



REPORT

SHOCK RESPONSIVE SOCIAL PROTECTION IN NEPAL

An assessment of entry points and actions to
plan a pilot flood response in the Child
Sensitive Social Protection project zone

January 2023



Save the Children

Author

Gabrielle Smith

Cover picture

Rescue in the Karnali river basin, west Nepal, during the 2021 October flood.
Photo: Alina Karki, Danish Red Cross

Published by

Save the Children Finland
info@avethechildren.fi
www.savethechildren.fi

© Save the Children Finland, January 2023

You may copy, distribute, display, download and otherwise freely deal with this work for any purpose, provided that Save the Children Finland is attributed as the owner.

This publication does not necessarily reflect the policy position of Save the Children Finland or any Save the Children Member organization. The information in this publication was based on available information at the time of preparation. Save the Children Finland or any Save the Children Member organization accepts no responsibility for any errors or omissions contained within this publication. The contents of this publication can also in no way be taken to reflect the views of the Ministry for Foreign Affairs of Finland.

CONTENTS

Contents	3
Acronyms	4
Glossary	5
1 Introduction	6
1.1 The role of social protection in responding to shocks	6
1.2 Rationale and objectives for the assignment	7
1.3 Methodological approach	8
1.3.1 Steps in the process	8
1.3.2 Analytical approach to readiness assessment	9
1.3.3 Analytical approach to options analysis	11
2 Summary of assessment findings	13
Module 1: Stakeholders and Institutions	13
Module 2: Readiness of programme design	16
Module 4: Readiness of Data and Information Systems	19
Module 5: Finance	21
3 SRSP Options Analysis	23
3.1 Lens for the analysis	23
3.2 Analysis of options for SRSP in Save the Children's CSSP zone	23
4 Considerations for Save the Children	28

ACRONYMS

COVID-19	Corona Virus disease 2019
CCG	Cash Coordination Group
CSSP	Child Sensitive Social Protection
CVA	Cash and Voucher Assistance
DNICR	Department of National ID and Civil Registration
DRM	Disaster Risk Management
ECHO	European Commission Humanitarian Aid & Civil Protection
EWS	Early Warning System
FCDO	Foreign, Commonwealth & Development Office
FSP	Financial Service Provider
ILO	International Labour Organisation
MEB	Minimum Expenditure Basket
MIS	Management Information System
MoF	Ministry of Finance
MoH	Ministry of Health
MoHA	Ministry of Home Affairs
MoL	Ministry of Labour
MPC	Multi-Purpose Cash
NDRRMA	National Disaster Risk Reduction and Management Agency
NRCS	Nepalese Red Cross Society
NRP	Nepalese Rupees
PMEP	Prime Minister's Employment Programme
PMT	Proxy Means Test Formula
SRSP	Shock Responsive Social Protection
SSA	Social Security Allowances
UNICEF	United Nations Children's Fund
USD	United States Dollars
WFP	World Food Programme

GLOSSARY

Cash Plus: Complementary programming where cash transfer programmes are combined with other modalities (such as service delivery) or activities.

Design Tweaks: A programmatic option for shock responsive social protection - adjusting the design of routine social protection programmes to take into consideration the crises a country typically faces, to ensure they are better able to maintain regular service in a shock and can best meet needs of those affected by shocks.

Horizontal Expansion: A programmatic option for shock responsive social protection - temporarily increasing the number of beneficiaries on a social protection programme.

Cash and Voucher Assistance (CVA): The provision of assistance in the form of money (either physical currency/cash or e-cash) to beneficiaries (individuals, households or communities) as part of a humanitarian response.

Management Information System (MIS): Systems (or software applications) that manage information for the functioning of registration and eligibility systems, or the operation of specific programmes to deliver benefits and services (e.g., payments transactions, conditionality monitoring, etc).

Multi-Purpose Cash: A regular or one-off cash transfer corresponding to the amount of money a household needs to cover, fully or partially, a set of basic and/or recovery needs.

Piggy-backing: A programmatic option for shock responsive social protection - making use of elements of the national social protection system to implement new assistance programmes in response to a shock.

Shock Responsive Social Protection: The use of social protection systems to mitigate the impact of large-scale shocks (those affecting whole communities, regions or even with national reach) and support households affected by such shocks.

Social protection programme: Programmes that form a part of the national social protection system and are designed to address poverty and vulnerability e.g., child benefit/grants, social transfers, public work programmes, social insurance etc. These can be contributory or non-contributory.

Social protection: The set of public and private policies and programmes aimed at preventing, reducing and eliminating economic and social vulnerabilities to poverty and deprivation.

Social Registry: Information systems that support outreach, intake, registration, and determination of potential eligibility for one or more social programmes.

Social transfers: Predictable direct transfers to individuals or households to protect them from the impacts of shocks and support the accumulation of human, productive and financial assets.

Vertical expansion: A programmatic option for shock responsive social protection - temporarily increasing the value or duration of benefit for existing social protection beneficiaries.

1 Introduction

1.1 The role of social protection in responding to shocks

There is growing recognition of the importance of strengthening social protection across the humanitarian-development nexus. Globally, shocks and disasters are becoming more frequent and severe, driven by factors including environmental degradation and climate change, and humanitarian crises are becoming more protracted. There is a need to change the 'business as usual' approach to conceiving and delivering emergency assistance (as short-term, siloed, standalone responses, through parallel systems), and to build links between humanitarian and development programming to more effectively address the drivers of crises, build resilience and respond to the needs of populations in crisis prone areas¹.

A core function of national social protection systems is to support people to manage risks and vulnerabilities, including the range of *idiosyncratic* (i.e., 'household level') shocks that typically occur through the lifecycle. Shock responsive social protection (SRSP), meanwhile, refers to *the use of social protection systems to mitigate the impact of large-scale or covariate shocks* (those affecting whole communities, regions or even with national reach) *and support households affected by such shocks*².

When social protection systems continue to function and provide routine assistance in the face of shocks, they provide important and predictable support to households affected by the shock. Social protection systems can also be used in various ways to scale up and meet new, additional needs at times of shock. This includes providing additional assistance to existing beneficiaries, adding new beneficiaries to existing programmes and the introduction of new programmes. It is also possible for humanitarian actors to make use of parts of the underlying social protection system (data systems, delivery systems or institutions) when providing their humanitarian assistance. Furthermore, where social protection is still developing, assistance provided by humanitarian actors through parallel systems can be designed in ways that align with and contribute to strengthening of these national systems.

While evidence is still emerging, globally experiences are highlighting the potential benefits of SRSP. In the right context, such approaches have potential to enhance household's resilience to shocks, improve response times, and reduce costs of delivering emergency assistance compared to responding through parallel systems. It can also help to reduce fragmentation and improve coordination of emergency assistance to households, for a more effective and inclusive response that reduces duplications and gaps³.

¹ For example - Grand Bargain commitments 2016, the New York Declaration on Refugees and Migrants 2016.

² OPM (2018) Shock Responsive Social Protection Synthesis Report. These 'covariate' shocks can include, for example, weather related and climatic shocks, geophysical shocks such as earthquakes, macroeconomic shocks, conflict and forced displacement, and epidemics.

³ Studies firmly demonstrate that early response is far more cost effective than late emergency response. A recent study found that a package of early humanitarian response and social transfers is about 30% more efficient than typical humanitarian aid (Potter et al. (2017) Efficiency and Inefficiency in Humanitarian Financing, USAID). A 2016 economic analysis estimated that the annual savings that would accrue to the Philippines as a result of introducing SRSP instruments compared to traditional disaster response would be US\$6.6 billion (Hallegatte et al. (2016) Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters, Climate Change and Development series, World Bank). Economic analysis found that, relative to typical humanitarian assistance, an early humanitarian response in east Africa would save an estimated US\$2.5 billion in humanitarian aid costs over a 15-year period. Social assistance programmes would save US\$3.5 billion per

These approaches have particular resonance with actors seeking to increase the scale, volume and quality of humanitarian cash and voucher assistance (CVA), given the commonalities in features of programme design and delivery⁴. Within this context there is growing interest among governments and partners including Save the Children, to explore ways for leveraging national social protection programmes and their underlying systems to provide support in emergencies and identifying ways to support these social protection systems to become more 'shock responsive'. This was highlighted in the global response to the COVID-19 pandemic, where 215 countries/territories planned or introduced social protection measures⁵. Developing SRSP and building links between humanitarian CVA and social protection systems is now a global policy priority⁶.

At the same time, as with any programme approach, there will be factors that can constrain the ability of the social protection system to respond to shocks. For example, social transfer programmes may not effectively include those most vulnerable to disasters. Where national systems are inflexible, processes bureaucratic and systems and institutions lacking in capacity, or where there is a lack of political willingness, this can also create barriers to effective programming. The enabling factors and potential barriers in national social protection programmes and the underlying social protection system architecture must be well understood, to inform the feasibility of using these at times of shock and to effectively prepare systems.

1.2 Rationale and objectives for the assignment

The need to focus on SRSP has become increasingly realised in Nepal, where natural hazards are becoming more frequent, widespread and damaging⁷. Monsoon rains triggered flooding and landslides in many parts of the country including in Save the Children's project zone in 2021, and again in 2022. Landslides, sedimentation, bank cutting, channel shifting, flash floods and inundation of agriculture land are consequences resulting from annual flooding.

First coming to prominence in 2015 after the earthquake, interest in SRSP to meet needs of people affected by shocks again caught momentum as a result of COVID-19. The government has committed to implement

episode over the cost of a late response, or an average of US\$231 million per year. A combined, resilience-building scenario (early humanitarian response + safety nets) could save US\$4.3 billion, or an average of US\$287 million per year. In other words, every US\$1 spent on safety nets or resilience programming results in net benefits (savings) of between US\$2.3 and US\$3.3, respectively (Cabot-Venton (2018) Economics of Resilience to Drought – Kenya Analysis, USAID; Cabot-Venton et al. (2012) The Economics of Early Response and Disaster Resilience: Lessons from Kenya and Ethiopia, DFID). A range of benefits have been highlighted in evaluations of well designed SRSP programmes for example in Nepal, Turkey, Ethiopia, Kenya, the Dominican Republic and the Philippines.

⁴ In 2016 in the Grand Bargain, humanitarian actors agreed major collective commitments to increasing the scale, volume and quality of humanitarian cash transfers, recognising that cash generally presents the most efficient and effective modality for providing material assistance while contributing to empowering affected populations.

⁵ Gentilini et al. (2020) Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures "Living paper". Over 50% of these measures are in the form of cash transfers.

⁶ For example, the [joint statement](#) provided by SPIAC-B members to the World Humanitarian Summit (WHS) in 2016 on linking social protection and humanitarian action; recommendations from the Grand Bargain for the humanitarian system to consciously align with, build on, complement, and fill gaps in national social protection programmes and systems, and the statements promoting SRSP and linking with social protection systems to respond to COVID-19 that have been endorsed by [SPIAC-B](#) the [Grand Bargain cash workstream](#) and the [Donor Cash Forum](#).

⁷ <http://drrportal.gov.np/risk-profile-of-nepal>

SRSP in its 15th national plan and it is highlighted in the draft National Integrated Social Protection Framework of the National Planning Commission. Within this context there is increasing interest among partners to strengthen social protection approaches to better meet needs during disasters.

Save the Children Nepal (SC Nepal) has been implementing its Child Sensitive Social Protection (CSSP) project since 2011 with a focus on supporting the Nepal government to increase social protection coverage, transparency and accountability combined with 'cash plus' interventions to enhance outcomes for children. Through this project and its relationships with social protection and DRM stakeholders in and outside government at Federal and Local levels, SC Nepal is well placed to support the advancement of SRSP. Save the Children has some experience of SRSP and the organisation wishes to add to this experience and initiate a small-scale SRSP pilot intervention in the CSSP project area (under discussion are Bhangaha Municipality in Mahottari district and Ishworpur Municipality of Sarlahi District, plus Narayan Municipality in Dailekh District). To support this ambition, SC Finland commissioned this study.

Study objective: to assist SC Nepal to understand entry points for SRSP for a type of climatic shock (specifically flood) in Nepal, how Save the Children can add value, and guide thinking on next steps for moving forward with a SRSP pilot in CSSP municipalities. Key activities to be undertaken included:

- i. Lead a SRSP readiness assessment that assesses the strengths and weaknesses of the system building blocks (high level system architecture, the programme environment and the underlying administrative and data systems), to support responses to flooding in the CSSP project area.
- ii. Provide conclusions on the readiness of the social protection system to support SRSP and any key barriers to address.
- iii. Lead Save the Children CO through an options analysis to examine the feasibility of, and the respective pros and cons, of different SRSP approaches. Including consideration of how best to complement/not duplicate SRSP approaches by others and where Save the Children can add value.
- iv. For the selected option(s), considering the specific vulnerabilities of children and women, provide guidance on ways to ensure child-sensitivity and gender-responsiveness in the design.
- v. Set out the next steps for Save the Children for progressing with the SRSP option(s) selected – considerations or actions needed at the institutional, programme and administrative levels and any guidance on key design elements, to the extent feasible.

1.3 Methodological approach

1.3.1 Steps in the process

The assessment was led by an international consultant, working in close partnership with SC Nepal. Data collection took place in Oct-Nov 2022 with analysis and reporting in Nov-Dec 2022. The methodology comprised:

- Consultations with SC Nepal's CSSP team and humanitarian and resilience focal points, to understand the social protection and DRM context in Nepal and contextualise the data collection and analysis. This oriented the assessment to focus on the Social Security Allowances (SSA) and to the extent possible to consider also the Prime Minister's Employment Programme (PMEP).
- Desk review of available published and grey literature on social protection, SRSP, humanitarian CVA and anticipatory action in Nepal.

- Remote consultations with 21 key informants in a range of government and non-governmental organisations working on social protection, DRM and anticipatory action in Nepal - both at Federal and Municipal levels.
- Synthesis of all data collected to complete the Assessment Tool template in Excel (see 1.3.2).
- Analysis of the data presented in the Assessment Tool to synthesise key findings and conclusions on the readiness of the social protection system to support SRSP and where SC Nepal could add value. **Section 2 of this report provides the key findings of the assessment.**
- Analysis of a range of possible options for working through the national social protection system (see 1.3.3), and remote briefing session with SC colleagues to discuss and seek consensus on which to pursue. **Section 3 of this report provides the options analysis.**
- Based on the options selected, identification of key actions and considerations for SC Nepal to move forward with designing a pilot. **This is set out in Section 4 of this report.**

1.3.2 Analytical approach to readiness assessment

The consultant followed global best practice processes to carry out the readiness assessment, making use of globally available guidance and tools⁸. The assessment examined the strengths and constraints of each of the 'building blocks' that make up a social protection system within the high-level social protection system architecture, social protection programme design and administrative systems (see Figure 1.1).

The data from desk review and consultations is collated into an Assessment Tool. This is in an Excel format and is arranged in separate Modules, corresponding to the abovementioned building blocks (Box 1.1). Each Module is structured to collate the information required to assess the entry points and barriers for SRSP.

For many of the questions in the Assessment Tool, a 'readiness score' is assigned based on evidence collated. These are assigned a relevant colour (red = 1 'not ready'; amber = 2 'partially ready'; green = 3 'ready'), to create visual 'typologies' of readiness on a 'traffic light' readiness scale, facilitating a rapid understanding of the situation and highlighting key barriers (i.e., red flag areas) to address.

⁸ Those published by SPACE, for example, as well as guidance and tools developed by the World Bank, EU SPAN, WFP and SPIAC-B.

Figure 1.1 Building blocks of an effective SRSP system⁹



⁹ SPACE infographic

Box 1.1 *Assessment Tool modules corresponding to the typical building blocks of a shock responsive social protection system*

Module 1: Stakeholders and institutions – assessment of critical elements in the high-level social protection system architecture that could influence the ability of social protection programmes, delivery systems, data or institutions to support shock response (regulatory and policy frameworks for social protection and disaster management; institutional coordination of social protection and disaster management; institutional capacities).

Module 2: Programme design - detailed assessment of the design features of the social protection programmes of interest (targeting criteria, coverage, modality, transfer value, frequency and duration, use of conditions, links to ‘cash plus’) and potential of this to support shock response.

Module 3: Delivery systems – for the programmes of interest, detailed assessment of the administrative processes in the delivery chain (registration, enrolment, cash delivery, communication and feedback, monitoring).

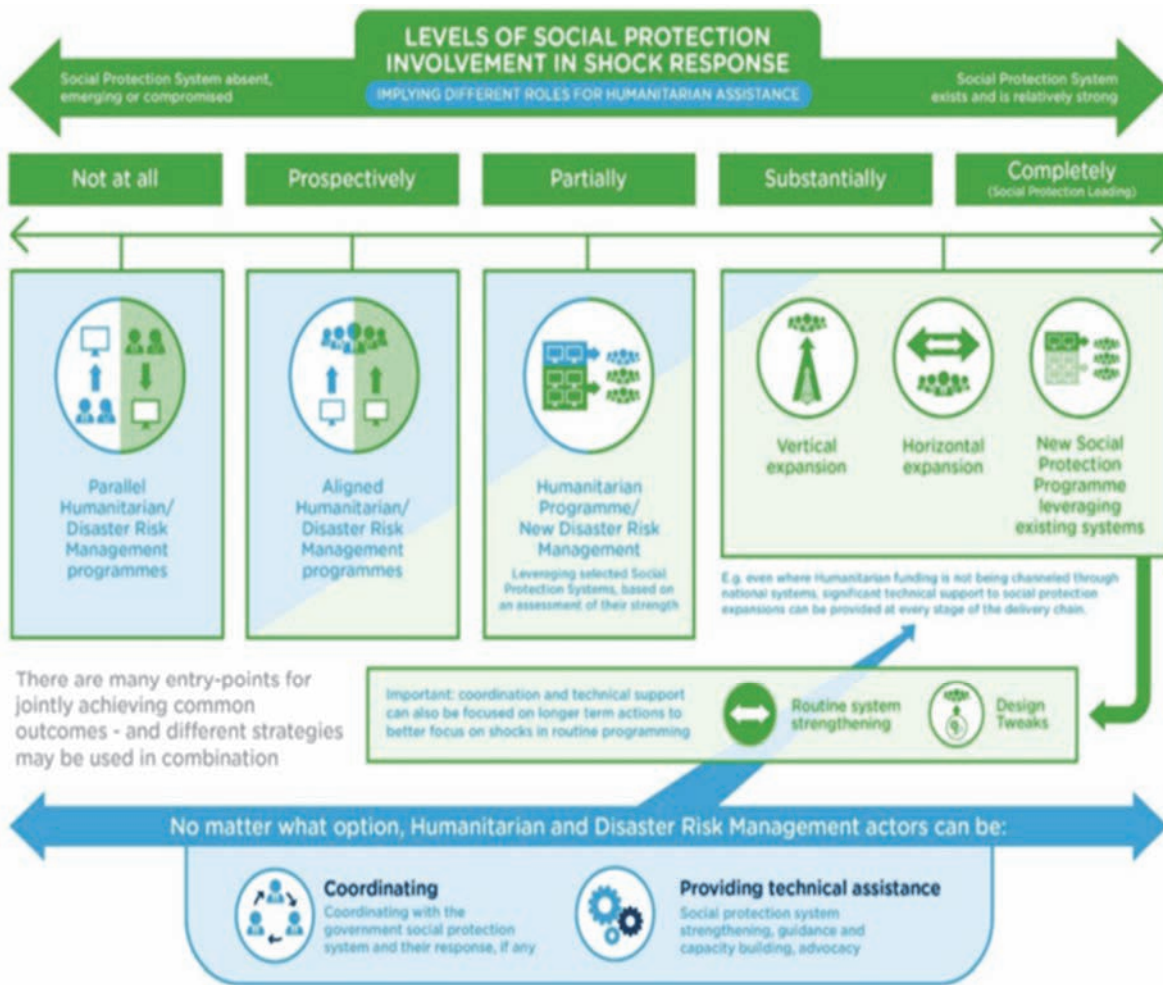
Module 4: Data and information systems – assessment of the data systems available for social protection, level of integration and potential to use these for SRSP, as well as data sources on disaster vulnerability and strength of EWS.

Module 5: Finance -examination of the financing of routine social protection, and emergency response and potential entry points for financing of SRSP.

1.3.3 Analytical approach to options analysis

All information collated in the Assessment Tool is then used to identify potential options for how the social protection system could be leveraged to meet needs of people affected by shocks. The options analysis is based again on up-to-date global guidance in this area, which has crystallised thinking on the typology of different approaches or options for leverage social protection systems in crises, along a continuum, as well as the diversity of roles for partners (Figure 1.2). The analysis of options takes into account the strengths and constraints identified in the assessment to highlight their respective benefits and constraints, or likely feasibility, to guide decision making. In many cases these options will not be considered as ‘either or’ choices. Several may need to be implemented in synergy with each other for a more effective and inclusive response.

Figure 1.2 Options for leveraging social protection systems to meet needs during shocks¹⁰



¹⁰ SPACE infographic

Box 1.2 Options for using social protection systems to address needs following shocks

- i. Government **strengthens its core functions in routine social protection**, to build resilience to shock (**ensuring long-term social protection programmes continue to function** during and following a shock; implementing ‘**design tweaks**’ to these programmes to enhance coverage of those that are vulnerable to a shock and remain timely, accessible and relevant following a shock).
- ii. **Vertical expansion** – government temporarily increases the benefit value or duration of the benefit provided on an existing social protection programme, for existing beneficiaries (increasing transfer amounts; introduction of extraordinary payments or transfers).
- iii. **Horizontal expansion** – government expands the social protection programme to reach new beneficiaries affected by the shock (extending programme's geographical coverage to underserved areas; extraordinary enrolment campaign to increase coverage and rapidly enrol those who fit programme criteria and have been affected by the shock; modification/relaxation of eligibility criteria to allow more people to benefit).
- iv. **Government authorities** responsible for social protection or emergency response **make use of elements of the national social protection system to implement new assistance programmes** in response to a shock (also known as ‘piggy backing’ – for example, use of a specific programme's beneficiary list; use of data in a national registry or database of households underpinning social protection; use of a particular payment mechanism; use of social protection registration processes, staff or institutions).
- v. **Partners make use of elements of the national social protection system to implement emergency assistance programmes** in response to a shock (as above).

2 Summary of assessment findings

This section presents the headline findings and main conclusions from each module of the system readiness assessment. Readers should refer to the completed Assessment Tool template for further detailed information.

Module 1: Stakeholders and Institutions

Legal and policy context for SP in emergencies: the government has steadily increased its investment in social protection, which is a key strategy of the 15th plan. The Constitution of 2015 guarantees the right to social security and the government aims to cover 80% of people through a Social Protection Floor by 2030. The right to social protection is enshrined in the Social Security Act and Right to Employment Act. Meanwhile the Disaster Risk Reduction and Management Act 2018 has provisions to prioritize the poor and vulnerable for assistance during crises. These legal frameworks do not restrict use of social protection for emergency response; however, they also do not set a framework to explicitly enable it. While there is increasing support in government for anticipatory action in disaster, there remains reluctance in government to provide material assistance to households on the basis of forecasts alone because of concerns of data accuracy and challenges created for audit if funds are not spent. Current pilot programmes of partners in reality have been early response rather than true anticipatory action. KIs considered that the law needs to be updated with these clauses to provide an accountability framework – to set out a due process for anticipatory action based on nationally defined triggers. SC Nepal and other DRM partners are aiming to work on this with the government.

The National Disaster Risk Reduction Policy (2018) and Strategic Action Plan (2018-2030) intend to integrate social protection programmes into disaster response, recovery, and reconstruction phases, and also adopt forecast-based preparedness and response plans and a series of recent policy dialogues between partners and officials at different levels of government have highlighted the growing interest in the concept of SRSP. Experiences also highlight the need for clear guidance to empower local officials that this is indeed something that can be supported. E.g., the Red Cross required confirmation from the Federal authorities that top ups for SSA beneficiaries were allowed, for SSA municipal officials to have confidence that their proposed cash response in 2021 was feasible within the programme regulations.¹¹ With support from the World Bank the National Disaster Risk Reduction and Management Authority (NDRRMA) has initiated the drafting of guidelines for SRSP. A draft for consultation is expected early in 2023, with formal approval sometime in 2023. Partners have also supported the drafting of guidelines for municipalities to provide CVA in emergencies, under MoFAGA. Subject to the SRSP guidelines being approved, there will need to be consideration for how to integrate these various guidelines and define clear roles for all institutions.

Governance and coordination: Social protection would benefit from a clear institutional coordination framework, with some 16 social protection programmes and more than 76 schemes being operated by 11 different ministries, as well as roles and responsibilities spread between the three tiers of government (Federal, Provincial and Local). While the National Planning Commission drafted a Social Protection Framework setting out arrangements for improving inter-governmental coordination, this has yet to be approved by the council of ministers. For the programmes in question (SSA and PMEP), roles are clearly defined, however the institutional framework for these programmes are separate (separate departments; operational processes; and IT systems). The SSA is managed by the Department of National ID and Civil Registration under the Ministry of Home Affairs (MOHA) while the Ministry of Labour, Employment and Social Security hosts the PMEP. Right). The social registry (see 5. Data and info systems) would be the starting point for greater operational integration of these schemes though is a medium-term aspiration.

DRM activities are coordinated under the NDRRMA which is also within the MoHA (but a separate department and lacking institutional coordination with social protection).

Meanwhile the international humanitarian community retains an active role in emergency preparedness and response in Nepal, coordinated through the humanitarian cluster system. Flood coordination is reportedly improved from 5 years ago and there are clearer links to local government and more activity at the level of municipalities. There is also an active cash coordination group (CCG) which includes links to government (MoFAGA) and members are aiming to enhance harmonisation of design and delivery of CVA. The main issues regarding coordination of disaster response include:

- i) some duplication between local government and hum actors.
- ii) issues with the conceptualisation of and criteria for targeting response efforts, which focus on housing damage rather than consumption needs or livelihoods recovery¹².
- iii) issues with politicisation of relief efforts led by local authorities.
- iv) lack of government guidance for CVA response. Cash is provided for shelter but always on an ad hoc approval basis which takes time. With no clear guidance from Federal level on the appropriateness of cash for other basic needs, the decision ends up being left with the municipalities, and not all confident to do it. This affected Save the Children's 2021 flood response in the CSSP project area¹³.

¹¹ And is part of NRCS's policy recommendations.

¹² The 2022 flood response has since included indicators on crop damage.

¹³ It is hoped that the recent experiences and evidence base being built from the use of multi-purpose cash by partners (Red Cross, WFP) will help to build a more conducive environment in regards to cash programming.

- i) Delays in Federal response. While support from municipalities can be rapid, bureaucracy can delay disbursements from federal funds by up to 6 months.
- ii) reluctance for anticipatory action for material assistance (cash).

These issues highlight a clear need for and role for SP to enhance effectiveness of response. The World Bank is reportedly seeking to address some of the challenges above (need for anticipatory action and early response; as well as support for consumption smoothing and livelihood recovery) in the draft SRSP guidelines. Currently the coordination frameworks for SP and disaster risk management programs and systems operate largely in parallel and social protection authorities don't participate in emergency planning. However, the need for improving coordination has been realised recently and NDRRMA has started discussion on this following the National Dialogue on Anticipatory Action 2022. The SRSP guidelines will aim to set out institutional framework for SRSP across government, from Federal to local levels. Stronger linkages are also needed with the Department of Hydrology and Meteorology, for activation of responses based on forecast triggers. In the interim while the coordination is being strengthened, the Community of Practice on Anticipatory Action and SRSP chaired by the Nepalese Red Cross Society (NRCS), and UNICEF is a useful forum bringing together SP and DRM stakeholders within government and partners.

The federal structure of governance means that Municipalities do have some autonomy for disaster response and can mobilize its own funds to support this. Some partners working on anticipatory action (UNICEF in particular) are increasingly looking at ways to strengthen government's response at the local level by working through local government. The Red Cross and UNICEF experiences show that it can be possible to provide top-up payments to SSA beneficiaries (outside SSA funding channels) relatively quickly. On the other hand, when working through the Federally administered SSA, this has implications for authorisation and approvals. For example, any plan to target and support additional vulnerable groups, or provide top-ups to SSA beneficiaries, within the parameters of SSA design and delivery systems, will need permission from Federal government and changes to the underlying MIS. Going forward the SRSP guidelines will pave the way for some of the required changes and actions.

Institutional capacities: The social protection programmes of interest are being implemented by dedicated staff at central and municipal levels. There are some human resource limitations at the level of municipal and ward offices, with some concerns that staff can be overstretched (echoed in KIIs with municipalities), and some technical capacity gaps in the operation of registration, managing the new SSA beneficiary management information system (MIS) or completing financial management functions. This is especially in the case of new staff as there is no induction programme. The World Bank's project has been working to improve local government capacities in this area and Save the Children has supported similar efforts in the CSSP districts. On the PMEP, hiring and retaining Employment Coordinators has been challenging in remote areas which can prevent implementation of all planned projects. Another challenge to PMEP implementation is that the allocated budget can be spent only on wages, and not on equipment. While in some municipalities the local government budget has covered these costs (e.g., Narayan they provide 25-30%), in other places this causes delays. There are seemingly no procedures in place within government departments (Federal or local) to support continuity of social protection services at times of disruption due to shock. Within the municipality teams interviewed, KIs reported that disasters do not lead to closure of ward and municipal offices but that in other localities perhaps this would be a challenge. Municipality KIs in the CSSP project area said that such procedures would be useful. There are also staff at local level who do not have full knowledge of programme guidelines, which can impose more bureaucracy and barriers to access for applicants. Any additional SRSP responsibilities would similarly need to be made very clearly to instil confidence that actions were appropriate and authorised. In KIIs, municipal staff also requested support with disaster management planning.

There is growing interest amongst humanitarian actors to support government with SRSP and anticipatory action and several are providing TA to the municipalities (save the Children, UNICEF, and Red Cross). On the other hand, WFP has for the moment elected to implement its anticipatory action through parallel systems rather than through government because of reported concerns about readiness.

The move to banks on the SSA has improved the timeliness of disbursement to accounts and reduced leakage but impacted on last mile delivery. This is causing delays to the regular payments (see 3. Delivery), mainly being caused by capacities of the FSPs (newly established branches – including in the CSSP project zone) and the decisions of the Federal Government not to allow banks to charge a service fee. Banks are overstretched and to manage this they are doing payments less regularly. The FSPs are also not issuing ATM cards to SSA beneficiaries because of literacy challenges (this is a regulation of the Central Bank - though this is not so relevant for Save's area as there are few ATMs). The World Bank is discussing on these issues with MoHA.

Key conclusions from this module, guiding the analysis:

- The wider enabling national system architecture that set a foundation for SRSP is partially in place. The SRSP guidelines if and when finalised will support a national vision for SRSP. Any pilot SRSP project should consider the proposed direction of travel in these SRSP guidelines and align with this, and also seek to generate evidence to inform their feasibility.
- Important to consider the Federated governance structure and implications for SC Nepal's engagement – Municipalities have some autonomy and scope to engage at local level for operationalising a pilot; however certain approvals and/or system tweaks can require action or approval at Federal level.
- Before any scaling up of labour-intensive activities (e.g. new registration, additional payments) it would be advisable to get greater visibility of the actual operational capacity of municipal and ward offices and the available banks. Save the Children might also want to consider FSP arrangements outside the institutions involved in SP payment delivery (e.g., remittance channels), if these are established in the CSSP municipalities.

Module 2: Readiness of programme design

SSA

Targeting: The SSA schemes' eligibility are based on a variety of categorical targeting criteria¹⁴. Targeting design is widely accepted and criteria are clear and transparent, with limited chance to falsify information (inclusion error). The MICS survey shows that incidence of SSA is evenly spread across the quintiles - which is to be expected if a programme is universally targeted, while the child grant is more focused on the bottom two quintiles (again expected since this is mainly Dalit HH still as the child grant is only universal in 25% of the country). Exclusion errors remain a problem - not so much because of people being wrongly assessed as

¹⁴ (i) Elderly persons (prev. 70+ and now 68+, in case of marginalized - Dalits and people from Karnali geographically remote area - its 60); (ii) Persons with Disability (Category A and B); (iii) Single (Divorced and not married) women (60+); (iv) Widow women (any age); (v) Children below 5 (universal in 25/77 districts, and Dalits nationwide); and (vi) All the family members from endangered ethnic group.

ineligible (though errors in eligibility decisions are an issue on the disability allowance¹⁵) but because of barriers to registration (see Module 3 delivery systems).

Disaster vulnerability is not an explicit eligibility criterion. All KIIs agreed that there is some overlap between SSA criteria and those who can be considered among those vulnerable and in need of assistance at times of flooding (see Module 5 data and information for more detail). Particularly households with more than one SSA recipient can be considered more likely to be structurally vulnerable (many dependents/chronically vulnerable members) and thus more likely to also be poor (another indicator of vulnerability to shock). However, other factors mean SSA criteria are not a full overlap with disaster vulnerability: i) disaster impact can be quite localised, so it will not be every SSA beneficiary who is necessarily affected; and ii) not all SSA beneficiaries are poor and vulnerable.

UNICEF cited a report that estimates that if SSA coverage extended to the maximum, this would cover around 75% of all households who are vulnerable to shocks. So, on the one hand, enhancing coverage of SSA's routine benefits could help to improve its coverage of those who will need SRSP support, an important enabler. This is especially the case for the universalisation of child benefits – and in the CSSP project zone where child grant is universal this provides for good overlap of poor households (disaster vulnerable) and SSA. On the other, it also means that there will be other households that do not fit the SSA criteria but that who are in need of support (poor households including daily wage labourers and sharecroppers). This is important to consider in the CSSP project zone - Province 6 and 2 – which have some of the highest poverty in the country.

Transfer modality, value, frequency: The SSA cash modality is recognised to be the most effective modality enabling households to flexibly meet their needs. One limitation noted (especially for the child grant) is transfer adequacy which is not sufficient to achieve the programme's objectives even in normal times. The quarterly payment schedule may not provide for timely assistance to coincide with emergencies. These are shock responsive design changes which could be reflected into the draft SRSP guidance. One issue with topping up SSA beneficiaries is that allowances are paid to individuals whereas emergency assistance is generally given at the level of the household. This leads to some complexities in design: i) there is a need to either have a mechanism to screen out multiple SSA beneficiaries from the same household (currently not possible to do automatically as there is no HH unique identifier, though this may change with introduction of the social registry as this is one of the World Bank's objectives here) or a rationale to justify why they get a larger allowance; and ii) if the grant is allocated to a single SSA beneficiary account, need prioritisation rule to determine which SSA beneficiary should get precedent, and mitigate the risk that what is intended for the whole HH doesn't get consumed by single person, requiring through strong communication as well as monitoring mechanisms. Anticipatory action and SRSP pilots so far have given a single HH level allowance for all – there is general agreement that more consideration is needed for nuancing assistance according to vulnerability/gap in income (this is the proposed approach in the SRSP guidelines which reportedly set out 4 categories of grant for different needs¹⁶).

¹⁵ Disability allowance does have some issues - classification of disabilities is based on severity, according to the Disability Act of Nepal, composed of profound, severe, moderate and mild types of disability. Under the SSA program, those with profound (full) and severe (partial) disability are eligible. These categories are vague, and it is not easy to classify cases accurately (KII).

¹⁶ i) Anticipatory action for pre-identified vulnerable groups; ii) early response for basic needs for these pre-identified groups and others fitting these categories that are identified ex-post; iii) grants to cover the period needed for early recovery of livelihoods and iv) support for rehabilitation of livelihoods.

Comprehensiveness: Save the Children's CSSP parenting sessions and capacity building is proven to significantly improve a range of children's and caregivers' outcomes, but that more focus is needed to address gender inequalities. The CSSP parenting sessions provide an entry point for enhancing comprehensiveness of any SRSP response for children (inclusion of messaging relevant to the shock, plus scope to support additional nutritional needs if required). During COVID, the parenting sessions were adapted to remote delivery to ensure their accessibility. Recognizing the increased vulnerability of the children and their families, Save the Children also topped-up super cereal (improved super flour) to 1,869 families benefiting from the child grant (9 kg of super flour for 3 months) which contributed to addressing nutritional deprivations. Similar actions can be considered during a flood response.

PMEP

While the programme is still in its infancy, there are particular challenges noted with its design which currently undermine its potential for supporting SRSP. Limited budgets mean that coverage is low compared to the numbers of poor household who according to the criteria should be eligible for support (households apply but even though they are eligible they are not able to be included); the programme is designed to provide the beneficiary with work within a one-year period which does not align with the period of greatest need for income; and budgetary and operational capacities mean that households are not being provided with the full entitlement of 100 days of work (in 2019-20 it was only an average of 16 days). In the CSSP location, municipalities reported that they had been able to provide close to the expected number of days of work. The work must currently be completed to receive payment and there has been no discussion to date on the potential to remove his conditionally at times of shock to ensure people still receive support. Some KIs highlighted the risks of continuing to enforce such conditions at times when households are struggling to recover from shocks.

Key conclusions from this module, guiding the analysis:

- The current administrative systems of the SSA are partially ready to support SRSP and could also potentially be adapted to be more effective at times of shock. Some areas of process still need to be strengthened, including with support from Save the Children, to improve implementation of routine social protection and maximise chance of success for any SRSP.
- If using banks for reaching non-SSA bf, need to have similar agreement on zero balance accounts and account dormancy to be effective for SRSP.
- The irregularity of payments and issues in accessing banks are a barrier to effectiveness of routine SSA and for any planning of emergency top-ups through the SSA directly. In the event that humanitarian actors provide their own funds to SSA accounts, need to ensure that these are still able to be effectively disbursed.
- In the next 2 years, likely that Save will still need to complement a pilot through independent GRM. And consider independent PDM to ensure accountability especially if transferring funds to local government.
- Currently it does not appear that the PMEP is ready to effectively support shock response. The main entry point for PMEP would be to make use of its registered list of households.

Module 4: Readiness of Data and Information Systems

SP information systems: there have been major advancements in the social protection information systems in the past five years. The SSA beneficiary management information system has transitioned from paper-based, decentralized record keeping to a new centralised digital MIS (Vital Event Registration and Social Protection Management Information System VERSP-MIS) managed by the Department of National ID and Civil Registration. The digitisation process has been completed nationwide. All KIs agreed that this process has been important to improve the accuracy and quality of beneficiary data (with plans to update these annually) and enhance the efficiency of SSA operations (all processes except the initial registration are now digitised to some degree). There have been inevitable challenges inherent in such a transition (capacities of Municipalities to manage digital system; lack of IT infrastructure; challenges with connectivity in some locations). However, the World Bank project has provided extensive support here and SC Nepal is also supporting capacity strengthening in CSSP municipalities. Currently the MIS only contains records of existing beneficiaries since digitisation was recent (but there are plans to change this through development of the social registry below). The PMEP also operates through a digital MIS, which contains records of all registered households (eligible enrolled; eligible waitlist; and ineligible). Currently these MIS are separate systems, managed by different departments of government.

Social protection data from SSA has been accessed effectively by many partners for SRSP or anticipatory action pilots¹⁷. Access has been provided at the municipal level under the auspices of the agencies' partnership agreement (including name lists, citizenship number and bank account) – though there are not yet any examples of data system integration with partners (no API). Data protection aspects do not appear to be being considered.

An important new development which will enhance the potential for SRSP in the medium term is the planned rollout of a Social Registry. The policy framework has been approved and IT support is in the process of being procured under the World Bank project. This is due to be piloted in 20 Municipalities in FY 2023-24. The Bank's ambition is that this will become the repository of data supporting targeting and enrolment for routine and emergency social protection programmes. In the first instance the SR will hold data on HH personal identifiers as well as demographic and socioeconomic indicators. Rather than undertaking any new SR-specific data collection, the SR will be populated through integration with other household data systems (national identification register; other online civil registries; social protection registries including the SSA, PMEP and SHI registries; and data from the Poor Households Identification survey of the Ministry of Land Management Cooperatives and Poverty Alleviation (MoLCPA). While certain of this data will be updated more dynamically, for other records there are still questions around the validity of this information or processes for ensuring its updating. In future the ambition is to include geo-tagging and to integrate this with hazard vulnerability data systems of NDRRMA.

Data on vulnerability to disasters: Understanding which different locations and population groups are vulnerable to these hazards and why is of critical importance to designing effective SRSP interventions. In the past there has been an absence of robust hazard vulnerability mapping in Nepal, which undermined the effectiveness of DRM. This is slowly changing - recently the NDRRMA supported by the Red Cross has established a web portal and with support from partners there is some progress on mapping the locations vulnerable to flood and (more recently) landslide risks. Data is not available yet for all Municipalities. It does not appear from KIIs that there is overlap yet with the CSSP project locations, but this must be confirmed.

¹⁷ Including SCN's super cereal response to COVID; NRCS; UNICEF.

Regarding data on who is most likely to need assistance when a disaster hits, the evidence base here is becoming stronger. The World Bank conducted a three-year Household Risk and Vulnerability Survey in 50 districts and this shows that all wealth groups are exposed to the occurrence shocks¹⁸. Of those that are exposed, certain groups are highlighted as being more vulnerable in terms of their ability to cope. The study found that the poorest households were among the worst affected, with a much higher propensity to reduce food intake among households in the lower quintiles. Similarly, ILO's COVID analysis highlighted that the poor are some of the most sensitive to shocks. Sociodemographic factors also influence vulnerability to shock and ability to cope – KIIs and literature¹⁹ highlight that Dalit households in particular are more likely to rely on daily wage labour and experience severe food shortages as reliant on wage employment, while households with people with disabilities (PWD) and female headed households (FHH) have less labour capacity and are socially marginalized. Women and girls tend to be worse affected than men and boys. Finally, studies also reveal livelihood-related vulnerability – landless households depending on daily wage labour or sharecropping, and subsistence farmers also have limited means to cope. This aligns with perceptions of KIs in Save's CSSP project zone, as well as others implementing anticipatory action projects, that among the most affected and in need of assistance are the poor especially landless/unemployed/daily wage labourers, SSA bf (including Dalit families and PWD), households with resources for less than 3 months' food security, and sharecroppers/households with small parcels of land without irrigation. Finally, shocks can also impact on non-poor-but vulnerable households and thus push more people into poverty. WB's study showed that households engaged in agriculture in the middle three quintiles - face livestock or harvest losses frequently. Household that do not have savings to recover these inputs, or meet its food needs until the next harvest, will become worse off.

These factors are reportedly being taken into consideration in the draft SRSP guidelines, which will reportedly have different categories and tiers of assistance for these different groups, and aiming to capture the poor, socially vulnerable categories of the population, and those requiring support while livelihoods recover. For anticipatory action and early response, eligibility will focus on social categories and poor households. For early recovery and rehabilitation, this will be on the basis of need, assessed ex-post (for which a questionnaire and indicators is under development).

Early warning systems: Thanks to the commitment of the GoN and donors, flood EWS are now relatively advanced for riverine floods, with the system owned and managed by the Dept of Hydrology and Meteorology, covering 14 major river basins and providing 3-day forecasting information which the Dept uses for modelling and issuing SMS warnings to at risk populations. Partners such as the Red Cross Climate Centre are also using the GLOFAS regional Met system data to enhance forecasting. One challenge is a lack of confidence in the data within the Dept and consequent reluctance to share detailed data with partners, which is a constraint to preparedness planning. This was also an issue recently on WFP's anticipatory action pilot, where government did not act on the triggers to issue formal authorisation until a couple of hours before the flood event. The EWS is less relevant for flash flooding - the type of flooding most commonly affecting the CSSP locations – where lead time is reduced (24 hours). The GoN's use of this forecast data for early action is mainly limited to evacuation rather than early action for provision of assistance (see Module 1). There is no EWS yet for landslides, where risk is not just contingent on climatic but also geological and other factors. The GoN and partners including SC are still exploring possibilities for developing an EWS here. There is currently no interlinkage between EWS and social protection data systems.

¹⁸ World Bank (2020) Household Risk and Vulnerability Survey in Nepal

¹⁹ Including Save the Children's SRSP policy brief.

Access to identity documents: the citizenship card is the key document required for access to social services. There remain challenges in accessing the CC especially for women, people living in border areas, and migrants. There are plans in progress to roll out a national biometric ID which is in the early stages, supported by the World Bank.

Key conclusions from this module, guiding the analysis:

- Social protection data should be accessible to SC Nepal for use on a pilot SRSP project and within an affected area it is likely that SSA beneficiaries are among those who are in need of assistance. Question on whether all affected SSA beneficiaries are equally vulnerable and Save should consider the pros and cons of screening further/prioritising (UNICEF and WFP took the decision to prioritise people with disabilities and single women; in universal areas child grant bf could also be an indicator; whereas in the COVID cereal top-up Save overlaid SSA lists against municipal lists of poverty, to prioritise). Trade-offs to consider of speed v accuracy.
- Any pilot should consider how to identify and reach those who do not fit the SSA criteria and who are also vulnerable - what data sources will be used in the short to medium term (PMEP data; Municipal lists of poor households; landless or daily wage earners; subsistence farmers...). Any pilot should consider what's the objective of the programme (is it basic needs, or also livelihood recovery) and this should influence the targeting strategy accordingly). It should also seek to structure any household data template to align with plans for the SR, to enhance chances that these households could be integrated in future.
- There is a need for all actors to think through data protection/security/privacy processes for sharing and use of SP bf (or future SR) data for SRSP.
- Given the current barriers to achieving true anticipatory action that are raised in this section, and the experiences of other partners, it seems that any SRSP pilot in the CSSP project zone will likely need to be an early action rather than an anticipatory action.
- As a preparedness measure, Save could engage to contribute to hazard risk mapping in the CSSP zone, and registration drives for increasing coverage of Citizen Certificates.

Module 5: Finance

Financing of social protection: The Federal government is committed to cover 80% of people through a Social Protection Floor by 2030 and has ambition to increase spending on social protection to 15% from the current 11.7%. Financing of the SSA is functioning well, being solely government funded and with the budget being significantly increased in 2021. Federal disbursements to local government are reportedly being made on time, including inside the CSSP Municipalities. In contrast the budget for the PMEP is insufficient to meet the scale of need and has reportedly contracted in FY 2022-23²⁰. There is also no budget for the non-labour (capital) costs for works projects which local governments are expected to provide. In the CSSP project area the Municipalities are reportedly contributing 25-30% for this.

Financing of emergency response: There are numerous government funds for emergency response, at all levels of government. These include the Disaster Response Fund managed by NDRRMA; the Prime Minister's Disaster Relief Fund; MoHA's Central Disaster Management Fund; varying provincial level funds; and disaster management funds in each district and municipality. One challenge noted (including in CSSP

²⁰ KIIs (coverage down from 200,000 to 100,000)

Municipalities) is the delays to disbursement of Federal or provincial contributions for relief assistance to Municipalities²¹. This is partly due to the administratively heavy and bureaucratic processes for approvals and disbursement as well as staff capacities. "NDRRMA and MoF exploring these. There is also continued reliance on funding from the international community for medium to large scale shocks. The GoN is reportedly interested in exploring additional options for disaster risk financing with the World Bank. There is an existing CatDDO active in Nepal, and this has disbursed half of the \$50m agreed. The World Bank is in discussion with the MoF about expanding this.

Financing for SRSP: There is interest in SRSP but not yet discussion or agreement on the financing of this. The World Bank's anticipate that financing SRSP will not cost a lot more than what the GoN already allocates to relief. Once the SRSP guidelines are completed the Bank will undertake a costing modelling prior to policy dialogue on the orientation of existing disaster relief funds for financing SRSP. There is also significant interest among donors and international agencies for financing Anticipatory Action linking with SRSP, focusing at the Municipal level. These remain at the early stages (proof of concept rather than institutionalisation). These include: the Government of Nepal and UNICEF pilot project on shock responsive preparedness in 8 most disaster prone Palikas (FCDO funded, 2019-2021); the UN agencies piloting an Anticipatory Action Framework in 23 flood prone municipalities in Eastern and Western Terai region by the UN Agencies in partnership with local government, NRCS and national NGOs, with varying degrees of linkages to the SP system²² (2021- present, CERF funding); The Forecast-based Action and Shock Responsive Social Protection project of NRCS, Danish Red Cross, Humanity and Inclusion and the Red Cross Red Crescent Climate Centre implemented in 5 Municipalities (phase 1 2020-2022, phase 2 about to start, ECHO funding). Different partners have different approaches to financing – UNICEF is working directly through government and has a letter of agreement with the Municipalities to transfer funds to the Municipal government for use in cash assistance for anticipatory action. In contrast WFP and NRCS have not put funding through government. One of the constraints has been organisation's internal policies.

Key conclusions from this module, guiding the analysis:

- The most promising entry point for financing any piloting of SRSP will be through donor funding in the short to medium term. Following proof of concept, it would be good to begin discussion on the possibilities of local governments to finance SRSP as this would be more sustainable.
- At some point there must be a transition from partner supported to more predictable, government-owned financing of SRSP. While this will be a dialogue over the medium term and at Federal level, there may be actions that SC Nepal can take to advance progress within CSSP locations. Including i) piloting SRSP mechanism(s) that are owned by the municipality with funding channelled through government and generating learning on the efficiency and effectiveness of this approach and ii) dialogue and processed with Municipal authorities to formalise the use of municipal contingency budgets for SRSP.

²¹ KIIs reported delays of up to 6 months

²² UNICEF is working through the local government systems to the extent possible whereas WFP's is more a parallel system (KII).

3 SRSP Options Analysis

3.1 Lens for the analysis

Governments and their partners worldwide have tested various approaches for using social protection systems to meet needs during and following shocks. Existing social protection programmes and systems can be leveraged in different ways to provide cash assistance to people affected by crises, with roles for government and its partners. These are set out in Box 1.2 and Figure 1.2. Partners (development and humanitarian) can have a role to play in supporting through technical or operational support as well as through funding.

SRSP is not an end in itself. There should be a clear rationale and objectives guiding investments in SRSP. Based on global experiences, the following are typical objectives guiding SRSP analyses which are relevant for Nepal:

1. **Responding effectively:** Ensuring an **adequate** and **inclusive** response with **good coverage** of those in need and avoiding risk of harm.
2. **Responding better:** Enhancing **efficiency or effectiveness compared to alternative** ways of working (for example, assistance reaches people more quickly, or is more cost effective to deliver, or is better coordinated).
3. **National system strengthening:** Preserving or enhancing the **capacities of governments** to provide social protection (routine and in response to shocks) in the future.

3.2 Analysis of options for SRSP in Save the Children's CSSP zone

The analysis explored the various ways that the SSA, and its underlying processes, institutions and systems, and PMEP data, could potentially be leveraged to support a shock response to flooding, as per Box 3.1 above. This used evidence from the assessment, as well as knowledge of the typical benefits and challenges of these approaches, to highlight benefits and enablers as well as challenges and barriers to consider. Based on this, conclusions were drawn on i) the likely feasibility and appropriateness of each option in general for Nepal and ii) what that means for Save the Children to support SRSP in Nepal, including a pilot SRSP intervention in the CSSP project zone. Results of the options analysis are presented in Figure 3.1. Based on this analysis, the consultant had a briefing with the SC Nepal team and SC Finland's social protection specialist, to discuss and agree on what could be taken forward.

Figure 3.1: Analysis of programme options for SC leveraging SP system for flood response

Option	Strengths and enabling factors	Limitations, and challenges	Conclusion on feasibility and appropriateness
<p>1. Continue to strengthen the social protection system, in a manner that is shock sensitive: to improve provision of predictable, long-term SP and enhance enabling environment for SRSP.</p>	<p>i. Strengthening delivery system: improve last mile provision of SSA payments; strengthening GRM.</p> <p>ii. Expanding coverage of SSA to all eligible cases in areas vulnerable to shock, to maximise coverage of SSA within the populations vulnerable to disaster.</p> <p>iii. Universalising Child Grant nationwide.</p> <p>iv. Finalising SRSP guidelines and reflecting this into the establishing the operational guidelines and legal framework for SSA and PMEPP.</p> <p>v. Developing DRR procedures, to ensure continuity of SP operations following a shock.</p> <p>vi. Expanding access to Citizenship Card.</p>	<ul style="list-style-type: none"> • Other partners are also interested to support these changes and some efforts are already being planned. • Several of these actions do not have a major cost implication. • Essentially these measures are building on or enhancing existing national commitments (nothing fundamentally new). • Alignment of routine SP with SRSP/DRM objectives opens entry points to explore some new funding opportunities (e.g., donors with interest in DRR/anticipatory action could be leveraged to support elements of national system building). 	<ul style="list-style-type: none"> • Remains unclear how willing the MoF is to consider universalising the child grant. • Medium term timeframes – no quick wins. <p>• All actions listed here are highly appropriate: strong, effective long-term programmes, supported by a strong system architecture, are key enablers of effective SRSP.</p> <p>• Some actions (i, iii, iv, vi) imply engagement at the Federal level and more on the policy and regulatory environment – Save should consider which of these it has potential to influence, in partnership with others.</p> <p>• Some actions also have scope for more localised intervention (e.g., i, ii, v, vi).</p> <p>RECOMMENDATION:</p> <p>SC Nepal focus on localised actions (i, ii, v, vi) within their CSSP zone as part of preparedness efforts for a SRSP pilot (which could of course then inform enhancement of Federal systems in future subject to lessons learned).</p> <p>SC engage jointly on partner advocacy efforts to enhance progress on iii), and share learning from pilots to inform development of iv).</p> <p>Re 1.v), SC Nepal needs to also consider measures to enhance disaster resilience and continuity of the CSSP 'cash plus' activities.</p>

<p>2. Making 'design tweaks' to the design of the routine SSA and PMEP, to ensure relevant and effective for meeting needs when a shock hits.</p>	<p>i. SSA – waiving annual updating deadlines and postponing exit from child grant at 5 years during period of disaster.</p> <p>ii. SSA – bringing forward quarterly payment schedule at times of disaster.</p> <p>ii. PMEP – removal of 'work' condition during period of disaster.</p>	<ul style="list-style-type: none"> • Changes (if agreed) can be made quickly and at no cost. 	<ul style="list-style-type: none"> • Requires government buy in a Federal level (will take time and could be difficult to negotiate). Most challenging will be the change to PMEP. 	<ul style="list-style-type: none"> • i) and ii) needed to complement Option 3 below and ensure assistance remains accessible. iii) likely to require much more negotiation (and poss. highlighting examples from elsewhere). There are also other more fundamental issues with the routine design of PMEP which maybe better discussed and acted on collectively following the mid-term review. <p>RECOMMENDATION:</p> <p>Best approach may be for Save to focus in short term on SSA changes, and to advocate collectively with others such as with UNICEF and World Bank for these changes to be made.</p>
<p>3. Vertical expansion of SSA</p>	<p>Topping up the value of the assistance given to existing SSA beneficiaries at times of shock.</p>	<ul style="list-style-type: none"> • Operationally speaking, this is simple to implement, only involving small modifications to SSA payment process, and straightforward to communicate to beneficiaries. Little additional workload for local gov staff. • The SSA payment system has controls in place for managing risk and would be quicker than establishing separate system. • In the disaster affected area, SSA beneficiaries (vulnerable groups, including some poor households) are likely to be among those vulnerable and in need. In the case of a severe flood, this option could be targeted geographically as a 'no regrets' way of rapidly reaching a cohort of the population suspected to be in need. • GoN seem open to testing this (prev. experience of vertical expansions). 	<ul style="list-style-type: none"> • Government lacks contingency financing for top-ups, and this would need to be financed by non-government sources in the short to medium term. • Routine quarterly payment schedule may not coincide with time of disaster (though precedent for providing extraordinary payment outside this). • Key barrier - the SSA routine payments have not been reliably disbursed since the transition to banking channel, and recurring challenges with access (queues; distance). • Not all SSA bfs may be vulnerable and in need – requires some criteria/data to inform prioritisation (ex-ante) or reliance on some ex-post assessment. • If assistance was to be given only to some not all SSA, needs very clear communication to avoid creating confusion or social tensions. 	<ul style="list-style-type: none"> • Operationally is potentially feasible, however could be quite involved to secure all the (internal and governmental) approvals and system tweaks to enable transfer of funds to SSA. • Would need to find solutions to address the gaps in the last mile payment delivery to be effective. • An alternative to full vertical expansion also reaching this same group with top ups could be a hybrid arrangement (similar to UNICEF – funds through municipalities - or Red Cross - funds direct to bank accounts). • Will require formal MOU with municipality and informing he NDRRMA and DoNIDCR.

			<ul style="list-style-type: none"> • There may be barriers to putting funds through SSA directly (organisational policies; requirement for Federal approval; changes to the underlying MIS to account for the additional funds...) the PA directly. • The SSA will not include all who are vulnerable to a shock. In CSSP area there are others who are eligible but excluded from SSA due to low coverage. Other households that are ineligible for SSA (poor w/o these categorical groups; certain livelihood groups) also need supporting. Need additional intervention(s) to reach these households. • SSA provided per individual v emergency assistance per HH. Complicates delivery. • Requires clear processes for implementation (what information used to trigger response; who authorises it; clear transfer value/ guidance on how to set; clear guidance on duration and exit). 	<p>RECOMMENDATIONS:</p> <p>Save the Children is well placed to support such a pilot in CSSP project area. Suggest that for initial pilot in CSSP area, SC Nepal focus on this but through one/other of these hybrid arrangements.</p> <p>Suggest seek donor funding (SC emergency funds, bilateral donor or START Network) for pilot, with view to then advocating for local government to establish funding.</p> <p>Need to consider what additional assessment of need / prioritisation indicators are required.</p>
<p>4. Horizontal expansion of SSA to reach new shock-affected households</p>	<p>i) Modifying the targeting criteria: broadening the eligibility criteria for a period, ex-post, to include other vulnerable individuals and their households (e.g. temporarily universalising Child Grant in new disaster-affected districts; temporarily reducing the age restrictions).</p> <p>ii) Simplifying SSA registration: temporarily relaxing the SSA's proof of eligibility processes for a period (waiving provision of the supporting documents).</p>	<ul style="list-style-type: none"> • All increase SSA programme coverage to reach other households who are not currently SSA beneficiaries but that are affected by the shock. • ii) and iii) do not change the SSA eligibility criteria so avoids some challenges associated with i), while also broadening SSA coverage longer term. • ii) reduces labour-intensive and time-consuming aspects of registration, for speed and to avoid overburdening staff. Processes would then still be completed to confirm eligibility for long-term SSA support, after the emergency passed. • Iii) doesn't require any changes to the usual registration processes and is straightforward to communicate to communities. 	<ul style="list-style-type: none"> • i) would be politically challenging to communicate and to exit from, without creating confusion and tensions. • ii) would require amendments to the SSA operational procedures and possibly also MIS. • For ii) and iii) need to be clear on SSA budget provisioning and that have fiscal space to cover this expansion in coverage. Otherwise, could lead to social tensions/damage to trust if cases are enrolled but then cannot continue to be assisted. • All options would provide assistance up to the value of the routine SSA - would also require additional of any top up to be adequate to cover needs caused by the shock. • iii) May risk overburdening staff in affected areas - though in CSSP areas there is a solution, for SC Nepal to provide capacity support. 	<ul style="list-style-type: none"> • i) not considered appropriate to introduce into the SSA itself. Those who do not fit regular SSA eligibility may indeed need help but suggest another option (5 below) is more appropriate. • ii) and iii) are operationally feasible; ii) is more involved in terms of getting permissions, while iii) could be most easily implemented 'informally' in the short term, with partner support

	<p>iii) Implementing an extraordinary registration and enrolment drive in shock affected areas: outreach for registration and enrolment activities to quickly enrol new households who DO fit SSA eligibility criteria, but who are currently not enrolled, in the affected areas.</p>			<p>RECOMMENDATIONS:</p> <p>Regardless of whether Save proceeds with an actual SRSP pilot 'scale up', Save the Children is well placed to support the option 3.iii) within the CSSP project area (being just an extension of existing activity).</p> <p>Suggest that SC also see if possible to test 3.ii) a way to fast track enrolment into SSA at times of shock.</p>
<p>5. Leveraging social protection data and/or implementation systems to implement separate emergency programmes</p>	<p>Identify and support non-SP bf who are disaster affected, making use of social protection delivery and data systems.</p>	<ul style="list-style-type: none"> • Fills gaps, to reach those outside SSA who are in need. • The vision of the SRSP guidelines is also to establish this capability and reportedly will establish the typical criteria for this. • Planned rollout of the social registry is aiming to enhance SP data and info systems to support such action. • In interim, PMEP data and other municipal gov poverty data available now that could be used as starting point for screening and targeting. Also learning from other partners on anticipatory action. • Potential for partners to contribute to national system building in this area through sharing data. • Could be conceptualised at the Federal level but also at municipality levels. 	<ul style="list-style-type: none"> • As yet, no clearly articulated vision for the social registry have been set out and will be few years before there is understanding its full benefits and its limitations (e.g. data fields to be included, coverage, accuracy etc). • Use of interim data sources possible, but no system integration – would require manual efforts to contact, verify etc. • Same delivery system and capacity concerns on SSA as outlined above. • Subject to the SRSP guidelines becoming approved, inclusion of this into the Federal SP system will require several additional steps – changes to ops guidelines; additional module in MIS. • More challenging in landslide contexts than flood contexts (where hazard mapping is better developed). 	<ul style="list-style-type: none"> • This option is very appropriate for Nepal going forward and should be further developed under the SRSP guidance and beyond. In the period while the SR is getting established, and while SRSP guidelines are rolled out, partners can try and test approaches for vulnerability targeting, and local gov led response, to inform future programmes. <p>RECOMMENDATION:</p> <p>This is a priority to explore as part of any pilot, in conjunction with Option 3. Suggest in first instance Save pilot focuses on flood risk.</p> <p>Need to investigate availability of hazard mapping in the municipalities of interest (considered unlikely).</p>

4 Considerations for Save the Children

This section sets out next steps and considerations for SCN to move forward with a pilot SRSP project for flooding in the CSSP project zone based on the recommended options in Section 3. This analysis took into consideration:

- Constraints identified in Section 3 and what is needed to overcome these.
- The type of support that SC Nepal is well placed to provide (technical assistance for programme and policy design; financial resources; advocacy; SP national system strengthening and capacity building; evidence building; provision of complementary services under CSSP; coordination; etc).
- Considerations for ensuring CSSP.

Action	Detailed actions/key considerations	Other stakeholders involved	Timeframe
PREPAREDNESS MEASURES TO ENHANCE SYSTEM READINESS FOR SRSP IN THE SRSP PILOT PROJECT ZONE			
Ramping up CSSP SSA system building efforts with a shock lens.	<p>Further investment in registration camps to maximise coverage of SSA.</p> <p>Expand efforts to enhance access to Citizenship Card.</p> <p>Engage with SSA authorities and FSPs at local level to find solutions to improve last mile provision of SSA payments (such as payment camps).</p>	<p>SSA district offices</p> <p>Municipal authorities</p> <p>FSPs (banks)</p>	To begin ASAP in 2023 in SRSP pilot districts (and continue throughout CSSP project period).
Build business continuity for CSSP in event of shock.	<p>Define emergency procedures to ensure the continued accessibility and relevance of CSSP sensitisation activities following shock, including consideration of:</p> <ul style="list-style-type: none"> • Remote communication mechanisms, per experiences in COVID (e.g. use of radio or phone instead of face to face sessions). • Adapting messaging to caregivers to address any escalated or new risks to children due to the flood (building on experience from SC's ongoing FCDO funded project). 	CSSP implementing partners	To begin ASAP in 2023 in SRSP pilot districts.

DESIGN OF A PILOT SRSP INTERVENTION TO PROVIDE TOP-UP PAYMENTS TO EXISTING SSA BENEFICIARIES AND FINANCIAL SUPPORT TO AFFECTED NON-SSA HOUSEHOLDS AT TIMES OF FLOOD			
Conceptual framing	<p>Develop concept note for SCN pilot cash top-up programme to address heightened socioeconomic vulnerability for SSA beneficiaries affected by flooding. This will set out:</p> <ul style="list-style-type: none"> • Rationale and objectives for the pilot. • Principles guiding design, including: i) whether pilot will be anticipatory action or early response (the latter being more likely to be feasible); ii) what triggers will be (forecasting data or localities directly affected by flood); and iii) eligibility (whether to adopt a blanket approach for all SSA bf within area of inundation or prioritise specific cohorts of the 'most vulnerable' (and if so, plan for defining this prioritisation). • Guiding principles for i) how transfer value is to be calculated (considering standards set by the CCG and the values forthcoming in the SRSP guidelines, but also considering CSSP principles of adequacy to meet the needs of children); and ii) how to reconcile a HH-level emergency grant (per the CCG guidelines) with SSA payments to individuals. • Scope and scale of the pilot (being small scale to be affordable and to test). • The extent to which the pilot will be government led (will SCN put funds through government per UNICEF model, or will funds will be routed direct to beneficiary accounts per NRCS model). 		ASAP in 2023, Quarter 1
	<p>Develop concept note for SCN pilot cash transfer programme to address socioeconomic vulnerability for households that are not in receipt of SSA and that are affected by flooding, linking with SSA systems and processes where possible.</p> <ul style="list-style-type: none"> • This will set out: • Rationale and objectives for the pilot (dual objective of meeting needs and generating evidence). • Principles guiding the targeting design including: whether to focus only on those HHs that are physically damaged or account for socioeconomic vulnerability (eg loss of livelihood); eligibility criteria (e.g. poor households; marginalised groups/landless; particular livelihood groups or demographic groups); extent of community identification of vulnerability and whether ex-ante or ex-post). • What information will be used to trigger the launch of the emergency SP programme. • Guiding principles for identification and enrolment, including: whether to be led of SCN or government or both; access to/use of pre-existing HH lists (PMEP list/municipal list of poor); whether scope to pre-identify some cohorts in advance of disaster or if all should be identified ex-post. • Consideration of whether scope to pilot relaxation to SSA registration processes to rapidly identify and register any people fitting the SSA eligibility criteria and not yet enrolled. 		

	<ul style="list-style-type: none"> • Guiding principles for transfer design – i) how transfer value is to be calculated (considering standards set by the CCG and the values forthcoming in the SRSP guidelines, but also considering CSSP principles of adequacy to meet the needs of children); ii) transfer duration (whether standard for all or tailored to fill gap in livelihoods recovery). • Scope and scale of the pilot (being small scale so as to be affordable). • Arrangements for hosting the bf data and for funding channels (roles for SCN and government). 		
Confirm feasibility of a pilot SRSP intervention	Present concept notes to SSA authorities and seek the necessary approvals (MoU with the municipality or a joint SRSP implementation plan endorsed by municipality and SC's internal management).	Director SSA: provide any necessary approvals to district and municipal authorities. District and municipal authorities	
Prepare for pilot SRSP programme	Undertake flood hazard vulnerability mapping (if no such analysis yet exists in the project locations) and identification of vulnerable.	Local authorities DRM actors	Quarter 2-3 of 2023?
	Develop the more detailed project document, defining further the key design elements of the pilot project including: <ul style="list-style-type: none"> • The humanitarian needs to meet (income support for meeting basic needs and needs of children and avoid resort to negative coping). • Finalised targeting design. • Information sources to trigger the launch of the top-ups. • Finalised transfer design (duration and value(s) or method for its calculation). • Planned payment frequency and how duration/exit will be decided. • Defining additional communication messages needed and communication channels. • Defining any additional complaints or monitoring mechanisms needed. • Responsibilities of all Implementing parties. 	CCG contribute to developing key design parameters. FSPs: confirming capacities to implement proposed payment schedule.	
	Examine capacity of municipal offices in pilot zone and identify any red flags to address (do offices have all critical positions filled; do staff have any concerns about capacities or ability to implement the planned activities).	Municipalities	
	Complete any necessary agreements with the FSPs for implementing the top-ups.	FSPs	
	Sensitisation and training of all implementing parties on design, roles and responsibilities.	All implementing parties	
	Secure funding.	Donors/SCF	

PILOTING AND LEARNING			
Testing feasibility of the approach	Implement pilots according to the project plan.	Donor: ensure timely disbursement of funds. FSP: Ensure timely disbursement of funds and reconciliation. District/municipal authorities: Ensure timely fulfilment of responsibilities.	Within 1-2 years (in next period of flooding within the pilot project zone – Q3-4 of 2023 or 2024)
	Regularly attend the CCG to ensure the pilot is well coordinated with other CVA/broader response activities.	CCG: circulate 5W information to members.	
	Commission evaluation to capture evidence on the value added of this approach compared to alternatives, and lessons learned about good practices/constraints to address.	Director SSA Evaluation service provider	
Contribute to policy dialogue to inform SRSP	Convene roundtable to share results and lessons with interested parties in country.	GoN World Bank UNICEF WFP Red Cross Donors	2 years (2024)
	Based on these findings, and wider progress / developments on SRSP during this period, contribute to inform SRSP guidance and/or its implementation and future action planning on institutionalisation and financing of SRSP.		
Use learning to strengthen SP systems with a shock lens	Based on experiences of pilot, develop DRR procedures with the local government, to ensure continuity of SSA operations following a shock. To include consideration of what to do in the event of the following as well as how to communicate any programme changes to beneficiaries: <ul style="list-style-type: none"> • Damage to/inability to access municipal offices (procedures for recovery of data systems; relocation of activities; surging staff from other locations). • Loss of ID (any processes to support households to receive benefits in interim). • Closure of bank branches. 	SSA district offices Municipal authorities FSPs (banks)	2024
	Based on experiences of pilot, advocate for any relevant 'design tweaks' to the routine SSA to maximise access and enhance relevance following a shock including consideration of: i) waiving annual updating deadlines and postponing exit from child grant at 5 years during period of disaster; ii) bringing forward quarterly payment schedule at times of disaster. Ensure programme operations manual is amended accordingly, and sensitise SSA implementers.	GoN SP development partners	



Save the Children

Save the Children Finland is supporting the development of Child Sensitive Social Protection in a number of countries in Asia and Africa.

Programmes and approaches are adapted to specific country contexts, but generally aims to:

- Improve access to social protection, especially for the poorest and most vulnerable.
- Improve child sensitivity of the programmes so as to enhance outcomes through a 'cash plus' approach.
- Influence government social protection programmes, policies and strategies to become more child sensitive and inclusive.

CONTACT FOR MORE INFO:

Disa Sjoblom
Senior Social Protection Adviser

disa.sjoblom@savethechildren.fi

Save the Children Finland
www.savethechildren.fi
tel. office: +358 10 843 5000



With support from
Finland's development
cooperation