for using pre-arranged disaster finance (such as regional insurance payouts) to fund rapid cash assistance to households after a severe event. Recent cyclone simulations and logistical drills were carried out to practice distributing emergency cash to outer islands, leveraging the existing network for pension payments. These *"vertical top-up"* and *"horizontal expansion"* protocols - e.g. temporarily increasing transfers to current beneficiaries or extending aid to additional families in disaster zones - remain in pilot stage, but demonstrate a commitment to adaptive social protection. The goal is to have a ready-to-launch cash support plan when disasters strike, rather than relying solely on in-kind aid. Tuvalu's membership in the Pacific catastrophe risk insurance pool supports this: a rapid insurance payout could finance a one-time cash *top-up* for all social pensioners, or a temporary unemployment relief for affected workers, if procedures are in place. Going forward, Tuvalu plans to codify these disaster response protocols (triggers, delivery channels, etc.) within its social protection framework.

Another innovation area is **payment systems modernization**. Traditionally, benefits have been paid in cash, but Tuvalu is exploring multi-channel payment modalities to improve reliability and inclusion. The government is upgrading payment options to include bank accounts, post office or island council agents, and potentially mobile wallets, while still maintaining cash as a fallback where needed. In practice, on the main island Funafuti many seniors now receive their $100 monthly pension via direct deposit into accounts at the National Bank of Tuvalu, improving convenience and safety. On outer islands, where banking services are absent, the use of local agents (such as Kaupule treasurers or postmasters) to distribute cash is being formalized with clear service standards. One prospective leap is mobile money: while Tuvalu's telecom infrastructure is limited, there has been interest in introducing mobile e-wallet services (Digicel's *CellMoni* or similar, as seen in other Pacific countries). If mobile payment technology becomes available, the social welfare programs could leverage it to pay benefits digitally, which would be especially useful in times of movement restrictions (e.g. during COVID or disasters). Any such digital shift will require parallel investments in financial literacy and agent networks so that elderly beneficiaries can actually access their cash (since many currently prefer physical cash and may not be familiar with PINs or phones). As a stepping stone, Tuvalu has ensured transparent payment calendars are published in advance and communicated on radio and community bulletin boards. This is a basic governance measure so that all beneficiaries know *when* to expect their payments and can flag if they are delayed. Similarly, the government is working to establish accessible grievance mechanisms - for instance, a phone hotline at the Ministry or a grievance desk at each Island Council - and to ensure people in remote areas can register complaints or appeals regarding their benefits. Though informal, community leaders often assist in this role now, the aim is to formalize and then track grievance resolution (with the intention to publish grievance redress and performance dashboards quarterly).

On the **data and targeting front**, Tuvalu is pursuing the development of a "lean" social registry to underpin its programs. This would be a consolidated database of households/individuals with key socio-economic information, which can be used for multiple programs and emergency response. Given Tuvalu's size, the registry can start by integrating existing records (e.g. lists of all elderly and disabled beneficiaries) and linking with the civil registry for event-based updates - for example, automatically updating when a beneficiary passes away or when a citizen turns 60 (to enrol them in the pension). Privacy safeguards are being built in from the start, to ensure personal data are protected even as systems digitize.

Another governance improvement is in **inclusive program design**: Tuvalu has tested simplified disability assessment tools with the involvement of Disabled Persons Organizations, to make it easier for people to be certified as eligible for the disability benefit. They have also trialled allowing proxy collectors for benefits - so if an elderly or disabled person cannot travel to the pay point, a trusted proxy can collect on their behalf (with proper authorization). During the COVID-19 period, when transport was restricted, authorities ensured that remote learning and fee waiver measures were in place for students, although direct cash support to households with children was still absent. This experience has fed into discussions of potentially piloting a child benefit or caregiver allowance, at least on a trial basis, to start closing the child protection gap. Indeed, one of the region's trends has been small countries experimenting with child grants; Tuvalu is considering such a pilot if delivery feasibility can be assured on all islands.

From a **governance** perspective, there is a push for greater transparency and accountability in social protection. Tuvalu plans to publish an annual social protection report summarizing coverage, expenditures, payment timeliness, error rates, and grievances handled. This kind of reporting would be a first for Tuvalu and would align with good practices observed in other Pacific nations (e.g. Tonga publishes quarterly performance stats). It is expected to build public trust and support evidence-based policy adjustments. Additionally, Tuvalu has been learning from peer exchanges - for instance, participating in regional forums via P4SP or SPC where they can learn about Fiji's digitized social register or Samoa's disability services. Adapting lessons from abroad, however, is done carefully to fit local context (e.g. community-based approaches often work better than high-tech solutions in Tuvalu). Finally, the country is exploring regional cooperation to bolster delivery: since many Pacific micro-states face similar challenges, there are discussions about sharing certain services or infrastructure (for example, joint procurement of an MIS platform, or harmonizing payout mechanisms with neighbouring countries). While early-stage, such collaborations could help Tuvalu leapfrog some constraints by pooling resources.

Tuvalu's recent innovations in social protection delivery focus on *making the system more agile, accessible, and accountable*. Disaster-responsive cash transfers, multiple payment channels including digital, improved registries and data, inclusive processes for vulnerable groups, and better transparency are all on the reform agenda. Many of these innovations are still nascent or pilots; the challenge ahead is to institutionalize them, taking them from concept to routine practice across the social protection system.

Capacity Assessment

The capacity to implement and expand social protection in Tuvalu is extremely limited, reflecting the country's small size and administrative constraints. At the most basic level, Tuvalu's government has a tiny civil service - the entire population is only 11k - which means there are very few personnel dedicated to social protection delivery.

There is **no specialized social protection agency**; instead a handful of officers within the Ministry of Health, Social Welfare and Gender cover social welfare as one of many responsibilities. The Social Welfare Unit in Funafuti might consist of just a manager and a few support staff overseeing the senior and disability schemes. They manage beneficiary registration (often manually), process payments in coordination with the Treasury, and handle any issues. This central team's capacity is stretched thin, as they must serve all nine islands often from a distance. There are no full-time social welfare officers stationed on outer islands - local council staff act as *de facto* focal points, but they have other primary duties. This means implementation capacity at the outer island level is weak: tasks like identifying new beneficiaries, verifying life status (for pensioners), or following up on complaints can be delayed or inconsistently done. During any program expansion or emergency rollout, Tuvalu relies heavily on development partner support (personnel and systems) to fill the gap. For example, when considering a potential child benefit pilot, external technical advisors would likely have to design the targeting mechanism and train local staff.

Administrative systems are rudimentary. There is not yet an integrated digital platform for social protection; much of the work is paper-based or uses simple Excel sheets. The Provident Fund (TNPF) is one exception - it has a computerized system for member contributions and has experience in financial management - but there is limited interoperability between TNPF systems and government social assistance data. The absence of a unified social registry or ID system complicates any attempt to coordinate across programs (for instance, if Tuvalu introduced a new benefit for children, identifying and enrolling eligible households efficiently would be challenging under current systems). The government is aware of this bottleneck: building a foundational social protection MIS and registry is identified as a priority, but doing so will require external IT expertise and sustained training of staff. Moreover, maintaining such systems in a very small public service raises issues of continuity - e.g. one IT officer leaving could disrupt system maintenance. In the realm of financial management and delivery, capacity is also a concern. While the amounts and caseloads are small, ensuring timely disbursement to all islands involves coordination with the Treasury, transport, and audit authorities. Tuvalu's Auditor-General's reports have occasionally flagged control weaknesses in payroll and benefit distribution, indicating room to strengthen financial oversight of social protection payments. There is also no automated reconciliation system for payments - confirming every beneficiary actually received their stipend relies on returned pay lists from islands and manual checks, which can be slow.

Human resource capacity for case management, M&E, and policy development is similarly limited. The staff in Social Welfare typically have general administrative backgrounds; there are few (if any) trained social workers or social policy analysts on staff. This means capacity for things like assessing disability in a standardized way, providing referrals to complementary services, or conducting impact evaluations is very low. When Tuvalu conducted a disability identification survey and piloted improved assessment forms, it did so with significant help from UNICEF and disability consultants. The National Statistics Office has some capacity in data collection (surveys) but not specifically in administering social program data systems. On a positive note, Tuvalu's small size also means simpler administration in some respects - the number of beneficiaries is easily countable and straightforward rules (like age-based eligibility) minimize complex determinations. The country has demonstrated the ability to implement universal schemes with relatively low error rates; community familiarity and oversight (everyone knows who is elderly or disabled in their village) provides an informal check that ineligible people are not claiming benefits. So while formal capacity is limited, *community accountability* acts as a supplemental capacity of sorts in Tuvalu.

Institutional coordination capacity is another aspect. Because social protection cuts across various areas (finance, health, disaster, community affairs), coordinating bodies or committees are often useful. Tuvalu does not yet have an inter-agency social protection committee, though anecdotally, small working groups convene when drafting policy (with representatives from Ministries of Finance, Health/Social Welfare, Education, etc.). The lack of a standing coordination mechanism means opportunities for synergizing programs (for example, linking a social safety net with nutrition programs or with climate adaptation projects) can be missed. Each sector tends to operate in its silo unless a development partner encourages a joint effort. This is slowly changing as the social protection agenda gets more attention - for instance, during COVID-19, an ad-hoc task force was formed to consider social assistance responses, bringing together health, finance, and disaster officials (though ultimately Tuvalu's domestic COVID impacts were manageable and large cash transfers weren't needed).

Finally, **monitoring and evaluation (M&E) capacity** is nascent. There is recognition that better tracking of performance is needed - e.g., how many payments are made on time, how many grievances are resolved - but currently the unit does not systematically produce M&E reports. Data collection for M&E often depends on donor-supported consultants. For example, a recent assessment of social protection coverage and spending (for a regional study) had to be done with significant external help because Tuvalu does not routinely calculate those indicators. Building local capacity in M&E, perhaps by training an existing officer or embedding a technical advisor, will be important so that the social protection system can do course-correction and demonstrate results.

Tuvalu's social protection capacity constraints are those of a micro-state with very limited administrative depth: few staff, basic systems, heavy reliance on external support, and challenges in nationwide delivery. That said, the commitment of leadership is evident - the government has consistently budgeted for the pensions and disability allowances and is now championing expansions. This political will is a form of capacity too. Over 2025-2030, a concerted effort (with donor partnership) is planned to build the foundational systems and skills needed: from a social registry and MIS, to training programs for social welfare officers, to establishing clear standard operating procedures for both routine and emergency operations. Leveraging regional expertise - such as learning from similarly sized nations or using shared digital platforms - could help Tuvalu overcome some capacity gaps that it cannot easily fill alone. The trajectory is one of gradual strengthening, but realistic pacing given human resource limitations.

Priorities for 2025-2030

Building on the analysis of Tuvalu's social protection system, several key **priorities for 2025-2030** emerge to strengthen and expand support for the population:

- **Finalize the National Social Protection Policy and legal framework:** A top priority is to adopt a comprehensive social protection policy (or bill) that establishes an institutional framework, defines eligibility and benefit parameters across programs, and assigns clear mandates and coordination roles. This policy should articulate Tuvalu's commitment to minimum social protection floors for all life stages and set a roadmap for new programs (e.g. child grant) in the coming years. Formalizing the policy will improve accountability and help mobilize resources (including external funding) to implement it.
- **Maintain and enhance core universal programs:** Tuvalu should sustain its universal Senior Citizens pension and ensure it remains reliable and effective. This involves continuing to budget adequately for it, *publishing transparent payment calendars*, and preserving universal access including for elderly on outer islands. Consideration should be given to indexing the benefit or at least reviewing its level periodically so that its real value does not erode with inflation. Similarly, the Disability Support Scheme needs to be strengthened and potentially expanded - for instance, simplifying the medical assessment process and ensuring persons with disabilities in all communities are identified and enrolled (in partnership with disability associations). The government may also look at introducing *caregiver allowances* for those who support persons with severe disabilities, or a categorical benefit for bed-ridden patients, as a way to extend support. Any such expansion should build on pilot learnings and ensure inclusive delivery (accessible communications, allowance for proxies, etc.).
- **Expand coverage to missing vulnerable groups:** Addressing coverage gaps is critical. The period to 2030 should see new social assistance for children and working-age vulnerable groups. A practical step would be to pilot a child benefit or family allowance, possibly a modest quarterly grant to families with young children or a school stipend, given the high child poverty and malnutrition risks. Tuvalu can design this with simple categorical eligibility (e.g. for all children under 5, or all school-aged kids) to keep it universal within that category and administratively feasible. Another gap to fill is support for those without formal jobs - while a full unemployment benefit may be unrealistic, Tuvalu could introduce a public workfare or temporary hardship assistance program for working-age individuals during crises (e.g. a cash-for-work program in post-disaster reconstruction). Additionally, support for women in vulnerable categories (such as widows or single mothers) could be embedded either via the child benefit or a separate modest allowance, in line with the draft social protection Bill's intentions. All these expansions must be carefully costed and staged to ensure fiscal sustainability, possibly starting small and scaling up as capacity grows.
- **Develop a foundational Social Registry and Information System**: Investing in delivery systems is a priority enabler. Tuvalu should create a lean social registry that initially compiles current beneficiaries (elderly, disabled) and then extends to register other vulnerable households. This registry, with robust privacy protection, would serve as a single source of truth for who is receiving what support. It can be updated continuously with vital events (births, deaths, migrations) in collaboration with the civil registry. Alongside, implementing an MIS for program management will improve efficiency - for example, enabling electronic payments tracking, generating benefit lists, and monitoring indicators. Training local staff on managing this system is key, as is ensuring backup arrangements (cloud storage or regional technical support) given Tuvalu's limited IT manpower. The social registry can also be leveraged for disaster response - essentially pre-enrolling households so that emergency payouts can be triggered quickly to those registered, even beyond existing beneficiaries.

- **Institutionalize shock-responsive social protection:** As climate threats mount, Tuvalu should embed adaptive social protection protocols into its disaster management plans. Concretely, this means finalizing and practicing SOPs for *disaster-triggered cash transfers*. For example, the government can set predetermined criteria (rainfall thresholds, cyclone category) that, when met, unlock a "disaster top-up" - an extra payment to all social pensioners, or a one-time emergency cash grant to every household in an affected island. By agreeing on these rules in advance (including how they'll be financed, such as through the Pacific Catastrophe Risk Insurance payout or donor contingency funds), Tuvalu can respond faster and more predictably when a crisis hits. Regular simulation drills should be conducted with relevant agencies (Social Welfare, NDMO, Island Councils) and payment providers to test the system. Integrating the social protection registry with hazard early-warning systems is another innovation - for instance, if a cyclone is forecast, ready the beneficiary list and cash in advance (an *anticipatory cash* approach, as Fiji has piloted). Developing these adaptive mechanisms will greatly enhance Tuvalu's resilience and protect its most vulnerable citizens in emergencies.

- **Modernize payment and delivery mechanisms:** In the next few years, Tuvalu should scale up digital and decentralized payment options for all social protection programs. Given improvements in connectivity, mobile money or agent-based banking can be gradually introduced, in partnership with telecom providers and the National Bank. A practical target is to have at least one alternate payment method (besides cash) operational on each island by 2030 - whether that's a bank agent who can pay out pensions, a mobile wallet cash-out point, or postal money order system. This diversification increases reliability; if a supply ship with cash is delayed, people could still access funds electronically, for example. All digital initiatives should be accompanied by beneficiary education and support, especially for older persons, to ensure no one is left behind by technology. The grievance redressal system also needs strengthening: establishing multiple channels (phone, text, community focal points) and setting standards for response times. Tuvalu should aim to publish a concise annual results report for its social protection sector by 2026, which would include data on coverage, expenditures, timeliness of payments, error rates (e.g. any mistaken payments), and grievance outcomes. Such reporting will drive improvements in governance and allow leaders to celebrate progress or pinpoint issues.

- **Capacity building and partnerships:** Enhancing human and institutional capacity underpins all other priorities. Tuvalu will need to invest in training its social welfare officers in areas like case management, data management (for the new MIS), and inclusive customer service (e.g. disability sensitization). Cross-training staff from related departments (health, education, disaster) in basic social protection concepts can also build a broader support network. Given constraints, it's crucial to leverage regional partnerships: Tuvalu should continue engaging with P4SP, UNICEF, ILO, ADB and others for technical assistance, and also consider South-South exchanges with similar Pacific countries. For instance, learning from how the Cook Islands manages a child benefit or how Kiribati expanded its pension could inform Tuvalu's path. Exploring shared services or pooled procurement - such as jointly developing a social protection MIS with other atoll countries - could save costs and address the lack of specialized IT personnel. Moreover, maintaining community involvement as a form of "capacity" is important; the system should formally involve Island Councils, community elders, and civil society in outreach and accountability, as they amplify the government's limited reach.

- **Ensure financial sustainability and adequacy:** Lastly, as Tuvalu broadens its social protection ambit, it must plan for sustainable financing. Priorities here include securing a budget allocation that grows commensurately with new programs (possibly aided by trust fund income or donor budget support earmarked for social protection). The government might set a target, for example, to raise social protection spending from approx. 1% to around 2-3% of budget by 2030, in line with regional trends.

Within that, periodically adjusting benefit levels for inflation or rising costs of living will be needed to maintain adequacy. Tuvalu can also explore innovative financing - for instance, climate finance for social protection (using some climate adaptation funds to finance community resilience through cash-for-work projects, etc.). Close monitoring of impact will help make the case that investing in social protection yields social and economic returns (through reduced hardship, more equitable growth, and better disaster outcomes).

By pursuing these priorities, Tuvalu can move toward a more comprehensive, shock-responsive, and inclusive social protection system by 2030.

Cook Islands

Profile
System Overview: Cook Islands in Polynesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include a universal old-age pension with residency and portability rules. Contributory protection is anchored by coordination with New Zealand systems and national arrangements for contributions. Health services are publicly funded health services with structured referral to New Zealand for specialized care. These building blocks are complemented by a suite of family benefits, including Child Benefit, New Born Allowance, and Caregivers' Allowance. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with membership in regional risk pools and robust registry and payment administration providing practical lessons that inform future reforms.
Non-contributory Support: The most visible tax-financed entitlement is a universal old-age pension with residency and portability rules. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: Coordination with New Zealand systems and national arrangements for contributions covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are publicly funded health services with structured referral to New Zealand for specialized care. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Cook Islands leveraged its universal pension and child benefit during COVID-19, rapidly adjusting payments through digital banking channels. While expansions were effective, they were not underpinned by SOPs or disaster financing rules. Governance systems are relatively strong, but would benefit from formalising shock-response

protocols, linking with contingency funds, and publishing clear service standards for emergency expansions.

Overview

The Cook Islands has one of the most comprehensive social protection systems in the Pacific, rooted in policies dating back to the 1960s. Successive governments enshrined social welfare in law (e.g. the Welfare Act 1989) and maintained broad political support for protecting the poor, vulnerable, and children. This mixed system combines universal tax-financed benefits, contributory schemes, and free public services, reflecting the country's small-state context and exposure to shocks. Key non-contributory programs include a universal old-age pension (available from age 60) and a suite of family benefits such as the Child Benefit, New Born Allowance, and Caregivers' Allowance. These are complemented by targeted assistance for those unable to work (Infirm and Destitute benefits) and various subsidies. Contributory social protection is anchored by the Cook Islands National Superannuation Fund (CINSF), a mandatory retirement savings scheme established in 2000 and coordinated in part with New Zealand's pension system. In addition, essential services like health care and education are tax-funded and provided free or at low cost (with structured referral arrangements to New Zealand for specialized health care), further bolstering the social protection floor.

The country's longstanding commitment to "leave no one behind" is evident in the generous scope and benefit levels by regional standards. For example, every child aged 0-16 receives NZ$50 per fortnight in Child Benefit (about US$29), and every resident over 60 receives a pension of NZ$260 per fortnight (rising to NZ$350 at age 70). These transfer amounts are significant relative to local incomes and have been credited with reducing hardship and enabling greater productivity - e.g. mothers can participate in work knowing they have child benefits and maternity leave support. Over time, the government has periodically increased benefit values and expanded eligibility (the pension age was lowered from 65 to 60, and child benefit coverage extended up to age 16) to enhance coverage. In recent years, social protection has also been leveraged for crisis response: the existing schemes and delivery infrastructure were used to rapidly roll out emergency benefits during the COVID-19 pandemic and to integrate disaster risk financing for climate-related shocks. This adaptive approach - including pre-arranged disaster insurance payouts and contingency budget provisions - has allowed quick top-ups to pensions or expansion of support to affected households when cyclones and other shocks strike. Overall, the Cook Islands' social protection system today is a multi-tiered framework that provides lifecycle support, combining universal entitlements, means-tested assistance, and contributory insurance, underpinned by strong political will and a culture of social solidarity.

Strategy and Policy Architecture

Social protection in the Cook Islands is underpinned by a clear policy and legislative architecture, albeit without a single consolidated law or policy document until recently. The foundational legal framework is the Welfare Act 1989, which provides the basis for key benefits (it succeeded earlier regulations that introduced the first old-age pension, child and hardship benefits in 1965). This legislation, along with subsequent amendments, ensures eligibility rules (such as residency requirements) and benefit conditions are defined in law, giving the system stability and legal enforceability. For instance, the Act mandates universal coverage for Cook Island Maori over a certain age (later extended to all residents) and establishes categorical benefits for children and older persons. Over 60 years of implementation, a strong norm has developed that government "puts its people first" by maintaining these programs regardless of which party is in power. This cross-party consensus and public expectation have protected the social protection policy from retrenchment and kept it a national priority.

The Ministry of Internal Affairs (Intaff) is the lead agency for social assistance policy and delivery. The Ministry administers the core welfare programs - including intake of applications, eligibility verification (often via community committees or medical boards for disability benefits), payments, and grievance handling - with the goal of ensuring a basic standard of living for all. Intaff works in coordination with other ministries for complementary services (for example, the Ministry of Health for public healthcare and Ministry of Education for fee-free schooling, which are part of the broader social protection landscape). The contributory CINSF is governed by its own Board and regulations, but policy coordination occurs with Intaff and the Ministry of Finance to align the pension scheme with tax-financed pensions and labour policies. Notably, because Cook Islanders are New Zealand citizens, there is coordination with New Zealand's social security system: individuals who have met NZ residency requirements can receive the New Zealand Superannuation payable in the Cook Islands, and the government has had to harmonize portability rules to avoid overlaps or gaps. (Roughly 200 eligible older residents receive the higher NZ pension, which has required clarity on how it interacts with the local pension.)

In the absence of a dedicated national social protection policy document for many years, the sector's direction has been guided by its integration into national development strategies. The Cook Islands National Sustainable Development Agenda 2020+ (Te Ara Akapapa'anga Nui 2021-2030) emphasizes wellbeing for all, with explicit sub-goals to "look after our elderly, parents and children" and alleviate hardship. Likewise, the government's Economic Development Strategy (EDS) 2030 recognizes social protection as integral to inclusive growth. For example, EDS 2030 identifies extending the current 6-week paid maternity leave to 12 weeks as a policy priority for social development. It also prioritizes addressing the lack of affordable childcare services, which was highlighted in a 2021 UNDP assessment as a significant gap holding back women's workforce participation. These strategic plans signal high-level commitment to strengthening social protection as a tool for poverty reduction and gender equity.

Recently, the government has moved to formalize its social protection strategy. In 2023, the Cook Islands launched a National Social Protection Framework to provide an overarching vision and coordination mechanism for both formal and informal aspects of social protection. With technical assistance from development partners (including UNICEF, ILO, UNDP, and ADB), this framework is aligning the system with international best practices (such as ILO Social Protection Floors) and setting out an implementation roadmap for the coming years. Concurrently, the Ministry of Internal Affairs is developing a Social Assistance Policy to refine program design and delivery standards. This will likely codify procedures for targeting, recertification, and inter-agency data sharing, and ensure that emerging issues (like expanding coverage to long-term foreign workers' families) are addressed in policy. Overall, the strategy and policy architecture can be described as evolving from an implicit, legacy approach (strong legal entitlements plus political commitment) towards a more explicit, documented strategy framework guiding reforms through 2030.

Coverage and Impact

The Cook Islands' social protection system achieves near-universal coverage of key demographic groups. Through a combination of universal and targeted schemes, an estimated *91% of Cook Islands citizens* benefit either directly or indirectly from social protection transfers. This impressive reach stems from the lifecycle approach: virtually all children and elders are covered, and many low-income households have at least one member receiving support. The Child Benefit alone covered 4,456 children in 2021 (roughly all residents under 16 years old). Every older person (age 60+) not receiving an overseas pension is entitled to the Old Age Pension - about 37% of Cook Islands households include an elderly pensioner. Among the poorest decile of the population, over 80% of individuals benefit from the pension (directly or via a household member), underscoring its broad reach in poorer communities. On the contributory side, the CINSF had over 12,000 members by 2019 (up from approx. 10,500 in 2017), which suggests most formal sector workers are enrolled.

Because coverage is effectively mandatory for employees (including Cook Islanders working for local firms abroad), the majority of the workforce is building retirement savings, though there remains a gap for informal workers and the self-employed.

In terms of special groups, the Cook Islands provides relatively high coverage to persons with disabilities. The Infirm Benefit (disability allowance) had 238 working-age recipients in 2021, equivalent to about 2.8% of the working-age population - a coverage level well above that of most middle-income countries and surpassed in the Pacific only by Kiribati. Additionally, 186 caregivers (mostly women) received the Caregivers Allowance in 2021 for looking after those with severe disabilities or frail elderly, recognizing the opportunity cost of full-time caregiving. The main gap in coverage is among working-age adults who are not disabled but are unemployed or underemployed - there is no general unemployment benefit or poverty-targeted cash transfer for able-bodied adults. Only 32 individuals qualified for the Destitute Benefit (a means-tested payment for those 18+ in extreme hardship and unable to work) in 2021, reflecting the stringent criteria (often requiring a medical inability to earn an income). Thus, while virtually all children and seniors are covered, and a significant portion of the severely disabled, a healthy working-age adult without income may not receive routine support (aside from temporary COVID-related relief). That said, many such individuals are indirectly supported through other household members' entitlements (e.g. a jobless parent benefits from their children's allowances or an elderly parent's pension). Furthermore, other forms of social support - like community and church networks - play a role in filling gaps for those not captured by formal schemes.

The social protection system in the Cook Islands has had a demonstrable impact on poverty reduction and human development. Using the national basic needs poverty measure, the incidence of poverty (hardship) fell from 28% of the population in 2006 to just 8% by 2016. While strong economic growth (fuelled by tourism) contributed to this decline, analysts attribute a significant portion to the expansion and adequacy of social transfers. When measured against a relative poverty line (60% of median income), the system's effect is even clearer: without social protection benefits, the relative poverty rate in 2016 would have been an estimated 19.6%, but with the transfers it was only 8.4%, implying a 57% reduction in poverty due to social protection. Similarly, income inequality (Gini coefficient) is estimated to be about 9% lower than it would be without the main transfers. The universal Old Age Pension and Child Benefit are the largest contributors to these antipoverty effects, given their broad coverage and sizable per-person amounts. For example, simulations show the pension alone increases per-capita household consumption by an average of 9.3%, with especially large welfare gains in the lowest-income deciles. The child benefit has also been credited with improving families' ability to afford schooling and nutrition for children, leading to lower child poverty rates (an estimated 16% reduction in child poverty) and helping narrow gender gaps (by enabling mothers to remain in paid employment).

Beyond income metrics, the social protection system has positive social outcomes. By providing a basic floor of income security, it has reinforced social cohesion and stability in communities. Local leaders note that the reliability of benefits like the pension and child grant has "been a platform that has grown our economy" by allowing people to focus on productive activities instead of basic survival. During the COVID-19 crisis, the government's rapid response via social protection (one-off cash grants to all beneficiaries, wage subsidies, and a temporary unemployment benefit) helped buffer household consumption and prevent a surge in hardship despite a approx. 30% collapse in GDP. For instance, in April 2020 a special NZ$400 payout was delivered to every welfare recipient (pensioners, caregivers, destitute, infirm) to help them cope with the shock. This ability to leverage the existing system in a crisis demonstrated social protection's value as "social insurance" for the whole society.

It is worth noting that despite the low absolute poverty headcount, relative poverty and inequality remain concerns in the Cook Islands' high-cost economy. Using an OECD-style relative poverty benchmark, about

23% of people lived below 60% of median consumption in 2016, with children and youth facing the highest relative poverty risk. This suggests that while basic needs are largely met, many households still struggle to attain a standard of living commensurate with the country's average. Social protection helps bridge this gap to an extent, but issues like youth unemployment and outer-island disparities require continued policy attention beyond cash transfers. Nevertheless, the consensus among evaluators is that the Cook Islands' social protection system provides a substantial "lifeline" that ensures virtually all low-income households have at least some support. The combination of universal and targeted programs delivers what is essentially full coverage of those in deepest need, and early interventions (such as the newborn grant and child benefit) invest in human capital development for long-term impact.

Gaps and Constraints

Despite its strengths, the Cook Islands' social protection system faces several gaps and constraints that limit its completeness and sustainability:

- **Limited coverage for working-age risks:** As noted, there is no unemployment insurance, wage replacement for sickness, or general social assistance for able-bodied adults. The system was initially designed around lifecycle categories (children, elderly, disabled) and assumes that working-age adults will be earning or supported by family. Consequently, someone who loses their job or income but is not infirm must rely on personal savings, family support, or informal community help. This gap became evident during COVID-19, prompting the ad-hoc introduction of an unemployment benefit and wage subsidies. Going forward, the lack of any permanent unemployment or short-term income support scheme is a vulnerability, especially given the economy's exposure to tourism shocks.
- **Childcare and women's economic participation:** Affordable childcare services are largely absent, which has been identified as a "significant gap" in the social protection landscape. There are no public childcare or preschool subsidies, meaning many families (especially in Rarotonga) face high private childcare costs or have a parent (usually the mother) stay home. This contributes to "time poverty" for women and can limit their employment prospects. The government has recognized this issue - the Economic Development Strategy 2030 explicitly prioritizes establishing affordable early childcare options. Until such services are developed, the cash benefit system only partially offsets child-rearing costs, and working parents continue to struggle with balancing work and care.
- **Adequacy and indexation of benefits:** While benefit levels in the Cook Islands are high in nominal terms compared to many Pacific peers, there is no formal mechanism to index them to inflation, and their real value can erode between ad-hoc increases. For example, the Destitute and Infirm benefits remained unchanged for many years, such that by 2020 their purchasing power had risen only approx. 26% since 2000. Recent inflation spikes (the consumer price index jumped 12% in 2022-23, with food prices up 20%) have put pressure on the adequacy of transfers. In response, the government approved substantial raises: the Caregivers and Destitute benefits are doubling from NZ$200 to NZ$400 per month by 2024, and the Power Subsidy was increased from $66 to $86 per quarter. The pension and child benefit were last increased in 2019, and discussions are underway on whether to introduce routine indexation to preserve purchasing power. Maintaining benefit adequacy in the face of rising living costs is an ongoing challenge, especially given the high import costs and transport expenses in the islands.
- **Fiscal sustainability and shock resilience:** The generosity of the Cook Islands' social protection entails significant budgetary cost - around 4.3% of GDP in 2021 for the tax-financed programs. During the COVID-induced economic collapse, this fiscal burden became harder to carry: GDP contracted by 29% in 2021, slashing government revenues. The government had to take on debt and rely on donor budget support (New Zealand provided NZ$107 million in support over 2020-2023) to maintain public services and

welfare payments. This exposed a constraint: the social protection system, though affordable in normal times (thanks to tourism-driven revenue), is vulnerable to external shocks that drastically reduce national income. The small population also limits economies of scale - administrative costs per beneficiary are relatively high, and the country cannot spread risk as widely as larger nations. While the Cook Islands has built fiscal buffers (and participates in a regional catastrophe risk insurance pool), ensuring steady financing for social protection through future shocks is a concern. The **sustainability** of the provident fund is another aspect - being a defined-contribution scheme, its viability depends on investment performance and contribution compliance. Strong oversight is needed to safeguard contributors' savings (e.g. via regular actuarial reviews and prudent investment governance). In short, fiscal constraints mean the system must continuously balance adequacy with affordability, especially in an uncertain global environment.

- **Inclusion and portability issues:** The current policy restricts some benefits to Cook Islanders or permanent residents, which leaves out certain groups. Migrant workers (who have been growing in number, recruited for hospitality and construction jobs) and their families are one such group. For example, as of now a foreign worker's children may not be eligible for the Child Benefit unless they attain permanent resident status. The government is considering extending benefits like the child allowance and maternity leave to long-term migrant residents, to ensure equitable treatment and avoid exploitation. Another inclusion issue is that *child disability* support is limited - there is no specific benefit for children with disabilities beyond the universal child grant. Families with severely disabled children must rely on the general child benefit (and possibly the Caregivers allowance if a parent forgoes work), which may not fully cover extra care costs. This has been noted as a gap, and models from other countries' child disability allowances are being examined as potential additions. Portability of benefits is also somewhat constrained: the Old Age Pension can be paid overseas for up to 6 months of temporary absence, but longer-term portability (aside from to New Zealand under special arrangements) is not allowed. This can affect older persons who want to live abroad with family. Similarly, other benefits like the infirm and destitute payments cease after one month abroad. These rules prevent abuse, but they also reduce flexibility for beneficiaries. Going forward, the framework will need to address how to handle increasing mobility (internal and external) so that people don't fall through cracks when moving.

- **Administrative capacity and data systems:** A practical constraint is the limited capacity of a small administration to manage an increasingly complex suite of programs. Intaff, while dedicated, has a small staff who must handle everything from applications on remote islands to payments and compliance. Monitoring and evaluation have historically been weak - e.g. until recently there was no unified management information system (MIS), and records were largely paper-based or in siloed databases. This made it difficult to track performance indicators like payment timeliness or to generate disaggregated statistics. Grievance redress, while available (beneficiaries can appeal to Intaff or local welfare committees), is not yet systematically tracked or reported. Recognizing these issues, the government is now investing in digital systems: an integrated MIS is being implemented to consolidate beneficiary data and automate processes. This should improve targeting (through a potential social registry), reduce errors, and enable better analysis. Still, rolling out such systems requires training staff in IT and data management, and protecting personal data with proper legislation (data protection regulations may need updating alongside digitization).

- Another capacity issue is **last-mile delivery** in the outer islands (Pa Enua). With populations scattered across 12 islands, delivering payments and services can be logistically challenging. In the past, delays were common for outer islands beneficiaries if, for example, a government charter flight was needed to deliver cash. The move to multiple payment channels (bank transfers, mobile banking, local agents) is underway to mitigate this, but infrastructure (internet connectivity, banking presence) in some islands is limited. The government and development partners are piloting solutions like using local post offices or island administrations as payment agents, but these need to be formalized. Overall, human and technological capacity constraints mean the system is not yet as efficient or responsive as it could be, though improvements are in progress.

Delivery and Governance Innovations

The Cook Islands has been proactively introducing innovations in delivery systems and governance to modernize its social protection implementation. Some of the notable developments include:

Digital MIS and single registry: As mentioned, the Ministry of Internal Affairs is rolling out a new Management Information System for social assistance. This platform will digitize beneficiary records for all programs, enabling case management through the lifecycle and across programs. An integrated social registry module is planned, which will store household data that can be used for eligibility screening and rapid expansion during emergencies. By having a digital registry, the Ministry can more easily verify beneficiary circumstances (e.g. cross-checking with civil registry for births, deaths, migration) and reduce duplication. The MIS will also facilitate regular reporting - a significant improvement as the government intends to publish annual statistics on coverage, payments and grievances to strengthen transparency. This digitization is coupled with investments in foundational ID systems (improving birth registration and national ID coverage) so that all residents can be uniquely identified in the welfare database. Importantly, inclusion safeguards are being built in: the system will accommodate people who lack formal ID or internet access by allowing alternative verification methods and assisted digital enrolment. Overall, the shift to digital delivery and data management is expected to improve efficiency, reduce errors and fraud, and give policymakers better tools for planning and monitoring.

Multi-channel payments and financial inclusion: Traditionally, most benefits in the Cook Islands were paid in cash or into local bank accounts, which in outer islands could involve manual processes. The government is now expanding payment modalities to increase resilience and accessibility. Beneficiaries can receive payments through bank direct deposits (in Rarotonga and Aitutaki where banking services exist) or via manual cash delivery for those without bank access. Plans are underway to introduce e-wallets or mobile money options in partnership with telecom operators, allowing people on remote islands to receive funds electronically and cash out with local agents. During recent responses (e.g. cyclone relief), officials have piloted using local store owners or island councils as payout agents to avoid delays. The aim is to implement "multi-rail" payment delivery, meaning if one channel is disrupted (say a bank system outage or transport issue), an alternate channel (like mobile payments or vouchers) can be used. Ensuring outer islands residents can reliably get their payments is a priority; for example, scheduling appointment-based payout days on each island and contracting transport services to deliver cash are being tried. These efforts not only improve service delivery but also promote financial inclusion by encouraging unbanked citizens to open accounts or mobile wallets. To date, the majority of seniors and caregivers have been transitioned to fortnightly bank payments, and the government has reported fewer delays and complaints as a result. Continued diversification of payment systems (including potentially prepaid cards or use of the local credit union network) is on the agenda.

Grievance and case management improvements: With technical support from partners, Intaff is strengthening grievance redress mechanisms. A standard grievance procedure is being put in place so that any individual who is denied a benefit or has an issue (e.g. missing payment) can lodge a complaint easily - whether via phone, in person at a welfare office, or through village committees. The new policy framework calls for establishing accessible grievance channels even in remote communities and tracking their resolution times. There is an emphasis on making the system user-friendly for vulnerable groups - for instance, providing information in local language and in accessible formats for persons with disabilities, and allowing proxies to appeal on behalf of those who are ill or incapacitated. In addition, case management capacities are being built up, especially for the more complex benefits like disability and destitution allowances. Social welfare officers are receiving training on how to assess cases, follow up on changes in circumstance, and coordinate with health or social services. This is a shift from the earlier approach which was more static (annual renewals, minimal monitoring) to a more dynamic approach where, for example, an infirm benefit recipient's situation is reviewed to adjust support if their condition worsens or if they gain other income. By institutionalizing grievance and case management processes, the system aims to be more responsive and fair, correcting errors or delays quickly and ensuring that those who qualify are not inadvertently left out.

Shock-responsive social protection: The Cook Islands is at the forefront in the Pacific of linking disaster risk management with social protection delivery. After experiencing damaging cyclones and the COVID-19 crisis, the government has developed protocols to use social protection programs as a vehicle for emergency assistance. For instance, it has pre-agreed "vertical expansion" plans whereby in the event of a disaster, existing beneficiaries (like all pensioners, or all families with children) can receive a one-time top-up payment to help with recovery. This was effectively tested during the pandemic (with one-off payments to all benefit recipients and school closure allowances to families). The Cook Islands is also a member of the regional Pacific Catastrophe Risk Insurance scheme; if a payout is triggered by a cyclone of certain magnitude, a portion of that payout could be funnelled through the welfare system to quickly get cash to affected households. To enable this, Standard Operating Procedures (SOPs) for disaster response have been drafted: they define triggers (e.g. cyclone warning alerts), registration procedures for newly affected people (leveraging the social registry to identify poor households in affected areas), and collaboration roles between Intaff and the National Disaster Management Office. The country conducted simulation exercises in 2022-23 to practice these SOPs (for example, a drill on rapidly enrolling additional families in the welfare payment system after a hypothetical cyclone). Delivery systems have been upgraded for this purpose - beneficiary data is now routinely backed up off-island, and Intaff can deploy mobile teams with tablets to do on-the-spot registration in disaster-hit communities. The emphasis is on "anticipatory cash" - if a cyclone is forecast, authorities plan to disburse emergency cash in advance to help people evacuate or prepare. This kind of innovation, combining climate early warning with social protection, is still emerging globally, and Cook Islands' experience is providing valuable lessons for other small island states.

Transparency and accountability: Governance of social protection is being enhanced through greater transparency measures. The government has committed to regularly publishing program statistics and actuarial reports, which is notable for a small country. For example, the Ministry of Finance now includes a section on social welfare in its budget documents, detailing the number of beneficiaries and expenditure by program. Audit processes are also in place - the welfare programs are audited by the Audit Office to ensure funds reach the intended recipients. Responding to findings from those audits has led to small governance tweaks, such as better separation of duties (one officer enrols a beneficiary, another approves, to reduce fraud risk). With digitization, data privacy and security have become new governance focuses. A data protection policy is being drafted to govern the use of personal information in the new MIS, covering principles of consent, purpose limitation, and cybersecurity measures. Furthermore, the government encourages community oversight: island councils often know who in their village is receiving what benefit, and they can informally flag to Intaff if someone is abusing the system or if someone in dire need has been overlooked. This community involvement, along with formal mechanisms, creates a form of social accountability that complements official governance.

Overall, these delivery and governance innovations are moving the Cook Islands' system toward a more robust, agile model fit for the modern era. Though still a work in progress, the combination of digital transformation, multi-channel delivery, shock-responsiveness, and strengthened governance is expected to enhance both the efficiency and equity of social protection delivery in the country.

Capacity Assessment

Assessing the capacity of the Cook Islands' social protection system reveals both notable strengths and some limitations inherent to a small island administration.

Institutional capacity and human resources: The Ministry of Internal Affairs has decades of experience administering social welfare, which has built up a core competence in delivery. The staff are familiar with local contexts (often working closely with community leaders on the outer islands) and have proven capable of managing a diverse array of programs with very low reported leakage or abuse. The long-term continuity in policy has also meant that institutional knowledge is strong - for instance, some officers have been managing the welfare rolls for many years and have intimate knowledge of beneficiary communities. This contributes to low exclusion errors in programs like the pension and child benefit, as frontline staff often know every eligible person in their area. Moreover, the integration of social protection with community structures (local committees help identify the destitute or infirm) effectively extends the Ministry's reach without a large bureaucratic footprint. These are advantages of small scale: close-knit communities and a dedicated but lean government workforce result in a system that is personable and often quick in day-to-day operations.

However, the flip side is that capacity can be stretched thin. The Ministry's welfare division consists of only a handful of officers on Rarotonga and one or two officers (or part-time focal points) on each inhabited outer island. They must handle everything from enrolment to verification, payments, and record-keeping, alongside any new initiatives or pilot programs. This leaves limited time for higher-level tasks like policy analysis, advanced training, or cross-sector coordination. When new demands arise - for example, the sudden need to implement a COVID-19 unemployment benefit in 2020 - staff had to work overtime and learn new skills on the fly (such as setting up an online job portal). There is also vulnerability in reliance on key individuals; if a long-serving officer retires or is absent, there may be a temporary skills gap. The government has identified the need for capacity building and succession planning as part of the Social Protection Framework. Steps being taken include staff training on the new MIS, workshops on data analysis (with support from SPC and UNICEF), and developing procedure manuals for each scheme to institutionalize knowledge.

Coordination and technical expertise: Effective social protection requires coordination across sectors (health, education, finance) and technical expertise in areas like actuarial analysis for the pension fund or disability assessments. In a small administration, multi-sector coordination often relies on informal networks rather than formal structures - which can be efficient but person-dependent. The Cook Islands has a National Steering Committee for the Joint SDG social protection project (with government and development partners), but an institutionalized inter-ministerial committee on social protection is not yet permanent. This can affect capacity to design integrated policies (for instance, linking cash benefits with healthcare outreach for the elderly). On technical matters, the Cook Islands typically draws on external expertise: for example, the Cook Islands National Superannuation Fund investments are managed with advice from professional fund managers and periodic ILO actuarial reviews ensure its soundness. Similarly, the 2020 evaluation of cash transfer programs was conducted by international experts with local counterparts. The willingness to collaborate with international agencies is actually a strength - it has brought in knowledge and allowed local staff to learn from global best practices. Over time, the aim is to localize more of this expertise (for instance, training a staff member in basic data analysis to annually evaluate poverty impacts, rather than relying on an external consultant). Still, given the small scale, the Cook Islands will likely continue to leverage regional support networks (like SPC's social statistics program or the Pacific Islands Pension Professionals Association) for specialized skills, which is a sensible approach to capacity sharing in the region.

Financial and logistical capacity: Financially, the government has shown capacity to fund the social protection system consistently - it constituted roughly 11% of government expenditure in recent years, and even during economic downturns the budget allocations were maintained by reprioritizing and obtaining external grants. This consistent funding allocation demonstrates a high level of commitment. However, the narrow economic base means domestic financing capacity is limited; the country's ability to expand benefits or add new programs will depend on economic growth or finding new revenue sources. Logistically, delivering services in a country of 15 islands spread over 2 million km² of ocean is a significant capacity challenge. The government does well to service the majority of beneficiaries through existing infrastructure (ships, planes, and local administration offices), but transport disruptions (bad weather or mechanical issues) can delay service delivery. There is also limited redundancy - if a critical staff or system in Rarotonga fails, it can affect the whole country's payments. The emerging use of technology (e.g. cloud-based data backup, satellite communications to outer islands) is intended to mitigate these risks.

Governance and accountability capacity: On the governance side, capacity is relatively strong in terms of commitment to good governance - e.g. the Cook Islands regularly reports to parliament and the public on welfare spending, and there have been few reports of corruption in the system. The small society context actually enhances accountability: people know what others are receiving, which creates community-level oversight to ensure fairness. The government has capitalized on this by conducting community consultations whenever significant changes are proposed (for example, raising the pension age or splitting the infirm benefit required explaining and getting buy-in from communities). One capacity challenge here is developing more analytical capacity for policy decisions - for instance, to answer questions like "if we raise the child benefit by $10, how much will poverty drop?" or "what will it cost to extend child benefit to non-citizen children?". Until now, such analysis has been done with external support (e.g. the Development Pathways study in 2023 ran poverty-impact simulations). Building in-house analytical skills will empower quicker, evidence-based decision-making. Encouragingly, the Ministry of Finance's new Monitoring and Evaluation unit has started collaborating with Intaff to include social protection indicators in national monitoring frameworks, which should improve the data-driven oversight of programs.

The Cook Islands' social protection system benefits from a committed institutional core and community-level support, enabling it to run a comprehensive set of programs despite its size. Capacity constraints do exist in terms of limited manpower, heavy reliance on a few individuals, and exposure to economic volatility, but the government is actively addressing these through training, system upgrades, and strategic partnerships. The continued emphasis on strengthening human capacity and systems is reflected in the reform agenda for 2025-2030, positioning the system to be more resilient and self-sufficient in the future.

Priorities for 2025-2030

Looking ahead, the Cook Islands has outlined a forward-looking agenda to consolidate and further advance its social protection system over the next five years. Key priorities for 2025-2030 include:

- **Sustain and enhance universal benefits:** The government plans to sustain the universal old-age pension and child/family benefits as fundamental pillars, while refining their parameters. This means maintaining broad coverage and ensuring clear residency and portability rules. For instance, any changes to eligibility (such as including long-term foreign residents' children in the Child Benefit) will be codified so that the universal character of these schemes is preserved. There is also a focus on adequacy - exploring options like indexing pensions and child grants to inflation or periodically adjusting rates to safeguard purchasing power. The over-70 bonus pension will be reviewed to ensure it remains effective in addressing elder needs. Overall, protecting these *"social floor"* benefits and their financing (possibly via a dedicated budget line or trust fund) is a top priority.

- **Expand support for vulnerable groups and life stages:** Addressing current gaps is high on the agenda. A major priority is to introduce or expand measures for early childhood care and working parents, as highlighted by EDS 2030. This could involve establishing subsidized daycare or preschool programs, or providing a childcare allowance to working mothers. Additionally, the government intends to extend paid maternity leave from 6 weeks to 12 weeks for private sector employees, aligning with international labor standards. Another focus is on disability and caregiver support - plans include simplifying and broadening the disability assessment process so more people with moderate disabilities can qualify for the Infirm benefit, and ensuring the Caregivers Allowance remains adequate after its increase (with the planned NZ$400/month by 2024). They also aim to introduce child disability benefits or services so that families with special-needs children receive additional help. Finally, the feasibility of some form of unemployment or underemployment assistance (even if modest) is being studied, to provide a minimal safety net for working-age adults during job loss or crises.
- **Strengthen shock-responsiveness and climate resilience:** Building on recent experience, the Cook Islands will formalize the shock-responsive social protection mechanisms. By 2025, the government intends to have detailed disaster-response SOPs integrated into the social protection system. This includes pre-defining trigger criteria for emergency cash transfers (for example, when a cyclone Category 4+ is forecast or when tourism drops below a threshold), and securing contingent financing (through reserves, insurance payouts or donor agreements) to fund these surge payments. Annual drills and after-action reviews will be conducted to refine these protocols. The goal is to make post-disaster support quicker and more predictable - ideally disbursing emergency cash within days of an event. The government will also explore anticipatory social protection, such as releasing cash or vouchers to vulnerable households *before* an imminent cyclone (as forecast-based action). Given the Cook Islands' high climate risk, making the social protection system adaptive by design is a priority. This priority aligns with regional efforts; the Cook Islands is poised to share its templates and lessons learned in shock-responsive delivery with other Pacific countries, leveraging its advanced status in this area.
- **Improve delivery systems and outreach:** Continued modernization of delivery is expected. By 2030, the aim is to have fully digital, integrated administration of all welfare programs. This means the new MIS and social registry should be fully operational, with all active beneficiaries in the database and interfaces for cross-checking data with other agencies (e.g. Immigration, Health) for better targeting. The Ministry plans to produce a concise annual Social Protection Report that publishes coverage data, expenditure, processing times, and error rates, enhancing transparency and enabling evidence-based adjustments. Another priority is to ensure services are accessible to remote and marginalized populations. This includes keeping multiple payment channels (bank, cash agent, mobile) open and *accessible on all inhabited islands*. The government will consider deploying satellite connectivity or working with telecom providers so that even the most isolated islands can utilize electronic payment systems. Outreach will also be strengthened: more regular visits by welfare officers to the Pa Enua for enrollment drives, and possibly training local community reps to assist with applications, so that everyone eligible is aware of and can claim benefits. In terms of grievance and feedback, the intention is to have grievance channels that are truly user-friendly (a free hotline, SMS-based complaint system, etc.) and to publicly report on how grievances are resolved - thereby holding the system accountable to its clients.

- **Capacity building and inter-sectoral linkages:** The next phase prioritizes investments in human capacity and better integration of social protection with other social services. A Capacity Development Plan will guide training for Intaff staff in areas like case management, data analysis, and policy development. The Ministry also seeks to institutionalize coordination mechanisms - for example, establishing a formal Social Protection Coordination Committee that meets regularly with health, education, finance, and disaster management officials. This will facilitate linking cash transfers with services: one concrete priority is coordinating welfare programs with healthcare and education initiatives. For instance, ensuring that children receiving the benefit are also enrolled in early childhood health checks, or that pensioners are referred to health outreach programs. Such linkages can amplify impact (e.g. cash plus care models). Additionally, there is interest in aligning social protection with the government's overseas labor mobility programs - many Cook Islanders work seasonally in New Zealand/Australia, and the country wants to make sure they do not lose continuity of pension contributions or entitlements while abroad. Exploring portable benefits or bilateral agreements for social security will be a part of the agenda.
- **Ensuring financial sustainability:** A core priority for the medium term is to secure sustainable financing for social protection expansion. The government is looking into multi-year budgeting and potentially ring-fencing certain revenues for social welfare. Options under discussion include setting aside a portion of any tourism environmental levies or sin taxes specifically for a Social Protection Fund. The idea of a modest sovereign wealth fund or reserve to pre-fund aging-related costs or emergency top-ups has also been floated. On the contributory side, the CINSF will undergo regular reviews to ensure it remains solvent and can meet the retirement needs of an aging population. This includes maintaining prudent investment strategies and possibly adjusting contribution rates or offering new products (like voluntary additional contributions or micro-pensions for self-employed people) to broaden coverage. The government recognizes that as the population ages and if out-migration of young workers continues, the strain on the pension system will grow - hence proactive planning is needed now. They are also considering graduation strategies for long-term welfare recipients: for example, helping destitute benefit recipients who are able to work to transition into employment, through training or linking them with the Labour Department's programs. By reducing dependency where possible, resources can be focused on those who truly cannot cope without support.

The 2025-2030 priorities revolve around consolidating the gains of the current system - keeping the flagship universal programs strong - while filling the gaps (childcare, working-age support) and innovating for the future (disaster-responsive, digital, and integrated approaches). The reform agenda is ambitious yet grounded in the Cook Islands' context of strong political will and community support for social protection.

Niue

Profile
System Overview: Niue in Polynesia operates a mixed social protection system shaped by small-state realities, high exposure to climate and geophysical shocks, and the need to deliver services across dispersed communities. Non-contributory provisions prominently include a universal pension with rates and portability set by government decisions. Contributory protection is anchored by arrangements linked with New Zealand systems for employed residents. Health services are tax-funded health and small-scale referral pathways. These building blocks are complemented by child allowance and selected family supports. In recent years, authorities and partners have strengthened emergency preparedness and delivery, with disaster preparedness appropriate to a very small administration providing practical lessons that inform future reforms.

Non-contributory Support: The most visible tax-financed entitlement is a universal pension with rates and portability set by government decisions. The rationale is straightforward: categorical benefits with simple eligibility rules are easier to administer where detailed means-testing is impractical. Administrative guidance typically defines residency, age, and documentation, with exceptions for people lacking formal IDs. Policy debates focus on adequacy, indexation to inflation, and the interface with contributory pensions so that receipt of a small contributory benefit does not inadvertently exclude vulnerable seniors from social pensions.
Contributory insurance: Arrangements linked with New Zealand systems for employed residents covers formal employees and, where permitted, self-employed contributors. Coverage gaps arise because many livelihoods are informal or seasonal. In response, Pacific institutions are testing voluntary micro-pensions, flexible contribution schedules, and digital onboarding to reduce transaction costs. Governance priorities include timely publication of fund performance, clear rules for early withdrawals during crises, and alignment between provident funds or social security and tax-financed assistance to avoid benefit cliffs.
Health protection: Services are tax-funded health and small-scale referral pathways. Because specialized care is concentrated offshore, referral schemes and patient travel are essential complements to universal primary care. Financial protection therefore depends both on the breadth of publicly financed services and on predictable referral pathways. Investment in community health workers, medicine supply chains, and tele-consultation reduces the practical distance between outer islands and national hospitals and can materially improve effective coverage for older persons and persons with disabilities.
Shock Responsive Delivery Systems & Governance: Niue's small population enables flexible ad hoc responses, often financed by reserves or donor support. Pension and child benefit schemes provide a ready delivery channel, but expansions during shocks have not been codified. Governance is constrained by limited administrative capacity, making reliance on donor-led support high. Codified SOPs, disaster-linked financing, and investments in digital payments could help institutionalise predictable, shock-responsive delivery.

Overview

Niue is a small Polynesian nation of about 1,700 people, in free association with New Zealand. Its population has fluctuated due to decades of out-migration, with far more Niueans living in New Zealand than on the island. The demographic profile is aging: over 22% of Niue's residents were aged 60 or above in 2022, reflecting low birth rates and the emigration of many working-age adults. Poverty is present but not extreme - an estimated 13% of Niue's population lives below the national basic needs poverty line. The economy is narrow, with public administration (often supported by New Zealand grants) dominating output. This context of a *"small-state"* with a dispersed community and high exposure to natural hazards shapes Niue's social protection system.

Niue's age-sex structure in 2022 (solid bars) compared to 2017 (outline) shows an increasing proportion of older persons (the retirement-age population reached 22% by 2022) alongside a narrowing youth base, due to persistent out-migration of young adults. This demographic shift underscores the growing importance of old-age income support in Niue's social policy.

Niue's social protection system is mixed, combining universal, tax-funded programs with linkages to New Zealand's contributory schemes. Core entitlements include a universal old-age pension and a universal child allowance, complemented by targeted grants for infants, persons with disabilities, and those in hardship. Formal social insurance per se is limited; however, Niuean workers with sufficient New Zealand residence can access NZ Superannuation (pension) at 65 under special portability arrangements. Healthcare in Niue is entirely tax-funded and free at point of use, with a small hospital on the island and established referral pathways for specialized care in New Zealand. Overall, Niue has achieved *high coverage* of key demographics (children, older persons, persons with disabilities) through simple, inclusive programs - a necessity given the impracticality of complex means-testing in such a small community. At the same time, the adequacy and sustainability of benefits rely on a thin economic base supported by external aid, leaving Niue's social protection sensitive to fiscal and climate shocks.

New Zealand's support is critical to Niue's development and indirectly underpins its social protection. New Zealand provides extensive financial aid (around $16 million USD in 2015/16) to fill Niue's budget shortfalls, enabling Niue to remain debt-free and expand benefits in good times. Niue's *"small-state realities"* - such as limited local revenue, high fixed costs, and vulnerability to cyclones - mean that social protection policy must be tightly integrated with disaster risk management and external partnerships. Despite these challenges, Niue's leaders have shown commitment to social protection as a pillar of resilience and social cohesion. Over the past two decades, successive governments have steadily increased the universal pension and maintained broad coverage programs, recognizing that these transfers not only support basic needs but also channel resources into churches and community life. Moving forward, Niue's social protection system faces the dual tasks of safeguarding its achievements (universal coverage and strong community support) while innovating to address emerging issues like population aging, climate-related shocks, and the pressures of a changing economy.

Strategy and Policy Architecture

Niue's social protection policies are grounded in a few key laws and are linked to its national development framework. The Pensions and Benefits Act 1991 established Niue's government pension and related benefits, and the Child Allowance Act 1995 introduced the universal child allowance. These acts (with subsequent amendments) provide the legal foundation for Niue's non-contributory schemes. For example, the Pension Act sets the eligibility (Niuean citizen or permanent resident, age 60+, with a minimum recent residency period) and empowers the Niue Assembly to set pension rates. Likewise, the Child Allowance Act defines the quarterly child benefit for all children up to 18 years (or until completion of secondary school). Over time, regulations under these laws have been updated to adjust benefit levels and conditions - often through annual budget decisions rather than automatic formulae. Notably, an amendment in 2022 expanded pension portability (allowing payment overseas for up to 6 months for medical or official reasons) and explicitly prohibited "double dipping" (one cannot concurrently receive both Niue's pension and New Zealand's pension). This ensures clarity in Niue's policy architecture given the unique overlap with New Zealand's system.

Niue does not yet have a single comprehensive Social Protection Strategy document; however, social protection is embedded in broader plans. The current Niue National Strategic Plan (NSP) 2016-2026 articulates the vision of "A Prosperous Niue" with a mission of *"working together to protect the people and the environment."* Within this plan, the government commits to ensuring "sufficient resources for the basic rights of all residents," including health services, education, and essential social services. This high-level policy vision implicitly covers social protection, highlighting it as a government priority for human development and resilience. In practice, the NSP's social objectives translate into guaranteeing core entitlements (pensions, child benefits, healthcare) for Niueans. Additionally, Niue's annual budgets and Government Manifestos often outline specific social policy commitments (such as incremental pension increases or special grants), reflecting a pragmatic, needs-based approach rather than a standalone strategy document.

In recent years, Niue has acknowledged the need to modernize and integrate its policy framework for social protection. A 2021 multi-agency review found that *"most policies and strategies relevant to social protection* *in Niue are out of date and require updating"*, and recommended developing a more explicit social protection framework. Gaps were noted in linking social protection with disaster response, labour market programs, and data management. In response, Niue has been working with regional and international partners to strengthen its strategy and systems. Under a Joint SDG Fund program (with UN agencies like UNICEF, ILO, and others), Niue is reviewing its Social Protection Floor and exploring options for a coordinated policy roadmap. This includes drafting a social protection policy that aligns all programs under common objectives (e.g. reducing vulnerability, promoting inclusion) and establishing clearer governance arrangements for inter-agency coordination.

Crucially, Niue's free association with New Zealand heavily influences its policy architecture. Niueans are New Zealand citizens, and Niue benefits from New Zealand's social policy in two ways: through financial transfers (budget support and aid that bolster Niue's fiscal capacity for social spending), and through portability arrangements that allow Niue residents to access NZ social security if eligibility criteria are met. For instance, recent changes in New Zealand's pension portability enable more Niuean retirees to return home without losing their NZ Superannuation. Niue's policy framework has adapted to these changes - encouraging returning migrants to re-establish residency by age 60 so they can draw Niue's pension until their NZ pension kicks in at 65. The integration of Niue's system with New Zealand's is managed through bilateral processes (e.g. the Niue government works with NZ's Ministry of Social Development to facilitate applications and payments of NZ Super in Niue). This unique arrangement effectively extends Niue's social protection beyond its borders and reduces pressure on Niue's own schemes (because a portion of Niue's elderly draw NZ pensions). However, it also necessitates careful policy alignment to avoid gaps or disincentives. Niue's legislation now clearly stipulates that an individual can receive only one pension - either Niue's or New Zealand's - ensuring the systems complement rather than duplicate.

From an institutional standpoint, Niue's social protection falls under the Ministry of Social Services, which oversees social welfare programs, and works in concert with the Ministry of Finance for budgeting and with sectoral departments (health, education) for linked services. A Director of Community Affairs (within Social Services) manages day-to-day administration of benefits like the child allowance and infant grant. Given Niue's tiny public sector, institutional roles often overlap: the same small team handles policy planning, beneficiary enrolment, and payment delivery for all programs. This informality can be efficient in a close-knit setting, but as discussed later, it also poses capacity constraints. To bolster policy architecture, Niue engages with regional bodies (e.g. the Pacific Community (SPC) and Pacific Islands Forum) for technical advice, and has recently joined the Asian Development Bank (ADB) as a member, opening access to new resources for social development planning. Niue's policy framework for social protection is relatively simple and universal, rooted in a few laws and guided by general national goals. The ongoing efforts aim to update this framework into a more robust, forward-looking strategy that integrates climate resilience and leverages digital tools, while preserving the universal, rights-based ethos that has long characterized Niue's social policy.

Coverage and Impact

Despite its size, Niue has achieved broad coverage across the life cycle through a set of universal and categorical programs. Key social protection programs and their coverage include:

- **Universal Old-Age Pension (Social Pension):** A tax-funded pension is paid to all Niuean citizens and permanent residents from age 60 onwards (with a modest residency requirement). Coverage is near-universal for eligible seniors - in 2022, about 349 Niue residents (22.3% of the population) were aged 60 or above, and essentially all of them qualify unless they opt for New Zealand's pension instead. The Niue pension is not means-tested and even allows recipients to continue earning salaries or other income without penalty. Current benefit levels are NZ$440 per fortnight for ages 60-69, NZ$450 for 70-79, and

NZ$480 for 80+. This corresponds to roughly NZ$11,440-$12,480 per year for recipients - a significant portion of income in Niue (for context, Niue's GDP per capita is around NZ$37,000). Niue's pension provides a basic income floor that has greatly reduced old-age hardship: it is credited with enabling older people to remain independent and to actively contribute to family and community obligations (many seniors donate part of their pension to church and village activities). The only seniors not receiving Niue's pension are those who have elected to draw NZ Superannuation instead - typically Niueans who spent much of their working life in New Zealand and qualify at age 65. Thanks to a special portability agreement, such retirees can reside in Niue and still receive the NZ pension without time limits. In fact, a growing number of Niueans are returning at around age 60 to retire at home while they bridge the five-year gap until NZ Super eligibility at 65. Niue's policy allows these returnees to receive the Niue pension in the interim (provided they meet a 3-year prior residence condition). Impact: The universal pension has had a high impact on poverty alleviation among the elderly and their households. It ensures 100% coverage of resident senior citizens and has been regularly increased to improve adequacy (rising from just NZ$72/fortnight in the late 1990s to NZ$440+ today). Many older Niueans have no other formal retirement income (since there is no mandatory contributory pension in Niue), so this social pension is their main financial support. By all accounts, it has enhanced the dignity and wellbeing of Niue's *"tupuna"* (elders) and provided a buffer against material hardship in old age. Moreover, because it is universal and not stigmatizing, the pension fosters intergenerational solidarity - families often pool pension income for collective use, and elders feel empowered to help raise grandchildren or fund community events with their stipend.

- **Child Allowance (Universal Child Benefit):** Niue provides a universal child allowance to support all families with children. The benefit is paid quarterly (every three months) for each child under 18 years of age (or until completion of Year 13 secondary school). As of late 2022, the allowance was NZ$100 per quarter per child (recently increased from NZ$85, the first raise in nearly 20 years). This amounts to NZ$400 per child per year. In 2022, Niue had about 400 children under 15, and roughly 500 under 18 (including secondary students), virtually all of whom benefit from the child allowance. The only condition attached is that the child must be attending school (it functions partly like a conditional cash transfer to encourage schooling). In practice, enforcement is mild, but children who drop out of school can lose eligibility (a concern recently raised when some parents didn't realize their withdrawn teens would stop receiving the allowance). Impact: The child allowance provides a modest but important supplement to help parents with the costs of raising children - such as school uniforms, food, and other essentials. At NZ$400 per year, it is not a large sum; members of Niue's Assembly have noted that low-income families struggle with costs like uniforms (NZ$25-$40 each) and argued that NZ$85/quarter was insufficient. The 2022 increase to NZ$100/quarter is expected to slightly ease this burden. While small, the child benefit helps ensure that the benefits of Niue's development reach younger generations. It likely contributes to Niue's high rates of school attendance and to basic child welfare, though it had stagnated in value for many years. The recent uplift - and the fact that it is universal - signals recognition that all families deserve support given Niue's high cost of living and limited economies of scale. By covering every child, the allowance also promotes social equity and solidarity among Niue's population.
- **Newborn Infant Grant (Baby Grant):** To further support families and encourage population growth, Niue introduced a one-time Newborn Infant Grant in 2015. This grant is NZ$2,000 per baby, paid in four fortnightly instalments of $500 to the parents of each newborn Niuean (including children of Niuean permanent residents). The grant is essentially a "baby bonus" to help with the expenses of a new child's first months, such as clothing, nutrition, and childcare needs. All Niuean babies (whether born in Niue or to Niuean parents abroad who then return) are eligible. With Niue's birth rates being low (on the order of 20-30 births per year), this program covers a small number of families, but with a relatively sizeable

lump sum. Impact: The infant grant has been welcomed by the community as a tangible support for young families. Its design aims not only to defray immediate costs of newborn care, but also to serve as an incentive for population retention. By offering NZ$2,000 - a significant amount in Niue - the government hoped to encourage Niueans to have children on-island (or to return to Niue to raise young children). According to officials, this measure is in part a response to Niue's *"flagging population"* and is meant to signal that the country values and invests in its infants. While it is hard to measure demographic impact in the short term, the baby grant has undoubtedly provided financial relief to new parents and reinforced pro-family messaging. It complements the child allowance by injecting funds right at birth, when expenses are high, thus improving the adequacy of support over the child's life cycle.

- **Disability Allowances:** Niue operates a welfare disability benefit scheme to support persons with disabilities and their caregivers. As of the mid-2010s, approximately 203 Niueans with disabilities were receiving a disability allowance of NZ$100 per month. In addition, for children with severe disabilities (or others under 18 who require constant care), their primary caregivers are provided a caregiver's allowance of NZ$150 per month. These payments are non-contributory and funded by general revenue. They essentially function as social assistance for those unable to earn a full livelihood due to disability, and as compensation for caregivers who might otherwise be financially strained. Considering Niue's small population, reaching over 200 individuals with disabilities indicates broad coverage - likely encompassing most persons with significant disabilities in Niue. Besides cash transfers, Niue also offers in-kind or one-off support such as a Home Improvement Grant for Persons with Disabilities (to assist in making homes accessible or to purchase assistive devices). Impact: The disability benefits, while modest in amount, fill a crucial gap for a vulnerable group. NZ$100 per month (approx. NZ$1,200/year) provides some supplemental income for disabled individuals, many of whom are unable to engage in full-time employment. This helps them meet personal needs and reduces the burden on extended family. The caregiver allowance of $150/month acknowledges the unpaid work of family members (often parents of children with disabilities) and helps offset opportunity costs of providing care. Together, these supports promote the inclusion of people with disabilities and prevent them from falling into destitution. The relatively large number of beneficiaries (over 12% of Niue's resident population were getting disability-related support in 2015) suggests that Niue has an inclusive definition of disability and a proactive approach to enrolment. This is a strength of Niue's system - few are left behind on the basis of disability, and the community norm is that those in need should receive assistance.
- **Special Hardship and Care Grants:** In addition to the above, Niue maintains a Welfare Special Benefit program to assist those experiencing extreme hardship or special circumstances not covered by other schemes. This includes support for *"young mothers, elderly carers, and temporarily unemployed persons (or those who lost jobs due to illness)"*. For example, a young single mother who is not yet eligible for the pension could receive a destitute person's allowance, or an adult who must stop working temporarily due to a serious illness could get an interim benefit. The exact amount of these special grants is determined case-by-case and tends to be short-term. They act as Niue's social safety net of last resort. Another form of assistance is a Funeral Grant to help families with funeral expenses when a member passes - this is a common need-based grant (mentioned in regional reports) that Niue likely provides to ease cultural obligations. Impact: Though utilized by a small number of cases each year, these hardship allowances are vital for plugging the gaps between Niue's categorical programs. They exemplify Niue's community ethos - the government can step in to assist those who might otherwise "fall through the cracks," such as an unemployed youth or a family caregiver with no income. By having such provisions, Niue mitigates the risk of acute poverty among working-age adults who are not covered by the pension or child schemes. These programs are relatively informal and rely on local knowledge (village councils or social workers often identify those in need), which allows timely help in a tight-knit society. The impact

is best seen in qualitative terms: they prevent destitution and social exclusion in individual hardship cases, thereby upholding Niue's tradition of social care and solidarity.

Overall, Niue's social protection programs achieve high coverage of the intended population groups and provide a basic level of income security. Coverage rates for the elderly and children approach 100%, which is exceptional by international standards. The combination of universal and categorical benefits means nearly every household in Niue benefits from one or more programs - whether through a pensioner, a child, or a member with a disability. This broad coverage has important social impacts: it reduces inequality, as even families with relatively higher incomes still receive child benefits or pensions (ensuring middle-class buy-in to the system), and it strengthens social cohesion, as everyone is part of the same support system. It also means that in times of shock (e.g. a cyclone or pandemic), Niue has an existing platform to reach most citizens with extra aid if needed, by leveraging these programs.

However, the adequacy of support is a mixed picture. While the pension has grown more generous (reaching about 35-40% of Niue's per capita income for an older adult), it may still not fully meet all living costs for seniors, especially given Niue's high import costs and inflation in recent years. The child allowance, even after the increase, equates to roughly NZ$8 per child per week - a symbolic supplement that helps but is not sufficient to cover major expenses. Disability allowances of $100/month also likely cover only a fraction of what disabled persons might require (for medical needs, etc.). In public discussions, Niueans have noted these adequacy issues; for instance, the goal of reaching a $500 fortnightly pension (to better guarantee elders' comfort) has been mentioned, and there were debates about raising the child benefit to better cope with the cost of living. The government has incrementally improved benefits as fiscal space allowed (e.g. nearly 10% pension hikes in 2016 and 2022, first child allowance hike in decades). These adjustments suggest that while coverage is universal, benefit adequacy remains under continual review.

In terms of **impact on poverty and welfare**, Niue's social protection appears to be preventing extreme poverty. Without these transfers, vulnerable groups (elderly without family support, households with many children, persons unable to work) would likely face severe hardship given limited employment opportunities in Niue. The poverty rate of 13% is relatively low compared to some neighbouring countries, and social transfers are a contributing factor in keeping it down. The Social Protection Indicator analysis by ADB noted that Niue's social assistance spending per capita is higher on non-poor than poor, but that reflects the universal nature of benefits (which is not a negative in Niue's context, as universality simplifies administration and avoids exclusion errors in such a small population). Importantly, social protection in Niue also has intangible impacts: it affirms a social contract that the state cares for its people "from the cradle to old age." This in turn reinforces citizens' sense of security and trust in government. Communities know that the most vulnerable (babies, children, elders, disabled) have some support. Such trust and cohesion proved valuable during crises like the COVID-19 pandemic, when Niue (with help from NZ) maintained all benefits and public sector salaries despite economic hits to tourism. Social protection systems were adapted to assist any affected workers and to bolster Niue's pandemic response (for example, ensuring pensioners could still get payments during travel restrictions, and that families had some cash flow during border closures).

Niue's social protection system covers the life course broadly and has had a positive impact on welfare and resilience, but the level of support is just adequate at best, and increasingly strained by external pressures. The next sections examine the gaps and challenges that temper these achievements, as well as recent innovations to improve delivery and governance of Niue's social protection.

Gaps and Constraints

Despite its comprehensive coverage, Niue's social protection system faces several gaps and constraints that need to be addressed.

Limited Support for Working-Age Vulnerability. While Niue covers children, older persons, and many with disabilities, there is no general unemployment benefit or poverty-targeted cash transfer for the working-age population. This hasn't been a glaring issue historically because open unemployment is very low (around 0.4%) - most Niueans who want to work can find a job, often in the public sector, or they migrate. However, those who do fall through the cracks (e.g. youth who are not in school or formal work, people who lose jobs due to economic shocks, or returning migrants struggling to re-integrate) have only ad-hoc recourse through the special hardship allowances. Labor market programs are minimal - Niue has a small Youth Employment Scheme and an Employment Assistance Service (mentioned in government programs), but these are not large-scale. The 2021 review identified the need for a more *"long-term approach to labour market programming"* in Niue. In essence, Niue lacks active labour policies or insurance that could help the under-employed or support skill-building. This gap may become more significant if Niue's economy diversifies or if return migration increases, leading to more job seekers. Any future rise in unemployment (for instance, if a major employer like the government has to cut jobs or if tourism slumps) could expose the absence of a robust safety net for working-age adults.

Adequacy and Indexation of Benefits. As noted, benefit levels, especially for children and those of working age on special grants, are modest relative to living costs. Niue's social transfers have *not* been systematically indexed to inflation, which means their real value can erode over time. For example, prior to the 2022 increase, the child allowance had stayed flat for nearly 20 years even as prices rose. Likewise, pensions were raised in an ad-hoc manner based on political decisions rather than a formula. With inflation affecting imported goods and fuel, real incomes for beneficiaries can decline unless adjustments are made. The government recognizes this - indeed, a current policy priority is to *"maintain universal pensions and child supports with predictable indexation"* going forward. However, implementing a formal Cost of Living Adjustment (COLA) has fiscal implications. In August 2025, Niue's Prime Minister indicated that automatic COLA was *"not an option yet"* as the government braced for further cost increases, preferring to review and adjust benefits through budgets when feasible. This suggests a cautious approach due to financial constraints (see below). The adequacy gap is also seen in disability support - NZ$100/month is low if a person has significant medical or care expenses. Families often still shoulder considerable costs for care or for sending patients to NZ (though health care itself is funded). In short, Niue's benefits provide an essential floor but not always a fully adequate standard of living, and the lack of automatic indexation means their value can lag behind needs.

Financial and Fiscal Constraints. Niue's ability to sustain and expand social protection is tightly constrained by its fiscal capacity. Government revenue is limited (small tax base, some local revenue from fisheries and services, and hefty reliance on NZ aid). Although Niue was debt-free as of 2016, it has run budget deficits in some recent years (particularly during the COVID-19 period and its aftermath). Members of Niue's Assembly have explicitly voiced that increasing benefits (like the child allowance) could *"put pressure on Niue's financial situation and add to the budget deficit."* This dynamic tension means that even if social programs are popular and necessary, the government must weigh them against limited funds. Additionally, Niue faces costly obligations in areas like infrastructure and disaster recovery, which can crowd out social spending. A single severe cyclone could cause damages that force the government to reallocate funds or seek loans, potentially impacting social programs. The long-term sustainability of Niue's social protection hinges on external support and prudent fiscal management. The 2021 assessment noted that *"affordability... and the need to consider targeting"* are long-term challenges - implying that if fiscal pressure mounts, Niue might need to either increase revenues (difficult given the tiny private sector) or consider tightening eligibility for some benefits (which would be politically and socially sensitive). So far, Niue has avoided any means-testing or benefit cuts - a testament to good fiscal stewardship and aid - but this could be a vulnerability in the future if external conditions worsen. In essence, Niue's system is generous in coverage but fragile in financing.

Administrative Capacity Constraints. With a very small bureaucracy, Niue's capacity to implement and monitor social protection is limited. The entire system is managed by just a handful of officers in the Ministry of Social Services and related departments. Information systems are rudimentary - records have often been maintained in spreadsheets or paper files, and data sharing between agencies (e.g. between the health department, education ministry, and social welfare) has been ad-hoc. The recent review flagged *"weaknesses in information availability and management"* as the key short-term challenge for Niue's social assistance. For example, there was until recently no single registry of beneficiaries; each program maintained its own list, making it cumbersome to produce aggregate statistics or to verify eligibility across programs. Monitoring and evaluation of program outcomes are minimal - Niue produces basic stats (how many beneficiaries, total spent) but does not yet systematically track indicators like poverty impact or customer satisfaction. Human resource capacity is also an issue: staff often multitask across multiple social programs and other duties. If a knowledgeable staff member retires or leaves, there is a risk of losing institutional memory. Training opportunities are limited on-island; Niue relies on regional workshops or technical assistance to build capacity. There are also constraints in policy development capacity - drafting new policies or legislation usually requires external technical support due to the small pool of experts. These capacity gaps can slow down innovation; for instance, while the idea of a social registry or a management information system (MIS) is compelling, Niue needs significant support to design, install, and maintain such systems. On the positive side, Niue's small scale means the administrative workload (in terms of absolute numbers of cases) is manageable, and the tight-knit nature of society can compensate for some bureaucratic limitations (for example, community networks help in identifying beneficiaries and issues). But overall, strengthening administrative capacity (staff skills, data systems, inter-agency coordination) is crucial to ensure Niue's social protection programs are well-governed and can adapt to new demands.

Fragmentation and Outdated Frameworks. Because Niue's social protection evolved through separate laws and incremental schemes, there is some fragmentation in how programs are managed and a lack of a unified framework. The child allowance, pension, disability grant, etc., each have their own eligibility rules and administrative processes, even though they serve overlapping populations. For example, a household with children and an elderly grandparent has to interact with multiple schemes (different application forms for child allowance vs. pension). There is room to streamline this through a one-stop service or integrated administration, which is not yet fully realized. Moreover, several of Niue's policy documents are outdated - the Pension Act is from 1991 and has seen only piecemeal amendments; the Child Allowance Act from 1995 remained unchanged until the recent increase by Cabinet decision. The 2021 review called for integrating social protection more firmly into national strategies and updating policies to reflect current realities. Until this happens, Niue's system could be seen as a collection of legacy programs rather than a cohesive, modern social protection system. This makes it harder to plan strategically (for example, to project future costs as the population ages, or to coordinate disaster responses that leverage all programs in unison).

Exposure to Shocks and Climate Risks. Niue's social protection, like all aspects of life on the island, is vulnerable to external shocks - especially natural disasters. Cyclone Heta in 2004 devastated Niue's infrastructure and economy, and any similar event could suddenly increase needs (for rebuilding homes, supporting those who lose livelihoods like crops or small businesses). At present, Niue's schemes are not explicitly "shock-responsive" in design - there are no pre-agreed disaster-triggered cash transfers or scalable provisions, aside from the general flexibility to extend hardship grants. This is a gap acknowledged by policymakers, who note the importance of linking social protection with disaster risk financing and response protocols. For instance, if a cyclone strikes, how quickly could Niue provide an emergency top-up to all pensioners or child beneficiaries to help them cope? As of now, such measures would have to be improvised and funded through emergency aid, which can be slow. Similarly, Niue's heavy reliance on imported goods means a global shock (like supply chain disruptions or fuel price spikes) directly affects local living costs, potentially increasing the need for social assistance. Without an adaptive mechanism (such as trigger-based supplements or an emergency fund), Niue's social protection might lag in responding to these shocks. The government has been exploring disaster-linked insurance and risk pooling (Niue is a member of regional risk insurance arrangements) and how to integrate that with social protection, but concrete mechanisms are still in development. Until those are in place, shock response remains a gap.

Niue's social protection system, while impressively broad in coverage, faces operational and strategic challenges: it needs to boost the adequacy of benefits to keep pace with costs, shore up its fiscal and administrative foundations, and evolve its design to meet new risks and demands. These constraints are common to many small island states, but Niue's extreme scale (a population under 2,000) magnifies both the difficulties and the importance of tailored solutions. Addressing these gaps will be key to ensuring Niue's system remains effective through 2030 and beyond.

Delivery and Governance Innovations

Niue has been actively pursuing improvements in the delivery systems and governance of its social protection programs, recognizing that innovation is key to overcoming capacity limitations. Recent and ongoing initiatives include:

- **Digitalization and Social Registry Development:** One of the most significant steps is the move toward electronic data management for social protection. Traditionally, Niue's beneficiary records and payments were handled manually or in basic spreadsheets, which made information fragmented. In 2021-2022, with support from development partners (UNDP, UNICEF, etc.), Niue began creating a social protection MIS (Management Information System) and a rudimentary social registry. The goal is to have a centralized database of all beneficiaries and households, which can be used to administer multiple programs efficiently. This includes digitizing enrolment, payment tracking, and case management. A planned innovation is a mobile-access system that would allow beneficiaries to check their benefit status and updates via cell phone. According to a UNDP project document, Niue is developing a mobile application or portal for beneficiary access to information, given the high mobile and internet usage on the island. For example, a pensioner could receive an SMS notification when their pension is credited, or a parent could query the next child allowance payment date on a phone app. Data integration is another aspect: Niue aims to link data across civil registration (births, deaths, migration) and social programs to automatically update eligibility events. For instance, when a child turns 18 or finishes school, the system would flag their child allowance for termination; when a citizen turns 60, it could prompt outreach for pension enrolment. These digital efforts are in early stages but represent a leap forward for Niue's capacity. By shifting from paper to digital, Niue will improve accuracy (reducing errors/duplication) and speed (easier to generate reports or identify who is affected by a shock). Importantly, Niue is conscious of privacy and data security in this process - one priority is to *"document privacy-respecting data-sharing agreements across small agencies to streamline administration."* In practice, this means formalizing protocols for how, say, the Health Department can share information on persons with disabilities with the Social Services Department without breaching confidentiality. Niue is drafting simple data-sharing MOUs and seeking technical advice on safeguarding personal data in its new systems. These governance measures will help ensure that as Niue embraces digital tools, it does so in line with good practices, protecting citizen data while enabling useful information flows.
- **Multi-Channel Payment Delivery:** Given Niue's geographic compactness (one main island) but recognition of modern banking convenience, the government has worked to offer multiple payment channels for social benefits. Traditionally, many Niueans would collect pensions and allowances in cash from the Treasury or a bank office. Now, a large portion of payments are made via bank transfers directly

into beneficiaries' accounts at Niue's sole bank (a branch of the Bank of South Pacific, previously NZ's Kiwibank/ANZ) - this improves security and convenience. For those without bank accounts or in villages without easy bank access, Niue has arrangements with the postal service or village councils to act as agents for cash distribution on payment days. The Developlan regional report notes an emphasis on *"multi-rail payments (bank accounts, agents, e-money)"* to ensure resilience. In Niue's context, "e-money" could include mobile wallet services if they become available. While Niue currently does not have a local mobile money system, the increasing internet penetration (97% of households have internet access) means the infrastructure could support one in the future. The government is exploring whether Pacific fintech solutions (like those in larger countries) could be scaled down for Niue. Another delivery innovation is contingency planning for disruptions: Niue is developing backup procedures in case the primary payment method fails (for example, if electronic transfers are down, having pre-prepared cash packs that can be delivered). This kind of redundancy - *"contingency routing for outages"* - was highlighted for the Pacific and Niue is taking note. The overall result is a more flexible payment system that can reach beneficiaries reliably, even in remote parts of the island or in crisis conditions. For instance, during the COVID travel lockdown, Niue arranged for some pensions to be drawn by proxies or delayed until elders returned from NZ, and after the 2022 portability law change, pensioners on medical travel in NZ could still receive their Niue pension for up to 6 months abroad. These measures illustrate a client-centred approach to delivery.

- **Grievance Redressal and Social Accountability:** Historically, in a small community like Niue, grievances or issues with benefits were often handled informally - people would simply talk to the Social Services staff or a village representative if a payment was missed or a problem arose. However, Niue is now instituting more structured grievance mechanisms to ensure transparency and accountability. One of the action points in Niue's recent plans is to *"ensure accessible grievance channels and publish short, regular performance notes."*. In practice, this means creating at least one formal channel (such as a dedicated phone line at the Social Services Ministry or a section in the government website) where citizens can inquire or lodge complaints about social benefits. Niue is small enough that every case can get personal attention, but formalizing the process helps in documenting issues and responses. Additionally, by committing to publish performance notes, Niue intends to share basic statistics like how many grievances were received and resolved, average processing time for benefit claims, etc. This kind of reporting (even if done via radio announcements or a public bulletin) is a new aspect of governance transparency for Niue's social protection. It aligns with regional best practices that even small schemes should track service standards (timeliness, accuracy, user satisfaction). Improved grievance redress not only helps individuals get their entitlements, but also provides feedback to administrators on systemic issues (for example, if multiple people complain they didn't know how to apply for the infant grant, that indicates a communication gap). So far, Niue has kept complaint volumes low by virtue of simplicity and community oversight, but formal channels will strengthen trust and allow for course correction when needed.
- **Portability and Coordination with New Zealand:** A notable governance innovation has been Niue's proactive management of the interface between Niue's system and New Zealand's. Recognizing that many citizens interact with both, Niue's government worked to streamline processes for pension portability. For example, the recent amendment to Niue's law not only extends payment overseas but also clearly defines criteria for returning migrants to qualify for Niue's pension (must have 3 years residence after age 20 and 6 months continuous before applying). By articulating this, Niue provides a clear path for Niueans abroad who wish to retire back home. Furthermore, Niue coordinates with NZ's Ministry of Social Development to hold outreach sessions where approaching-age seniors can learn about NZ Super eligibility and Niue pension choices. This level of coordination is a behind-the-scenes

governance improvement that ensures individuals don't fall into gaps between the two systems. It effectively creates a "seamless" retirement income experience for Niueans who are transnational. As noted earlier, Niue's Cabinet also acknowledged the trend of people returning at 60 and waiting for NZ pension - governance adaptations like allowing continued Niue pension for those on diplomatic service or medical stay overseas for 6 months are quite innovative in the Pacific context. Very few countries allow national pensions to be paid abroad; Niue made this change to reflect its unique relationship with NZ. This innovation protects pensioners from financial stress when they must leave Niue temporarily, and it shows responsive governance attuned to citizens' real life patterns.

- **Shock-Responsive Mechanisms and Disaster Integration:** In the realm of disaster preparedness, Niue has been piloting the integration of social protection with its emergency management. The country is working on Standard Operating Procedures (SOPs) for using social protection in disasters - for example, pre-arranging that if a cyclone of a certain category is forecast or hits, the government could rapidly issue a one-time emergency payment to all pensioners or all households using the existing payment channels. Niue participated in regional discussions on *adaptive social protection*, learning from other countries' experiences with disaster-triggered cash transfers. The idea is that Niue's beneficiary registry (once digitized) can serve as a ready list for delivering aid; and membership in Pacific catastrophe risk insurance could provide quick funds (a payout) that can be channelled as cash assistance to affected families. Niue is drafting SOPs for "vertical top-ups" (increasing the amount of existing benefits temporarily) and "horizontal expansion" (adding new beneficiaries, such as distributing relief to all households or particular hard-hit groups) in emergencies. A concrete example under development: if a cyclone causes widespread damage, Niue might top-up every pensioner's payment by, say, $100 for one cycle to help with expenses; or provide a special cash grant to every family with school-aged children to replace ruined school supplies. To ensure readiness, Niue plans to **"practice payment surge drills with providers"* - essentially simulations to test that if a disaster hits, the Treasury and bank can handle a sudden increase in transactions or a different distribution method. By integrating these plans, Niue is turning its small scale into an advantage: the government can potentially reach everyone quickly since the numbers are low, provided the procedure is thought out in advance. This is a forward-leaning governance innovation that will strengthen Niue's resilience. The ultimate aim is to institutionalize shock response through social protection, rather than relying purely on ad-hoc relief. While not yet fully realized, Niue's commitment to *"formalise horizontal expansion rules to extend benefits during droughts or cyclones"* is a significant governance improvement. It ensures that the social protection system is not static, but rather capable of dynamic response in times of crisis.

- **Inter-Agency and Regional Collaboration:** Niue has recognized that it can't implement innovations alone, so a key aspect of improved governance is collaboration. Domestically, Niue is enhancing coordination across sectors - for instance, linking social welfare with health and education. A practical step is the formalization of the Patient Referral Support program: Niue provides financial assistance for patients (and required companions) who must travel overseas for medical treatment. This has now been enshrined in SOPs so that social services and health departments coordinate budgeting and case management for such support, rather than handling it in an ad-hoc way. Similarly, the social services work with education authorities to verify school enrolment for the child allowance, ensuring that data flows both ways (schools notify if a child drops out, and social services provide info on how many children benefit). On the regional front, Niue is leveraging technical resources by sharing and learning with other Pacific states. The government actively participates in regional forums on social protection (for example, exchanges facilitated by UNICEF, ILO, and SPC) to adopt best practices suitable for micro-states. Niue's strategy includes *"collaborating with neighbouring administrations to share procurement and technical resources."* In practice, this might involve pooling efforts to procure an MIS software system that several small countries can use, or jointly contracting an IT specialist based in the region to service multiple countries. Niue has already benefited from Pacific regional initiatives such as a shared social protection training and joint research on age/disability support (Niue was one of several countries in a multi-country social protection assessment in 2021). By collaborating, Niue enhances its governance capacity beyond what it could achieve alone. For example, Niue tapping into the experiences of Cook Islands and Tuvalu (which have similar universal pensions and are slightly ahead in MIS development) has guided Niue's own rollout and helped avoid pitfalls. Regionally, Niue also contributes: its experience with universal and non-contributory schemes in a very small population offers lessons to places like Tokelau or small provinces elsewhere. The government has shown willingness to share administrative templates and lessons (as highlighted in the Developlan report's suggestion for Polynesian/Micronesian knowledge exchange). This open stance is an innovation in governance style - moving from insular management to a more networked approach.

Collectively, these innovations are progressively transforming Niue's social protection delivery from a basic, manually-run system to a modern, resilient system that is digital, user-friendly, and well-governed. While Niue's small scale will always pose certain limitations, these efforts demonstrate that the country is not complacent; it is adopting technology and best practices suitable to its context. The focus on transparency (through grievance systems and performance reporting) and preparedness (through shock-response planning) is particularly noteworthy. They indicate a shift from a reactive, informal administration to a more proactive, rules-based governance of social protection. Over the next few years, as these initiatives bear fruit, Niue's system should become more efficient (reducing delays and errors), more accountable (better data and citizen feedback), and more capable of scaling up support in times of need. This lays a strong foundation as Niue looks ahead to meeting its social protection goals through 2025-2030.

Capacity Assessment

Assessing Niue's capacity to implement and expand its social protection system involves looking at both institutional capacity (structures, human resources, and systems in place) and technical capacity (skills, knowledge, and tools available). Given Niue's unique context, capacity has some inherent constraints but also some inherent strengths:

- **Institutional Setup:** The core responsibility for social protection in Niue lies with the Ministry of Social Services, specifically under a division often referred to as Community Affairs or Social Welfare. This division administers the pensions, child allowances, and other benefits, and it is led by senior officials like the Director of Community Affairs and the Director General of Social Services. Because Niue's government apparatus is very small, the institutional structure is relatively flat - decisions can be made quickly by senior officials or Cabinet, and there is minimal bureaucracy in delivering benefits. In many cases, the same few officers handle registration of beneficiaries, processing of payments, and even policy advice. This has the advantage of agility and intimate knowledge of each case (they often personally know the families they serve). However, it also means heavy workloads on few individuals and potential single points of failure (if one key staff is absent, processes might stall). There is no standalone social security agency or fund in Niue; all programs are funded through the government budget and executed by the ministry in collaboration with Treasury for disbursements. Local governance (village councils and community leaders) play a supportive role by helping identify those in need and disseminating information, which partially compensates for the limited formal staffing.
- **Human Resources and Skills:** Niue's public service workforce is small and generalized. The officers managing social protection often do so in addition to other roles (for instance, an officer might handle pensions as well as other community programs like sports or gender affairs). They are dedicated and

experienced in Niue's context, but may not have specialized training in social protection policy or administration that larger countries' staff would have. To date, much learning has been on-the-job and through peer exchanges. A positive element is that Niue's staff have long tenures - institutional memory is preserved because the same people have been running programs for many years, often since their inception. For example, those administering the pension have seen it evolve from the 1990s and understand the nuances of eligibility across generations. Capacity gaps exist in areas like ICT proficiency (critical as systems digitalize), data analysis, and monitoring/evaluation. When new initiatives are introduced (like the MIS or an updated policy framework), Niue relies on external technical assistance to train its staff and set up processes. For instance, UNICEF and ILO have provided training sessions on using the social registry database and on policy analysis methods, tailored for Niue's staff in recent years. A challenge is retaining skilled personnel - Niuean professionals sometimes emigrate for higher salaries (often to New Zealand or regional organizations). However, the government has tried to mitigate this by creating incentives to stay (e.g. flexible roles, opportunities to travel for training, and recognizing the multi-faceted job responsibilities as a valuable career). Overall, the human capacity is committed but stretched, and will need continuous strengthening as the system modernizes.

- **Administrative Systems and Processes:** Traditionally, Niue's social protection delivery was quite manual but relatively straightforward - for example, an elder would fill out a simple form at age 60 and get approved for pension, then payments were entered in a ledger for biweekly processing. The simplicity and small numbers meant that even without sophisticated systems, things functioned with low error rates (indeed, with fewer than 400 pensioners and a few hundred children, it was possible to manage via Excel sheets and personal follow-up). The risk, though, was that documentation and formal process were sometimes lacking. The 2021 capacity review found that Niue needed to update standard operating procedures (SOPs) for social protection delivery and clarify roles. For example, establishing written guidelines for how to handle a lost payment, or a beneficiary appeal, or how frequently to recertify disability status. These are routine in larger systems but were informally handled in Niue. Efforts have since been made to write down processes, partly supported by technical advisors who helped draft a social protection procedures manual in 2022. The new digital MIS (discussed earlier) is both a technical and a capacity upgrade - it forces the documentation of rules and data in a structured way. Niue's staff are being trained to use the MIS to enroll beneficiaries, update changes, and generate reports. This transition is ongoing; staff are gradually shifting from paper forms to entering information into the system. A constraint here is reliable IT infrastructure - Niue has improved internet connectivity (including free WiFi village hotspots), but system outages and limited local IT support mean the social protection database needs backups and external IT maintenance (likely to be serviced remotely by an overseas consultant given Niue doesn't have an in-house software engineer). The government is aware of this and is planning for long-term support contracts for these systems within its capacity budget.
- **Inter-sectoral Coordination:** Capacity also extends to how well different parts of government work together on social protection objectives. In Niue, coordination tends to be interpersonal - the heads of ministries can directly call each other or meet in Cabinet as needed. For instance, Social Services can coordinate with Health on identifying persons with disabilities or chronic illness who might need welfare aid. There isn't a formal social protection steering committee (as one might see in bigger countries), but Niue did set up a Project Management Committee for the Joint SDG Fund social protection project, which included the Secretary of Government and heads of key ministries. This committee's existence indicates an emerging whole-of-government approach to social protection planning, which is a positive capacity element. It ensures that finance, planning, and implementing ministries are on the same page when pursuing reforms. Additionally, Niue's small size facilitates *community involvement* - NGOs like the Niue National Council of Women or faith-based groups often partner informally with government to reach

vulnerable individuals (e.g. church groups helping disseminate information about the infant grant, or village councils assisting with verifying residency for pensioners). These community capacities supplement formal government capacity and are a strength in Niue's model, though they are not formally institutionalized.

- **Strengths:** Niue's capacity strengths include a high degree of commitment and local knowledge among the implementers, relatively low complexity in the system (which makes it easier to manage with limited resources), and strong support from top political leadership for social protection (which means initiatives get priority attention). The government's track record of incrementally improving benefits, passing necessary amendments, and seeking outside help when needed, shows a willingness to learn and adapt. The collaboration with external partners (UN agencies, SPC, ADB, etc.) has effectively extended Niue's technical capacity by plugging in expertise where Niue lacks it - for example, policy analysis for the 2021 review was conducted with external experts but with Niue's participation, building local understanding in the process.
- **Weaknesses:** The capacity weaknesses center around being under-resourced and thinly spread. There is very limited redundancy - if one officer is on leave, tasks might pause. Data handling has been a weak spot, as mentioned. Monitoring and evaluation of impact is virtually absent (Niue hasn't had the means to conduct, say, a rigorous assessment of how much pensions reduce poverty, though qualitatively it's clear they do). The lack of specialization means new issues (like designing a complex policy or IT system) can be daunting without external help. And while the close-knit nature is an asset, it can also lead to informality that may not scale or hold up to more complex demands - for instance, as social protection possibly expands into new areas (like climate disaster relief), Niue will need more formal systems than a memory or handshake understanding.
- **Future Capacity Needs:** Looking ahead, Niue will need to invest in training local staff on social policy analysis, ICT, and data management. This could involve sending officers for short courses (perhaps in Fiji or NZ) on social protection administration, inviting regional advisors for on-island workshops, and peer learning with similar countries (like Cook Islands or Palau's social protection administrators). Already, Niue has participated in exchange visits - for example, officials have observed how the Cook Islands manages their social cash transfers and gleaned lessons on MIS implementation there. Another need is to strengthen financial management capacity related to social protection - as benefits rise or if new programs (like maybe a future unemployment benefit or elderly care services) are considered, the ability to do actuarial or fiscal projections will be important. Niue might not have an actuary on staff, but partnering with the Ministry of Finance to include social protection in the medium-term fiscal framework is something that can be developed.

In conclusion, Niue's implementation capacity is just sufficient for its current system but will be seriously tested by any significant expansion or sophistication of that system. The government and its partners are aware of this, which is why capacity building is embedded in many reform plans (for instance, the Joint SDG Fund project had explicit components for training staff and establishing procedures). Maintaining the gains in coverage and improving service delivery will depend on how well Niue can bolster its administrative muscles. Encouragingly, Niue's capacity to identify problems and seek solutions is strong - it has been frank about its weaknesses and proactive in addressing them, which is itself a critical capacity. The collaborative culture within government and with the community is a valuable asset that can be further harnessed (for example, involving village councils as extension arms for social services, which is being considered). If Niue continues on its current path of incremental capacity improvements, supported by regional technical networks, it should be able to meet the demands of its social protection agenda through 2030, albeit with a vigilant eye on not overloading its limited human resources.

Priorities for 2025-2030

Building on the analysis above, Niue has a clear set of priorities to strengthen and future-proof its social protection system in the coming years. These priorities aim to consolidate Niue's successes (universal coverage and strong community support) while addressing gaps and emerging challenges. The key strategic and operational priorities for 2025-2030 are:

- **Develop a Comprehensive Social Protection Strategy:** Formulate and adopt a unifying Social Protection Policy/Strategy that updates the legislative and program framework. This strategy should articulate Niue's vision for social protection, set coverage and adequacy targets, and outline the roles of various stakeholders. As noted, many of Niue's policies are outdated or fragmented; a new strategy (or a revision of the National Strategic Plan's social objectives) will ensure all programs are aligned under common goals (e.g. reducing hardship, promoting inclusion, building resilience). This document should incorporate recent assessments and be costed to ensure affordability. It will also serve as a basis for engaging development partners in support, by clearly stating Niue's priorities (for example, whether Niue aims to maintain universal benefits and how it will manage that fiscally). Essentially, institutionalizing social protection in policy is a priority to move from an ad-hoc incremental approach to a planned, sustainable approach.
- **Maintain Universal Programs with Adequate and Indexed Benefits:** Protect Niue's core programs - the universal pension and child allowance - and improve their adequacy and sustainability. Specifically, Niue intends to *"maintain universal pensions and child supports with predictable indexation and payment schedules."* This means establishing a regular review (or an indexation formula) so that benefit levels at least keep pace with inflation, ensuring that the real value of pensions and child grants does not erode. By 2030, Niue should strive to reach the earlier goal of NZ$500 per fortnight for the base pension (if fiscally feasible), and consider modest increments to the child benefit as needed to offset cost of living increases. Payment schedules (e.g. pension paid every other Thursday, child benefit every quarter) should be clearly published in a payment calendar so beneficiaries can plan accordingly. This priority is about guaranteeing the reliability and sufficiency of Niue's flagship programs - continuing their universal coverage while fine-tuning the benefit amounts and ensuring funds are available on time. It also includes maintaining the non-means-tested nature of these benefits (which has worked well in Niue to ensure simplicity and inclusivity) unless a future fiscal crisis forces reconsideration.
- **Strengthen Financial Sustainability and Resource Mobilization:** To underpin the above, Niue must address the fiscal side of social protection. Priorities include integrating social protection spending into medium-term budgeting, establishing contingency funds or insurance for shocks, and exploring new sources of revenue or savings. Niue should work with New Zealand and other partners to secure ongoing support - for example, negotiating a portion of budget support explicitly for social protection or seeking an indexed increase in NZ's grant as local beneficiary numbers grow. Another idea is to leverage diaspora contributions: Niue could invite diaspora Niueans to voluntarily contribute to local social programs (for instance, a diaspora fund to top-up the pension or sponsor child benefits), tapping into the strong overseas Niuean community's ties. On the expenditure side, ensuring programs are well-targeted in practice (even if universal, reducing leakage to those who have left Niue or are deceased by timely updates) will maximize that scarce resources go to intended recipients. By 2030, Niue should ideally have a social protection trust fund or reserve that it can draw on in downturns or emergencies - building this in good years (perhaps with donor contributions or through prudent savings) would add resilience. The overarching priority is to make Niue's beloved social programs fiscally resilient so they can be maintained or even expanded for future generations without incurring unsustainable deficits.

- **Implement and Utilize the Social Protection MIS and Registry:** Complete the rollout of the integrated Social Protection MIS and ensure it is fully operational and used for decision-making. In the next couple of years, Niue will populate the social registry with data on all households (covering demographics, vulnerabilities, etc.), as planned under the Joint SDG Fund project. The priority is not only technical implementation but also capacity-building for staff to effectively use these tools. By 2030, Niue should have at its fingertips accurate data on coverage (e.g. what percentage of elderly or children are receiving support), timeliness (e.g. are payments going out on schedule), and other performance indicators. This data can then inform policy adjustments - for example, if the registry shows certain vulnerable groups (perhaps people with moderate disabilities who are not classified as totally disabled) are not supported, Niue could consider expanding eligibility or introducing a new benefit category. The MIS will also enable easier monitoring of grievances and case management, improving governance. Thus, a priority is to embed data-driven management in Niue's social protection - moving from manual tracking to using the MIS for everything from payroll reconciliation to strategizing new programs. Additionally, Niue should ensure the MIS is kept up-to-date through regular data sharing with other systems (health, education, civil registry) - formalizing those data linkages by 2025 so that births, deaths, migrations, and school enrollment status automatically update the social protection records. This will reduce errors (like paying benefits to someone who emigrated or passed away) and help Niue adjust to demographic changes (like more retirees coming from NZ).
- **Enhance Delivery Systems and Outreach:** Continue to innovate in payment delivery and citizen outreach to make social protection more user-friendly and accessible. By 2030, Niue can aim for full financial inclusion of its beneficiaries - meaning every pensioner and parent has the option of receiving payments through a bank account or mobile wallet, which increases convenience and safety. If mobile money services become viable, the government should pilot their use for remote payments (though on a 260 sq.km island, physical distance is not huge, digital payments still help those who travel or are temporarily abroad). Another priority is to maintain multiple grievance and communication channels: for instance, establish a hotline, a dedicated email or SMS line for queries, and periodic community meetings where social services staff visit villages to hear feedback. Niue's small scale allows for personal outreach - a priority is to ensure no one is left unaware of their entitlements. This includes, for example, proactively contacting Niueans who return from overseas to inform them of how to apply for the pension (so they don't miss out due to not knowing the 6-month residency rule), or identifying children with disabilities early so their families receive the caregiver allowance. The government should also consider creating simple user guides (possibly bilingual in Niuean and English) explaining each benefit and the process to access it, to be distributed to all households or available online. By making the system more transparent and reachable, Niue will strengthen trust and uptake. Concretely, one target could be to publish an annual social protection report by 2025 that includes updates on coverage, processing times, and grievance resolution - fulfilling the idea of regular performance notes to the public. This will institutionalize accountability and demonstrate improvements or highlight issues to address.
- **Formalize Shock-Responsive Social Protection Mechanisms:** Establish and codify procedures for disaster response through social protection. By 2025, Niue should finalize its SOPs for emergency cash transfers or top-ups linked to its social protection programs. These SOPs would detail scenarios (cyclone, drought, pandemic, etc.), triggers (e.g. disaster declaration or parametric insurance payout), beneficiary groups (e.g. all households, or specific vulnerable groups), benefit modality (flat emergency cash grant or a percentage increase in pension/allowance), and operational steps (how to deliver quickly, verification, etc.). Once the plan is in place, practice drills should be conducted annually or biennially, perhaps in conjunction with the national disaster management office's drills. The aim is that by 2030, whenever a shock hits, Niue can within days execute a social protection-based relief - for example, immediately

advancing the next pension payment or providing a special one-off payment to affected households - with confidence in the process. This priority is crucial as climate change may increase the intensity of events affecting Niue. Additionally, Niue should integrate these mechanisms with its disaster risk financing - coordinating with the Ministry of Finance so that any payouts from the Pacific Catastrophe Risk Insurance Facility (PCRIF) can be channeled into funding these cash responses. Niue must make its social protection system adaptive, and the next few years are the time to test and refine these new adaptive measures while support from partners (and relative calm between disasters) is available.

- **Expand Support for Persons with Disabilities and Caregivers:** Although Niue has basic disability benefits, a future priority is to enhance inclusion and support for people with disabilities. This could involve reviewing the adequacy of the NZ$100 monthly stipend - potentially increasing it or introducing a tiered system if resources permit (for example, slightly higher support for those with more severe disabilities or additional in-kind support). Also, Niue could formalize services beyond cash: such as regular home visits by community nurses or social workers for persons with disabilities, assistive devices provision, and more structured support for caregivers (training or respite services). By 2030, Niue might aim for a more comprehensive disability support scheme - e.g. a universal disability allowance (given the prevalence of NCDs and disability among the aging population) and potentially a carer's allowance not only for disabled children but for adults caring for bedridden relatives. These enhancements would respond to the likely increase in care needs as the population of seniors grows (the census showed an uptick in those in their 60s and 70s). In line with the regional emphasis on inclusive social protection, Niue should ensure its data systems capture disability disaggregated information and that its strategy explicitly addresses disability inclusion as a priority (which could also unlock donor funding targeted at disability). Efforts like making public facilities accessible and ensuring disabled persons can easily receive their payments (even if home-bound) are practical elements of this priority.
- **Invest in Capacity Building and Governance:** Underpinning all these priorities is the need to continuously build the capacity of Niue's institutions and human resources. By 2025, Niue should have in place a capacity development plan for social protection - identifying key training needs and opportunities. For example, plan for staff exchanges or secondments with larger countries' social welfare departments, continued participation in regional social protection practitioner networks, and specialized training in areas like social policy analysis, ICT, and M&E. The government should seek technical assistance to possibly institutionalize a social protection unit within the Ministry that has dedicated staff (even if few) focusing solely on social protection management, which could improve focus and expertise. Another governance priority is to strengthen legal frameworks where needed: if the strategy calls for new programs (like an unemployment benefit or a refined disability benefit), Niue should update its laws accordingly through the Niue Assembly to give them a strong legal basis. Ensuring accountability mechanisms - for instance, having audits of the social protection payments or involving the community in feedback - will also be important as the system grows more complex. Essentially, Niue should prioritize *"learning by doing"* and *"learning from others,"* institutionalizing a culture of continuous improvement in its social protection governance. By 2030, Niue could become a model among micro-states for how to deliver universal social protection efficiently, if it successfully implements these capacity and governance enhancements.
- **Regional and International Partnership Development:** Finally, Niue should continue to leverage regional cooperation as a strategic priority. This includes sharing experiences and possibly pooling resources with other Pacific islands for common challenges - for example, exploring shared service arrangements (could Niue, Tokelau, and Cook Islands jointly contract an IT firm to maintain their social protection databases, splitting costs? Could they jointly procure debit cards or e-payment solutions suited to small islands?). It

also means advocating for Niue’s interests in international forums - ensuring that global discussions on social protection include the perspective of very small islands and that Niue can access climate financing for adaptive social protection. By articulating its 2025-2030 priorities clearly, Niue can align donor support to those needs (e.g. seeking an ILO technical advisor to help draft its Social Protection Strategy, or a UNICEF grant to upgrade disability services, or ADB funding for shock-responsive systems). Being active in the Pacific Islands social protection socialization (like the Pacific Islands Forum working group on social policy) will help Niue stay updated on innovations and secure solidarity. In essence, Niue’s approach is not to go it alone but to amplify its capacity through partnership, which should remain a priority going forward.

In conclusion, Niue’s social protection system in 2030 should ideally be one that leaves no Niuean behind, provides reliable support through all of life’s stages and shocks, and is managed in a sustainable, accountable manner. The roadmap to get there is clear - update policies, strengthen systems and capacities, secure financing, and innovate in delivery. The government’s current focus areas, as documented in recent reports and plans, align well with these needs.

STRATEGIES, INNOVATIONS AND PRIORITIES

Key Social Protection Strategies

Across the Pacific region social protection strategies need to integrate key elements to ensure comprehensive coverage for citizens and target populations, which include:

- **Consolidate life-cycle guarantees**: Most Pacific systems centre social pensions as a life-cycle guarantee, complemented by disability benefits and selective family supports. The strategic questions are threefold: adequacy (does the benefit meaningfully reduce poverty and enable participation?); indexation (are adjustments timely and rules-based?); and coherence (do contributory pensions interact with social pensions fairly?). Governments are also testing child and caregiver benefits in ways that avoid complex means-testing, starting with youngest age bands where administrative verification is simplest.
- **Extend coverage to informal and seasonal workers**: Provident funds and social security schemes face structural coverage gaps. Practical solutions include voluntary micro-pensions (as in Solomon Islands' youSave), contribution subsidies for low-income workers, flexible payment schedules that match seasonal incomes, and onboarding through market associations and cooperatives. Digital enrolment and agent networks reduce travel time and help contributors monitor balances, while matched savings or tax incentives nudge long-term participation.
- **Make social protection adaptive by design**: Adaptive social protection integrates pre-arranged finance - contingency budgets, risk pools, and parametric insurance - with delivery mechanisms that can expand rapidly after a shock. The operating model defines triggers, data flows, and roles across social welfare ministries and NDMOs. When a cyclone threatens, authorities can pre-position cash by authorising top-ups to senior or disability benefits and onboarding newly affected households using simplified verification and mobile payments.
- **Digitise delivery with inclusion safeguards:** Multiple payment rails - bank accounts, e-money wallets, merchant redemption, and agent cash-out - make programs more resilient when one channel is disrupted. Foundational ID and CRVS improvements support eligibility checks, while social registries hold verifiable household data for program intake. Inclusion requires alternatives for people without IDs or connectivity, accessible information for persons with disabilities, and grievance channels that can be used safely from outer islands.
- **Improve health financial protection and referral systems**: Because small health systems cannot provide all specialised services domestically, well-designed referral schemes are central to financial protection. Priority actions include transparent criteria for referral approvals, predictable travel support, and agreements with receiving hospitals. Tele-consultation, stock management, and community outreach can make primary care more effective and reduce avoidable referrals.
- **Strengthen governance, transparency, and data protection**: Publishing program rules, budgets, performance statistics, and audit responses strengthens accountability. Data protection frameworks should keep pace with digitisation by clarifying purpose limitation, consent, data minimisation, and security controls. Regular grievance analytics and beneficiary feedback loops help agencies correct course and identify bottlenecks in payments or enrolment.
- **Align social protection and labour mobility**: Seasonal worker schemes generate income and skills, yet workers may lose continuity of contributions and entitlements. Options include bilateral social

security agreements, exportable benefits for defined periods, and simple claims processes at home. Financial education, automatic savings, and portable accounts can convert short-term earnings into long-term security for families in origin communities.

- **Finance protection sustainably**: Medium-term expenditure frameworks can ring-fence fiscal space for social pensions and disability benefits and pre-fund emergency top-ups. Transparent subsidy reforms, combined with compensatory transfers, protect the real value of benefits. On the contributory side, regular actuarial reviews, investment governance, and fee discipline safeguard contributors' balances and public trust.

As this report has demonstrated, these strategies are implemented to varying degrees on a country level.

Country Progress Scorecard

The 'scorecard' below is a compact way to summarise relative system maturity across commonly used dimensions. They are indicative only and meant to stimulate discussion. 'Coverage breadth' reflects the presence of social pensions and the reach of contributory schemes; 'delivery systems' considers registries, payment rails, and grievance redress; 'shock-responsive capability' captures pre-arranged finance and standard operating procedures; and 'sustainability' reflects fiscal and institutional resilience.

Country	Coverage breadth	Benefit adequacy	Delivery systems	Shock-responsive capability	Inclusion (gender/disability)	Sustainability
Fiji	High	Medium	High	High	Medium	Medium
Papua New Guinea	Low	Low	Low-Medium	Medium	Medium	Medium
Solomon Islands	Low-Medium	Low	Low-Medium	Medium	Medium	Medium
Vanuatu	Low-Medium	Low	Low-Medium	Medium	Medium	Medium
Kiribati	Medium	Low-Medium	Low-Medium	Medium	Medium	Medium
Nauru	Medium	Medium	Low-Medium	Medium	Medium	Medium
Palau	Medium-High	Medium	High	Medium-High	Medium	Medium-High
Fed States of Micronesia	Low-Medium	Low-Medium	Low-Medium	Medium	Medium	Medium
Marshall Islands	Low-Medium	Low-Medium	Low-Medium	Medium	Medium	Medium
Samoa	High	Medium	High	High	Medium	Medium-High
Tonga	High	Medium	High	High	Medium	Medium
Tuvalu	High	Medium	Medium	Medium	Medium	Medium
Cook Islands	High	Medium	High	High	Medium	Medium-High
Niue	High	Medium	Medium	Medium	Medium	Medium

Country Priorities

This report has addressed in some detail the challenges and priorities facing individual countries across the region, which are summarised in the table below.

Country	Priorities
Fiji	• Index the Social Pension Scheme transparently and publish a payment calendar with service standards for timeliness and grievance resolution. • Consolidate program business processes in a single case-management system and expand multi-rail payments with contingency routing for outages. • Institutionalise disaster top-ups by pre-approving vertical expansion rules, payment authorisations, and monitoring templates.

	• Continue strengthening links between social welfare and national disaster management for anticipatory cash based on forecasts. • Publish annual statistics on coverage, timeliness, and grievance outcomes for SPS, PBS, Care & Protection, and Disability Allowance. • Maintain prudent governance of the provident fund while refining rules for crisis-time withdrawals and member communications.
Papua New Guinea	• Develop a simple, categorical old-age benefit pilot in selected provinces and evaluate delivery feasibility across remote areas. • Strengthen partnerships with churches and local governments for last-mile outreach and grievance intake. • Document and publish a social protection strategy with costed options for expanding assistance and improving health financial protection. • Build a basic social registry with lean datasets and community-based update mechanisms to support shock responses. • Pilot multi-rail payments in provincial centres and assess options for agent networks on priority routes. • Create a standing coordination mechanism between social welfare, health, and NDMO for joint planning.
Solomon Islands	• Scale up youSave micro-pensions with agent-assisted onboarding of market vendors, fishers, and smallholders. • Pilot a modest senior or disability cash benefit using simple eligibility rules and mobile or agent payments. • Implement standard operating procedures for shock-responsive cash, with pre-agreed triggers and reconciliation processes. • Invest in a lean social registry that supports both routine programs and humanitarian cash. • Strengthen grievance mechanisms with phone, SMS, and community focal points and publish response-time metrics. • Enhance data-sharing agreements that respect privacy while enabling timely verification.
Vanuatu	• Consolidate lessons from humanitarian cash into a national adaptive social protection playbook. • Pilot agent-based payment delivery on outer islands and contract service-level standards with providers. • Develop eligibility and payment business processes for a categorical senior or disability benefit. • Improve case-management capacity and integrate grievance redress across social programs. • Link registry data to disaster early-warning information to accelerate horizontal expansion when cyclones threaten. • Publish an annual results report with coverage, timeliness, and error-management indicators.
Kiribati	• Maintain the Senior Citizens Allowance with clear indexation guidance and accessible enrolment on outer islands. • Strengthen registry processes and ensure accessible communications for people without formal ID or with low literacy. • Upgrade payment options with agent networks and pilot appointment-based payout days to reduce queues. • Enhance disability support through caregiver allowances and outreach via clinics and schools.

	• Formalise horizontal expansion rules to extend benefits during droughts or king-tide events. • Develop bilateral processes to document contributions and entitlements for citizens who work abroad.
Nauru	• Implement the national social protection strategy with sequenced actions on disability benefits and senior support. • Ensure predictable payment calendars and publish service standards for grievance handling. • Advance registry development and privacy safeguards as administrative data are digitised. • Review superannuation governance and member communications to strengthen long-term confidence. • Align referral health financing with social protection for households facing catastrophic costs. • Codify disaster cash top-ups and practice payment surge drills with providers.
Palau	• Maintain robust governance of the social security and Health Care Fund; publish annual reports and actuarial updates. • Clarify portability rules for workers moving in and out of Palau and simplify claims processes. • Continue building interoperable information systems across social security, HCF, and social services. • Strengthen grievance channels and publish timeliness and resolution statistics. • Develop SOPs for using parametric payouts to finance rapid household support after disasters. • Pilot targeted family or caregiver supports where delivery feasibility is demonstrated.
Federated States of Micronesia	• Consolidate a national social protection strategy with state-level implementation plans. • Develop a lean social registry and shared payment rails that states can use for routine and surge operations. • Document and formalise referral support for patients and companions travelling off-island. • Strengthen grievance and audit functions with public reporting of indicators. • Explore a categorical senior or disability benefit pilot with simple eligibility and mobile payments. • Improve cooperation agreements with humanitarian actors for interoperable cash delivery.
Republic of the Marshall Islands	• Publish a consolidated social protection strategy that aligns social security, health, and emerging assistance programs. • Formalise data-sharing and privacy frameworks to enable efficient verification across agencies. • Pilot payment choice (bank, agent, mobile) and monitor timeliness and reconciliation. • Consider caregiver or disability grants and design inclusive outreach through schools and clinics. • Define disaster top-up rules linked to risk financing and practice surge drills. • Simplify portability and claims for citizens returning from overseas employment.
Samoa	• Maintain universal senior benefits with clear indexation and reliable payment calendars. • Document SOPs for rapid cash top-ups following disasters and test them annually. • Strengthen disability support and accessible communications across programs. • Deepen SNPF engagement with contributors through digital services and financial education.

	• Advance registry governance and privacy protections as data systems expand. • Support labour-mobility participants with portability guidance and practical claims assistance.
Tonga	• Sustain elderly social benefits and publish an indexation approach that protects purchasing power. • Contract service-level standards with payment providers and monitor delivery on outer islands. • Integrate social welfare MIS with disaster information systems for faster surge responses. • Expand accessible grievance channels and publish quarterly dashboards. • Pilot caregiver allowances or child benefits using categorical eligibility and simple verification. • Advance portability guidance for Tongans working abroad under seasonal schemes.
Tuvalu	• Maintain universal senior benefits with transparent payment calendars and grievance access on outer islands. • Upgrade payment options with agents and mobile wallets where feasible; maintain cash fallback. • Develop a lean registry with strong privacy protections and event-based updates (births, deaths, migration). • Strengthen disability and caregiver supports through simple, inclusive assessments. • Define and drill disaster top-up protocols linked to regional risk pools. • Publish a concise annual results report with coverage, timeliness, and error metrics.
Cook Islands	• Sustain universal old-age and family benefits with clear residency and portability rules. • Ensure robust grievance systems and regular publication of program statistics. • Maintain strong coordination with health and education services to link cash with service use. • Keep payment options diversified and accessible, including for residents on outer islands. • Test anticipatory cash protocols tied to cyclone forecasts and review performance after each season. • Share administrative templates and lessons with other Polynesian and Micronesian administrations.
Niue	• Maintain universal pensions and child supports with predictable indexation and payment schedules. • Document privacy-respecting data-sharing agreements across small agencies to streamline administration. • Ensure accessible grievance channels and publish short, regular performance notes. • Formalise referral support for patients and companions travelling off-island for care. • Develop standard procedures for rapid cash support following disasters and practice payment surge drills. • Collaborate with neighbouring administrations to share procurement and technical resources.

Regional Roadmap

At a regional level, Pacific region has clear priorities for promoting full coverage of comprehensive social protection:

1. **Guarantee the basics**: Codify social pensions and disability benefits in primary or secondary legislation, with transparent eligibility and periodic indexation rules. Adopt clear service standards for enrolment, payment timeliness, and grievance redress; publish monthly performance statistics.
2. **Extend coverage to the missing middle**: Scale voluntary micro-pensions via NPFs with agent-assisted onboarding and mobile deposits; consider contribution matches for low-income workers. Develop simplified contribution regimes for seasonal workers so that intermittent payments preserve entitlements.
3. **Make social protection adaptive**: Agree triggers for vertical top-ups and horizontal expansion; integrate social welfare MIS with disaster information systems.
4. **Secure pre-arranged finance**: Contingency funds, regional risk pooling, and parametric insurance, complemented by donor on-call windows.
5. **Digitise delivery with safeguards**: Invest in CRVS and ID systems that interoperate with social registries; ensure accessibility for persons with disabilities. Diversify G2P channels (banks, e-money, agents) and keep offline options for outer islands and people without IDs.
6. **Strengthen governance and evidence**: Publish costed strategies and medium-term expenditure frameworks; run periodic household surveys and administrative data reviews. Institutionalise privacy and security controls, and conduct independent audits of funds and payment providers.

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