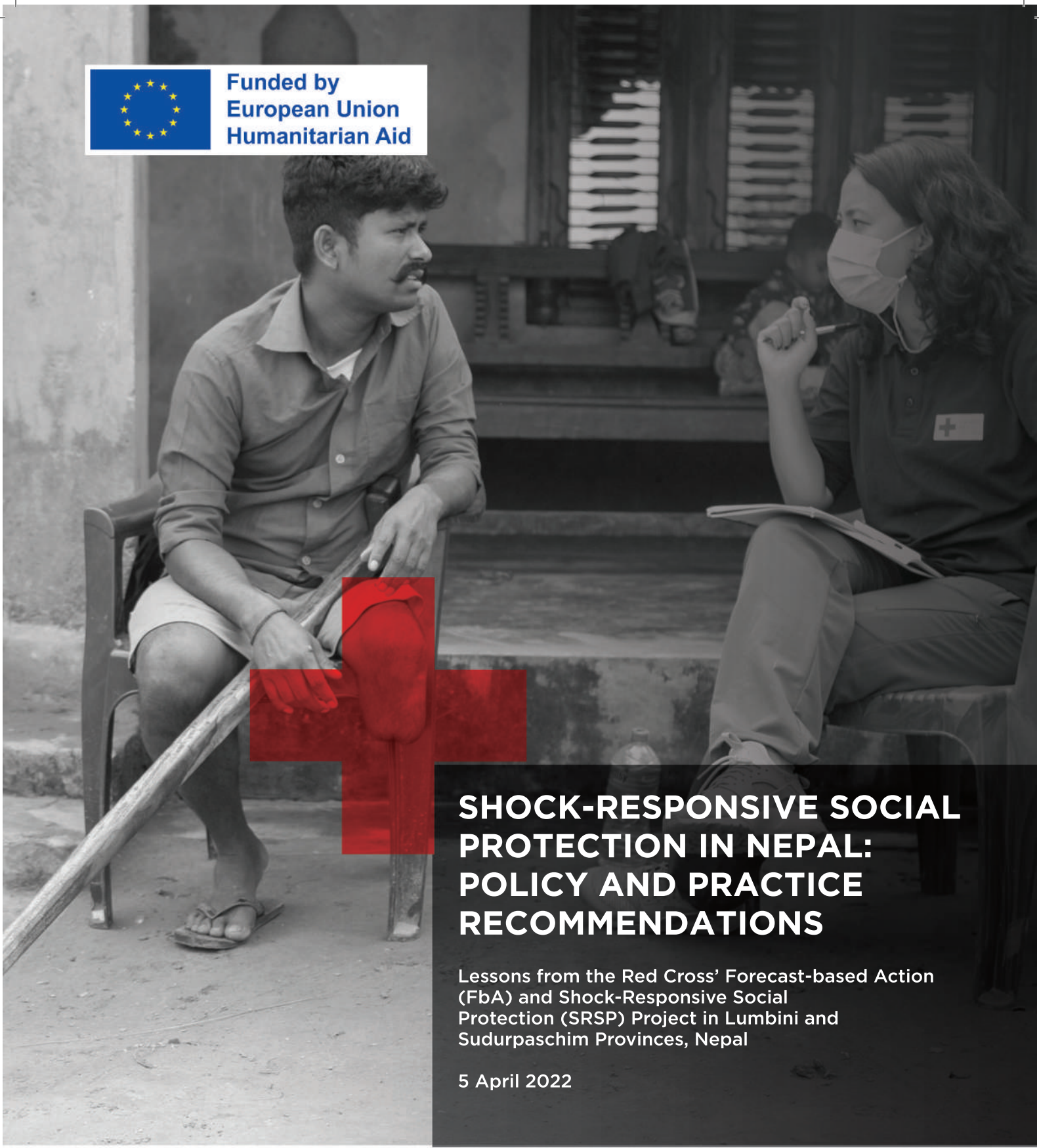




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# SHOCK-RESPONSIVE SOCIAL PROTECTION IN NEPAL: POLICY AND PRACTICE RECOMMENDATIONS

Lessons from the Red Cross' Forecast-based Action (FbA) and Shock-Responsive Social Protection (SRSP) Project in Lumbini and Sudurpaschim Provinces, Nepal

5 April 2022





## Introduction

As part of the Directorate-General European Civil Protection and Humanitarian Aid Operations (ECHO) supported project, Forecast-based Action (FbA) and Shock Responsive Social Protection (SRSP) in Provinces Lumbini and Sudurpaschim Project, a consortium of partners are exploring the role of, and linkages between, SRSP and FbA to support populations to prepare, mitigate, cope and recover from shocks in the context of Nepal.

Project activities have attempted to explore and address research gaps, bring partners together to improve coordination and capacity on the subject, as well as to advocate for the institutionalisation of SRSP approaches within the design and delivery of key social protection programmes, so that they may be both resilient to shocks and able to expand and adapt to the disaster-related needs of populations. The consortium has also been able to deliver various simulations exploring the linkages between acting in anticipation and providing emergency cash assistance through leveraging the delivery chain of relevant social protection programmes – namely the Government of Nepal Social Security Allowance (SSA) programme. Finally, in quarter four, 2021, the Red Cross delivered a multi-purpose cash (MPC) pilot, which was implemented through leveraging the features of the SSA programme's delivery chain, to assist 270 households affected by unseasonal floods in the district of Kailali, Sudurpashchim Province. A detailed case study of the MPC pilot is available at this link, or can be requested from Niru Pradhan, Programme Coordinator, Nepal Red Cross Society - niru.pradhan@nrccs.org.

The policy and practice recommendations contained within this document draw on the lessons and key findings from the various project activities to-date as described immediately above, as well as available global best practice on the topic of SRSP and FbA. They are offered to the Government of Nepal and other stakeholders with the intention that they may provide practical and evidence-informed actions that, if implemented, would contribute to the continued development of a social protection system that is responsive to shocks within Nepal. Social protection is a large discipline, and Nepal's system is characterised by a multitude of contributory and non-contributory social protection programmes across social assistance, social insurance, labour market interventions and social/welfare services. For the purposes of this document, recommendations are focused on non-contributory schemes, primarily the Social Security Allowance (SSA) programme and the Prime Minister's Employment Program (PMEP). The document's focus on these specific programmes is intentional, noting the perceived buy-in and financial investment in their future delivery by the Government of Nepal, and their assessed appropriateness to reach a significant proportion of the population in Nepal that are at-risk of, or have been affected by, the impacts of disasters.

Readers wishing to learn more on the FbA and SRSP actions of the Red Cross in Nepal, are encouraged to contact the following individuals:

- Niru Pradhan, Programme Coordinator, Nepal Red Cross Society, niru.pradhan@nrccs.org
- Hemanta Prasad Dangal, Senior Social Protection Programme Officer, Danish Red Cross, heman@rodekors.dk



<sup>1</sup>The consortium consists of the Nepal Red Cross Society, Danish Red Cross, Red Cross Red Crescent Climate Centre and Handicap International, Nepal.

## Summary of recommendations

### Policy, legal and regulatory frameworks

**Recommendation 1:**

Include dedicated shock-responsive social protection clauses within the Nepal Social Security Act, 2075 (2018)

**Recommendation 2:**

Revise and expand the Social Security Allowance Distribution Procedure (2077) to include specific clauses outlining the means with which emergency cash assistance can be flowed through the SSA's delivery chain to at-risk and disaster-affected populations

**Recommendation 3:**

Revise and expand the Prime Minister's Employment Program (PMEP) Regulation Guidelines (2075) to include 'crisis modifiers', allowing local government programme managers to rapidly repurpose labour, equipment and other resources to conduct emergency disaster risk reduction and disaster response activities

**Recommendation 4:**

Include a 'commitment to cash' within the Government of Nepal's Cash Guidelines

**Recommendation 5:**

Systematically include shock-responsive social protection approaches into Local Disaster and Climate Resilience plans (LDCRP)

### Shock-responsive social protection financing

**Recommendation 6:**

Endorse and provide appropriate guidance for all levels of government on the use of relevant local, provincial and federal disaster response and contingency funds to implement shock-responsive social protection before, during and after disasters

**Recommendation 7:**

Define and ensure the complimentary role of international disaster financing instruments, such as the Red Cross' DREF and UN's CERF, to support

shock-responsive social protection actions is understood by all actors

**Recommendation 8:**

Explore how to link the mobilisation of disaster response fund financial flows with relevant weather and climate forecasts and complimentary local anticipatory action plans, to define when, where and how shock-responsive social protection cash assistance can be delivered to at-risk populations in anticipation of a shock

### Operational considerations - leveraging the SSA programme's delivery chain to deliver cash assistance before, during and after shocks

**Recommendation 9:**

Ensure consistency in the delivery timing of SSA payments to recipients across all local authorities

**Recommendation 10:**

Ensure targeting and SSA registry data is shared between local authority officials responsible for social protection and disaster risk management, and utilised for early action and disaster response planning

**Recommendation 11:**

Make use of the contact data (SMS numbers) of SSA recipients stored within the programme's registry to provide mass early warning messages

and/or targeted information to certain individuals

**Recommendation 12:**

Explore the introduction of other cash payment mechanisms - such as ATM cards and mobile phone payment solutions - to provide SSA recipients with a range of flexible and accessible options to receive and spend their allowance and emergency cash 'top-ups'

**Recommendation 13:** Ensure the local SSA grievance system is appropriately staffed and accessible to recipients, and also able to mobilise in support of initiatives to provide emergency cash assistance through the SSA delivery chain by local authorities and their partners

## Objective

The objective of this document is to outline a set of recommendations, across policy and practice, in relation to promoting the adoption of shock-responsive social protection approaches to meet the needs of populations before, during and after disasters in the context of Nepal. It is envisaged that the proposed recommendations will foster debate and discussion amongst key decision makers and national stakeholders engaged in this topic, whilst also offering actionable steps towards the institutionalisation of efforts to ensure a social protection system that is both resilient to shocks and designed and delivered to be responsive to the needs of at-risk and disaster-affected populations.

## Target audience

The intended audience includes, but is not limited to, relevant Government of Nepal ministries and their decision-making officials, donors, (I)NGOs, UN Agencies, development actors, as well as local community and civil society groups active in the areas of social protection and disaster risk management policy and practice in Nepal.

## Defining the issue

Social protection is playing an ever more important role in Nepal in addressing both underlying vulnerabilities caused by chronic and seasonal poverty and exclusion, as well as gaining increasing attention and investment in its contribution to meet shock-related needs of households to both slow and rapid-onset disasters. This trend is only likely to continue with growing interest from stakeholders within Nepal highlighting the advantages and opportunities offered by a robust social protection system that is also flexible and responsive to shocks. At the same time, there continues to be an important adjustment in the strategic priorities of the international community to not only act in response to disasters, but to ensure that actions are taken in anticipation of predictable and forecasted shocks in order to mitigate, and where possible, protect populations from the impacts of disasters. The approach of forecast-based action (FbA) – utilising scientific forecasts alongside integrated risk monitoring systems



linked to flexible and defined financing to support pre-agreed early action plans – provides an opportunity to fundamentally change the way disaster risk management is implemented to support vulnerable populations. Indeed, a growing body of evidence indicates that moving from a sole focus on reactive strategies, to instead, proactive prevention and mitigation actions can save lives and livelihoods and reinforce the resilience of populations. Furthermore, linking FbA to social protection systems that are shock-responsive means making better use of existing financial infrastructure, coordination mechanisms and national information systems to flow emergency cash and in-kind assistance to populations in need at scale and in an efficient, cost-effective and timely manner. As part of the Forecast-based Action (FbA) and Shock Responsive Social Protection (SRSP) in Provinces Lumbini and Sudurpaschim Project, supported by DG-ECHO, the Nepal Red Cross Society, Danish Red Cross, The Red Cross Red Crescent Climate Centre and Handicap International Nepal have been working closely with government counterparts in Nepal to advance the application and integration of FbA and SRSP approaches. Applying key lessons learned throughout the project to date, as well as drawing on global best practice, the following sections outline a set of recommendations, that if adopted, would advance the FbA and SRSP agendas within Nepal, in support of those deemed most vulnerable, marginalised and excluded. The recommendations are ordered under three complimentary and interconnected sections:

- Policy, legal and regulatory frameworks
- Shock-responsive social protection financing
- Operational considerations – leveraging the SSA programme’s delivery chain to deliver cash assistance before, during and after shocks

# Policy and Practice Recommendations

## Policy, legal and regulatory frameworks

International good practice on the adoption and application of SRSP approaches by governments and other national stakeholders, consistently highlights the importance of an enabling environment, in terms of clearly defined national policy, legal and regulatory frameworks that explicitly and purposefully address the topic. Indeed, arguably, the institutionalisation of a SRSP system can only be achieved and sustained at-scale, with the backing of necessary legal, policy and financial provisions, that are in turn, fully endorsed by relevant government entities and national stakeholders. This section provides a set of recommendations focusing on promoting the institutionalisation of SRSP, as it relates to the policy, legal and regulatory environment in Nepal. Readers will note the emphasis placed on the need for policymakers to work across social protection and disaster risk management ministries and sectors, as well as the importance placed not only on federal level policy, but the coordinated and aligned development of complimentary programmatic guidelines appropriate for all three levels of government - federal, provincial and local.

### **Recommendation 1: Include dedicated shock-responsive social protection clauses within the Nepal Social Security Act, 2075 (2018)<sup>2</sup>**

- The Nepal Social Security Act, 2075 (2018), stands as the primary piece of legislation, which along with the Constitution of Nepal, details the protection of the right to social security, and the general means with which a person may be eligible and subsequently receive social security support. Recognising that the social protection system in Nepal, and the various information

management, communication, payment distribution and grievance processes and features of its programmes, offer a cost-effective, efficient and scalable means to reach a significant proportion of the population with emergency assistance, it is recommended that explicit language be included within the Act detailing:

- o The Government of Nepal's endorsement of, and commitment to, SRSP and its application in the context of Nepal
- o References to relevant revised and expanded guidelines and procedures (see below recommendations) detailing the standard operating procedures (SoPs) for the implementation of shock-responsive approaches through identified social protection programmes
- o Points of contact and working modalities across ministries to facilitate coordination and cooperation between the respective social protection and disaster risk management (DRM) functions and structures of local, provincial and federal authorities, including between relevant social protection and DRM civil servants and officials

<sup>2</sup> *Nepal Social Security Act, 2075 (2018)*, available at: <https://www.lawcommission.gov.np/en/wp-content/uploads/2019/07/The-Social-Security-Act-2075-2018.pdf>

<sup>3</sup> For the purposes of this document, the term 'delivery chain' refers to the various components that make up a social protection programme. For example, the key components of the SSA programme include the SSA's registration and renewal process, including the programme's social registry and the information management system used to store SSA recipients' data; the SSA distribution mechanism which consists of the recipient's SSA bank accounts; and the SSA grievance system, managed at the local level, that supports recipients to overcome problems, ask questions and provide feedback on the programme. Together, all of these elements are part of the SSA programme's delivery chain.

**Recommendation 2:  
Revise and expand the Social Security Allowance Distribution Procedure (2077) to include specific clauses outlining the means with which emergency cash assistance can be flowed through the SSA's delivery chain to at-risk and disaster-affected populations**

• The operational delivery of many social protection programmes is the responsibility of local government, and the procedures for their effective implementation are detailed in relevant procedures and guidelines. Examples include the Social Security Allowance (SSA) Distribution Procedure (2077), and Prime Minister Employment Program Regulation Guidelines (2075), amongst others. Recent indications at the time of writing are that the Government of Nepal is exploring the development of SRSP Guidelines, in collaboration with key partners. It is encouraging that the Government of Nepal is exploring the development of such guidelines. However, to ensure the necessary application and institutionalisation of shock-responsive approaches within existing lines of responsibility and accountability structures at the local, provincial and federal level, it is recommended that the Government of Nepal prioritise the revision and expansion of existing guidelines and procedures of relevant social protection programmes to include SRSP approaches. The creation of a dedicated SRSP Commission, or other such technical review body, responsible for revising programme procedures and guidelines could lead this process. One such social protection programme that has the potential to adopt shock-responsive approaches is the SSA

programme; additions to the Social Security Allowance Distribution Procedures could include:

- The inclusion of contingency plans and recommendations on the design and delivery of the programme and its features, to ensure the business continuity of the SSA in disaster situations
- The addition of standard operating procedures for the provision of emergency cash assistance to current SSA recipients (vertical expansion) before, during and after shocks, including defining governance, financial flows and programme delivery considerations
- The addition of standard operating procedures to leverage the SSA programme and its features to temporarily reach non-SSA recipients with emergency cash assistance (horizontal expansion) before, during and after shocks, including defining governance, financial flows and programme delivery considerations
- The inclusion of appropriate regulations to define, and where appropriate, facilitate the contributions of non-government entities, such as the Red Cross, (I)NGOs, UN agencies, development banks and civil society organisations to the delivery of SRSP actions (i.e., formalising permission for non-government actors to compliment local government efforts to provide cash 'top-ups' into the bank accounts of disaster-affected SSA recipients, for example, as the Red Cross did in their recent SRSP pilot, linked elsewhere in this document)



### **Recommendation 3:**

**Revise and expand the Prime Minister's Employment Program (PMEP) Regulation Guidelines (2075) to include 'crisis modifiers', allowing local government programme managers to rapidly repurpose labour, equipment and other resources to conduct emergency disaster risk reduction and disaster response activities**

- There are a small, but growing, number of practical examples of local authorities temporarily mobilising available labour, equipment, machinery and resources from local irrigation, agriculture and employment projects, in order to conduct emergency preparedness, mitigation and prevention activities. Example activities include conducting emergency river defence and embankment repairs, clearing drains, placing sandbags, early harvesting, supporting the evacuation of people, livestock and produce, amongst others. These activities have the potential to save many lives and livelihoods when implemented systematically and at scale, especially when combined with scientific forecasts and objective triggers to mobilise action in the days leading up to a forecasted disaster. It is recommended that the Government of Nepal introduce standard operating procedures within the implementation guidelines of relevant social protection programmes that are focused on cash for work and other employment schemes, as well as local agricultural and food development projects, so that local authorities can temporarily mobilise these programmes for emergency activities before a disaster arrives. This could include:
  - o Introduction of clauses within the Prime Minister's Employment Program (PMEP) Regulation Guidelines (2075) permitting local coordinators, in collaboration with government officials, to temporarily mobilise the Program's available labour, equipment and machinery to support emergency disaster risk reduction and early action activities

- o Introduction of clauses within other relevant guidelines of local irrigation schemes, agriculture, community building and reconstruction projects to allow the temporarily mobilisation of the projects' resources to support emergency disaster risk reduction and early action activities
- o Finally, ensuring that the relevant clauses outlined above endorse the use of relevant scientific forecast models (on rainfall and river depth, for example) and triggers that local coordinators and officials can use to mobilise their programmes to implement emergency early actions to protect the lives and livelihoods of at-risk local communities

### **Recommendation 4:**

**Include a 'commitment to cash' within the Government of Nepal's Cash Guidelines**

- The global evidence base for the effectiveness and efficiency of cash assistance to meet the needs of vulnerable and affected populations is clear and growing. Furthermore, an increasing body of evidence is pointing towards the benefits of cash assistance to local economies, allowing for the speedy recovery of markets and local businesses. Historically, cash has been used as a means of emergency assistance in Nepal, with notable positive examples including large-scale cash transfers delivered by the Government of Nepal and UNICEF following the 2015 earthquake as well as more recent examples such as the Nepal Red Cross Society piloting cash assistance delivered through the SSA programme's delivery chain to support flood affected SSA recipients in coordination with local authorities. Nepal, with its growing portfolio of social protection programmes and investment in financial services across the country, has an important opportunity to apply global best practice and lead the way in prioritising cash assistance connected to social protection, as a key means to meet the needs of its population in emergency situations.

Indeed, it is recommended that the Government of Nepal and partners endorse a 'commitment to

<sup>4</sup>Oxford Policy Management (2017), *Evaluation of the Nepal Emergency Cash Transfer Programme through Social Assistance*, available here.

<sup>5</sup>Alongside complimentary in-kind assistance as appropriate



cash', so as to benefit from the many advantages associated with cash assistance such as improved (cost) effectiveness, security, transparency, timeliness, accuracy, efficiency and impact in meeting the needs and preferences of populations. Noting the Government of Nepal's efforts to develop Cash Guidelines, which at the time of writing are under development, it is recommended that the following points are adopted within the guidelines, concerning linkages between cash and social protection. Readers are also encouraged to consult the following link, detailing the Red Cross' proposed edits on a recent English-language draft Municipality Cash Assistance (Operation) Act, shared by MoFAGA in late 2021:

**Recommendation 5:  
Systematically include shock-responsive social protection approaches into Local Disaster and Climate Resilience plans (LDCRP)**

- The purpose of developing a LDCRP is to integrate and mainstream climate change adaptation and disaster risk reduction into local authority plans, with the intention to ensure

coordinated and aligned approaches that combine objectives to build resilience, and ensure local government are responsive and inclusive in their programming to address the impacts of climate change, disasters and other shocks. Indeed, there is growing evidence that social protection can complement disaster response, climate adaptation and mitigation measures through addressing climate vulnerability and risk. It is therefore recommended, to ensure coherence and scale in the adoption of SRSP approaches across the country by local authorities, that the Government of Nepal encourages and advocates for the inclusion of SRSP within LDCRPs, as a key means to contribute to disaster risk reduction and climate change adaptation at the local level. LDCRPs may also be used to reinforce the desired consistent and universal application of relevant SRSP-related guidelines and SoPs by municipality social protection and DRM officials responsible for the planning and delivery of complimentary resilience building, climate adaptation and DRM activities at the local level, thereby promoting best practice by local actors across Nepal.

## Shock-responsive social protection financing

The effective implementation of SRSP approaches within Nepal will require appropriate and sufficient levels of financing, with clearly defined SoPs at all three levels of government to facilitate the flow of disaster response and contingency money to relevant authorities responsible for SRSP and DRM. This section summarises key recommendations regarding defining funding sources that may be used for SRSP, as well as promoting the inclusion of SoPs regarding financial flows into relevant social protection and DRM guidelines and regulations.

**Recommendation 6:  
Endorse and provide appropriate guidance for all levels of government on the use of relevant local, provincial and federal disaster response and contingency funds to implement shock-responsive social protection before, during and after disasters**

- Currently, there are numerous disaster-related funds across all three levels of government in Nepal, including but limited to: NDRRMA managed Disaster Management Fund; Prime Minister's Disaster Relief Fund (PMDRF); MoHA managed Central Disaster Management Fund; various provincial funds with varying names such as Province DM Fund, Chief Minister DM Fund, Pradesh (Province) DM Fund; 77 District

<sup>6</sup>*Social protection and climate change: scaling up ambition (2021), Social Protection Approaches to COVID-19: Expert Advice, available here.*

Disaster Management Funds; and 753 municipality local Disaster Response Funds . It will be crucial that relevant SoPs for the mobilisation of local disaster response and contingency money include permission for cash assistance and its delivery to people in need through SRSP approaches. Furthermore, of particular importance will be the pre-identification of disaster and contingency money at the provincial and federal level, that may be called upon by local authorities to fill resource and financing gaps in the case of medium- and large-scale disasters, where local disaster response funding and capacity is insufficient. As such, it is recommended that the Government of Nepal ensure the following:

- o Local Disaster Response Fund SoPs include dedicated provisions permitting the mobilisation of the fund by municipality authorities to provide cash assistance through leveraging the delivery chain of relevant social protection programmes, where possible and appropriate
- o Relevant provincial and federal disaster and contingency fund SoPs include provisions for the mobilisation and flow of financial resources down to local authorities to enable the delivery of the aforementioned assistance, in situations where local need outweighs the assessed capacity and available financial resources of local government's Local Disaster Response Funds

**Recommendation 7:  
Define and ensure the complimentary role of international disaster financing instruments, such as the Red Cross' DREF and UN's CERF, to support shock-responsive social protection actions is understood by all actors**

- International disaster financing instruments, such as the Red Cross' DREF and UN's CERF provide important contributions in times of emergencies. The availability of these funds allows for the quick response of their relevant agencies in support of government efforts to provide assistance to affected populations following small-, medium- and large-scale disasters. Furthermore, both the DREF and CERF also include delivery models allowing for the flow of financial resources linked to scientific forecasts predicting the likelihood of certain disasters or extreme weather events, with assistance expected to arrive

before the anticipated shock is due to arrive.

It is crucial that the complimentary role of these instruments is defined and mobilised as appropriate in emergency situations. Therefore, it is recommended that the Government of Nepal and relevant gatekeepers of these instruments define appropriate guidance for the complimentary mobilisation of these international disaster financing instruments, with a focus on facilitating the delivery of SRSP and cash interventions more broadly. The inclusion of these instruments by name within relevant government guidelines and referral to their complimentary role within subsequent SoPs, will ensure that they can better compliment government efforts to provide sufficient, adequate and appropriate assistance that reaches 'last-mile' communities.

**Recommendation 8:  
Explore how to link the mobilisation of disaster response fund financial flows with relevant weather and climate forecasts and complimentary local anticipatory action plans, to define when, where and how shock-responsive social protection cash assistance can be delivered to at-risk populations in anticipation of a shock**

- The Government of Nepal have committed on the international stage to expanding the use of anticipatory action approaches, including the application of scientific forecasts and linking financing to agreed early action triggers. In this regard, Nepal is one of the growing number of countries adopting anticipatory action as an integral element of national disaster risk management strategies. In order to turn commitments into action, it is recommended that the Government of Nepal concretely define, in the form of relevant SoPs, how disaster response funding and their financial flows may be mobilised to provide anticipatory actions. Further to the recommendations provided above, it is also proposed that these efforts should be done in conjunction with the promotion and prioritisation of the use of cash assistance, delivered through leveraging social protection programmes, where possible and appropriate.

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<sup>7</sup>Risk-informed Early Action Partnership, Country Case Study Nepal, available at this link.

## Operational considerations – leveraging the SSA programme’s delivery chain to deliver cash assistance before, during and after shocks

The following section offers a number of recommendations focusing on operational considerations that the Red Cross has identified, in relation to applying SRSP approaches to the SSA programme before, during and after a disaster. The Government of Nepal may wish to consider the proposals that follow as recommendations focusing on the design and delivery of the programme. Indeed, they are offered as concrete actions that could be adopted in order to scale the lessons learned from the Red Cross’ pilot in which emergency cash assistance was delivered to SSA recipients, through leveraging the delivery chain of the SSA programme, in collaboration with local authorities.

### **Recommendation 9:** Ensure consistency in the delivery timing of SSA payments to recipients across all local authorities

- Joint monitoring and analysis activities of the Red Cross with municipality officials since early 2021 have highlighted significant variation in the delivery dates of allowance payments into the bank accounts of SSA recipients. These variations pose challenges to recipients with regards to their ability to plan their household spending, and notable delays in the delivery of the allowance over the course of the first year of the COVID-19 pandemic, have undoubtedly resulted in negative coping strategies, such as taking on debt and selling productive assets. It is therefore recommended that the Government of Nepal reinforce efforts to ensure consistency in the delivery of the SSA payments, recognising the importance of the allowance in building the resilience of recipients and providing much needed income for poor individuals. Furthermore, it is crucial that the standards and SoPs put in place to ensure the consistent delivery of allowance payments, as well as the functioning of the other elements of the SSA delivery chain such as renewal, registration and grievance services, also remain functional during emergency situations. Ensuring consistency as well

as business continuity of the SSA during disasters are complimentary objectives and they must be pursued in conjunction by the Government of Nepal to ensure recipients receive their allowance throughout the year, and also when they may need it most – during emergency situations.



### **Recommendation 10:** Ensure targeting and SSA registry data is shared between local authority officials responsible for social protection and disaster risk management, and utilised for early action and disaster response planning

- A key challenge faced by actors in Nepal when responding to disasters is identifying who is affected and where they are located. Similarly, understanding who is particularly exposed to the risks of certain shocks is also a significant challenge when developing anticipatory action plans. The availability of accurate and up-to-date data is often crucial to limit exclusion and inclusion errors when planning and implementing emergency assistance.

In this regard, it is notable that the Government of Nepal, with support from partners, is investing in the development of the country’s national ID information management system, including the SSA programme registry. The data contained within the SSA registry includes information on the programme’s recipients, which in turn, provides insights for local authorities on the various demographic groups that receive the SSA in their local area. For example, data on the number of people living with disabilities, children under five, endangered ethnic groups, older citizens and single, divorced and widowed

women are available within the SSA registry and accessible to all social protection focal points and their IMS officers in every municipality across Nepal. Arguably, if this data were consistently and systematically shared between social protection and local authority DRM functions, actors would be better able to organise and implement pre-disaster planning and emergency response activities. It is therefore recommended that the Government of Nepal take steps to ensure the systematic sharing of this information between SSA and DRM focal points at the local level, and that this information is used by all relevant stakeholders to better plan for disasters and subsequent early action and response activities.

Furthermore, taking this recommendation one step further, complementary data from household risk and vulnerability assessments, conducted across disaster-prone wards and municipalities - perhaps in partnership with humanitarian actors like the Red Cross and others - could also be used to understand which households are at risk of certain hazards and whether they can be reached with cash assistance through the SSA programme in emergency situations. Overlaying household risk and vulnerability information with SSA registry data would provide local authorities and other stakeholders with an understanding of which households could receive emergency cash assistance through their SSA bank accounts during emergency situations (i.e., vertical expansion 'cash top-ups'), and conversely, which households are not SSA recipients and therefore will need to be reached through alternative payment mechanisms. For example, readers are encouraged to imagine a situation where C and D category people with disabilities that are living within a particularly flood-prone ward are added to the SSA registry in order to be pre-identified and pre-registered with a bank account. These individuals would not receive the regular SSA allowance; their data would simply be stored by local authorities and a bank account created in their name, so that they may receive assistance in emergency situations. During the monsoon, when the flood arrives, local government would then be able to provide emergency cash assistance to both A and B category people with disabilities directly into their SSA bank account (i.e., vertical expansion 'cash top-ups'), as well as pre-registered C and D category individuals (i.e., horizontal expansion). Leveraging the information and payment mechanisms of the SSA programme in this way could support local authorities in their efforts to provide assistance in

a (cost) effective, efficient and timely manner. It is therefore recommended that the Government of Nepal encourages and facilitates the systematic sharing and utilisation of data contained within relevant social protection programme registries, like the SSA database, across local government functions in order to better plan and implement local authority-led DRM assistance to the local population. Furthermore, it is recommended that local authorities and other stakeholders utilise risk and vulnerability data to find solutions to provide emergency cash assistance in a timely and efficient manner to the remaining population that are non-SSA recipients (i.e., horizontal expansion, or at the very least making use of certain features of systems and/or aligning cash to relevant systems).

**Recommendation 11:  
Make use of the contact data (SMS numbers) of SSA recipients stored within the programme's registry to provide mass early warning messages and/or targeted information to certain individuals**

- Early warning messages are a crucial component of Nepal's localised DRM approach, ensuring that households are informed of imminent disasters and provided with crucial information that facilitate actions to save lives and livelihoods. Whilst there has been significant investment in the development of early warning systems in Nepal, and much care taken to ensure the development of trusted and local communication channels to share information, there is still noted challenges with regards to disseminating messages at scale and in a timely manner that reach everyone and are acted upon.

One solution could be making use of the SMS contact details provided by a significant proportion of those included with the SSA registry. For example, local authority SMS communication systems could be mobilised in emergency situations to deliver early warning messages and/or information regarding assistance. Similarly, further catered messages could be sent to especially vulnerable demographics, such as people with disabilities, for example, to provide specific information on the process for their evacuation or where they can request dedicated help from local authorities or humanitarian actors.

It is therefore recommended that the Government of Nepal encourages and facilitates the use of the available SMS contact details, contained within relevant social protection programme registries, in order to deliver early warning messages and information on emergency assistance to relevant households. Readers are encouraged to consult the Red Cross pilot case study linked earlier in this document to see how this was done in practice, in collaboration with local authorities in Kailali district.

### **Recommendation 12:**

**Explore the introduction of other cash payment mechanisms – such as ATM cards and mobile phone payment solutions – to provide SSA recipients with a range of flexible and accessible options to receive and spend their allowance and emergency cash ‘top-ups’**

- Significant progress has been made with regards to the Government of Nepal’s commitment to a fully digitised cash payment mechanism for social protection programmes such as the SSA. It can be assumed that the requirements that all payments must be paid to an individual’s bank account will have resulted in significantly improved security, transparency and efficiency gains, as well as notable positive externalities concerning facilitating improvements in financial literacy and access to financial services for the programme’s recipients. It is recommended that further advantages could be gained, in terms of improving the shock-responsiveness of the SSA, through the following additions to the programme’s payment mechanism design and delivery:

- o The introduction of ATM cards and mobile banking solutions for all SSA recipients, would reduce costs associated with recipients needing to travel to collect their allowance, as well as reducing the burden on specific bank branches that must distribute the allowances to all SSA recipients in-person. Similarly, providing flexibility on when and where individuals can withdraw their money would be especially useful for those with mobility or access limitations. The use of ATM cards especially would be expected to be particularly useful in emergency situations, where individuals could immediately collect their money from a

locally available ATM, instead of needing to go in-person to a defined bank branch. As noted during the COVID-19 pandemic where bank branches were shut, but ATM machines continued to function, providing ATM cards could ensure continued access to allowances, as well as emergency ‘cash top-ups’, especially in situations where a disaster forces recipients to evacuate to another location, for example. Readers will note that the inclusion of ATM cards and mobile phone banking solutions are listed as services provided for SSA account holders, but which do not however seem to be delivered in practice. It is recommended that the Government of Nepal move to ensure that these services are provided to all SSA recipient as standard.

- o The planning and delivery of SSA distribution ‘cash camps’, both in emergency and non-emergency situations, could also improve the shock-responsive of the SSA programme. For example, ensuring a minimum capacity of available SSA cash camps in a given area, as assured through the formal SSA service contract between local government authorities and relevant financial service providers, would allow for the efficient, accessible and safe distribution of allowances to remote communities and/or certain individuals with mobility and access challenges that are unable to easily get to bank branches. Similarly, during emergency situations, available SSA cash camp capacity could also be called upon to provide financial services in emergency situations, and indeed, may be especially useful if mobilised to support emergency cash assistance initiatives of local authorities and other stakeholders to remote communities, or at dedicated evacuation sites, for example.

**Recommendation 13:**  
**Ensure the local SSA grievance system is appropriately staffed and accessible to recipients, and also able to mobilise in support of initiatives to provide emergency cash assistance through the SSA delivery chain by local authorities and their partners**

- The grievance and feedback system is an important element of the SSA programme, as it ensures that individuals are able to ask questions, provide feedback and seek clarification on their application and the process for receiving their allowance. An effective grievance and feedback process should include multiple channels which are accessible, trusted, transparent and reliable in both emergency and non-emergency situations. Examples of communication channels could include a combination of feedback and comment boxes at accessible locations within the community, at local government premises as well as at bank branches; the creation and management of toll-free SSA helpline numbers; the maintenance of ward level SSA helpdesks; and the creation of formal communication channels facilitating feedback from the members of relevant

community groups such as Disability Coordination Committees, Older Citizen Networks and local women and child groups. In order to provide these services, it is important that local SSA grievance systems are appropriately staffed and resourced to offer a minimum selection of accessible options to the local population, including ensuring the availability of dedicated staff able to support emergency assistance efforts such as vertical and horizontal expansions of the SSA programme.

As such, it is recommended that the Government of Nepal ensures that the SSA grievance system is fit-for-purpose, offering a standardised selection of accessible communication channels at all local levels, and that the Social Security Allowance Distribution Procedure (2077) includes recommended minimum standards for the delivery of grievance and feedback services in emergency and non-emergency situations respectively. This should include guidance to local authorities on ensuring business continuity of the system during disasters, as well as appropriate procedures to provide grievance and feedback services that are aligned and can be mobilised to support initiatives to provide emergency cash assistance, delivered through leveraging the SSA delivery chain as appropriate by local authorities and relevant partners.

## Summary - moving from commitments to action

The policy and practice recommendations presented within this document offer practical proposals to add to the current debate and discourse within Nepal on the topic of advancing the agenda of shock-responsive social protection, including its linkages with anticipatory action. The recommendations are grounded in the operational experience of the Red Cross and its partners, and aim to capitalise on the opportunities afforded to decision makers with regards to: the continued decentralisation of government systems in Nepal; the significant investment in both the strengthening and expansion of government social protection programmes and their delivery chains; as well as the strategic shift in the disaster risk management landscape within Nepal and globally, emphasising the complimentary and compounding

positive impact on the resilience of disaster-affected populations when governments and partners invest in the implementation of shock-responsive social protection systems, linked with anticipatory action approaches. Put simply, through the adoption of clearly defined steps to ensure shock-responsive social protection and anticipatory action approaches are included in necessary policy, legal and regulatory frameworks, followed by the delineation of disaster and contingency fund financial flows linked to fit-for-purpose social protection programmes that can be leveraged to deliver cash and in-kind assistance, Nepal will have available an increasingly reliable, cost-effective, efficient, secure, transparent and timely means to assist the population at-scale before, during and after shocks.





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# SHOCK-RESPONSIVE SOCIAL PROTECTION IN NEPAL: POLICY AND PRACTICE RECOMMENDATIONS

LESSONS FROM THE RED CROSS' FORECAST-BASED ACTION (FBA) AND SHOCK-RESPONSIVE SOCIAL PROTECTION (SRSP) PROJECT IN LUMBINI AND SUDURPASHIM PROVINCES, NEPAL

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