

Active age social protection in Nepal, Profile and Options

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November 2014

This paper describes the social protection profile of Nepal with regards to active age. Currently the country runs a number of uncoordinated social protection schemes for active age, some of which are enshrined in law, others are independent programs. The current Three-Year development plan has an employment-oriented approach, based on a vision of “inclusive growth” (Koehler; 2011). 2.3% of GDP contributes to social protection in Nepal Universal coverage covers 9% of the population (Khanal, 2012).

1 Existing Schemes

Active age social protection is a relevant topic with regards to the work that Handicap International is currently doing to support 1. Access to employment of people with disability 2. Informal sector workers and 3. Improvement of the disability social protection scheme. A better understanding of the different schemes and their intercalation in law as well as gaps and connections with the 3 other minimum social protection guarantees (esp. health) is important to help frame future projects and interactions with relevant ministries and international institutions.

Active age in Nepal guarantees include:

Formal sector social security: this provides insurance against unemployment, sickness, accidental and for old age. This only protects a small proportion of the population employed in the formal sector. It has universal coverage within that category and is regulated by the Ministry of Labour. This programme is funded by the government, employers and employees/ there is no unemployment benefit in Nepal.

Insurance in agriculture INGOs, trade unions and health providers have set up community-based micro-insurance schemes in health, life, livestock and assets. There are regulated and unregulated agricultural insurance markets in Nepal. Insurance Board (*Beema Samiti*) regulates Nepalese life and non-life insurance markets. The government has also implemented several programmes like agriculture disaster relief and avian influenza compensation programme. (Khanal, 2012).

Food aid: this scheme address food insecurity through food distributions funded by government and aid agencies in specific areas and in particular geographical zones.

Employment schemes: this programme is specific to the Karnali region, a poor and food-insecure part of the country. It guarantees a certain number of days of employment per year against cash transfers. It provide 100 days of paid employment at 180 to 350 rupees per day on government infrastructure programmes for persons willing to do unskilled manual work, at a wage fixed at the district level. Similar to the Indian approach, it guarantees a social transfer if employment on a public works scheme is not made available. It is run by the Ministry of Labour and funded through taxes and aid agencies. There is a commitment to include all castes, which appears to be met, while women and youth employment impact are lagging behind.

Disability allowance: this program distributes cash transfers through the ministry of local development and under the guidance of the MWCSW that assess the “severity” of the disability according to very old fashion categorization that ignores the analysis of what people with

disability are able or not to do. Moreover the stipend is difficult to access and prone to corruption as only available at district level. Many individuals with disabilities do not see the opportunity cost of travelling long distance for a small amount of money This is financed through taxes but the actual cost of the program, if done at all, is based on census data the validity of which is contestable (1, 94% of the population is disabled in Nepal against a WHO world report estimate of &5% in any given population).

District block grants: the objective of the grants is to finance community development. 35% of the budget must be used, after a consultation process with those concerned for “marginalized” groups to support their economic status and contribution to the districts. This 35% unfortunately is hard to monitor both in terms of targeting and impact and therefore its contribution to social protection arguable.

Poverty alleviation fund: run by MoLD, categorical grants are given for specific ethnic groups, the benefits are a monthly transfer distributed by the local administration.

Geographical grants for disadvantaged groups (lower caste, single women; people living in Karanli). This is distributed by the local administration and ministry of local development

Ex combatants receive a whole range of services managed by the Ministry of Peace and Reconciliation, including a monthly allowance distributed through local peace committees. The list of ex-combatants has always been a contentious issues as the LPC cannot seem to accurately reflect and cover the needs of this who were effectively combatants. This goes along a subsistence allowance for families affected by the civil war. Both schemes support political stability and social justice.

The variety of programmes poses the following challenges:

- Disconnect between legal coverage and effective coverage
- Lack of knowledge about the schemes and poor predictability of etch shame
- Available fiscal resources have not been studied to optimize them and to ensure that the transfers can have a meaningful impact on families
- With very high migration rates there is also scope to start analysing and proposing portability of protection and minimum wage threshold to reduce insecurity.

Efforts are also being made to amend the Trade Union Act, 1992 in order to create efficient mechanisms for dialogue and negotiations. Two new Acts are in the pipeline: Social Security Organization Act and Unemployment Insurance Act. These are essential for effective implementation of the horizontal and vertical dimensions of ILO C 102. The Government is working on the Acts, but no timeframe has been fixed. In the meantime, the Government just introduced poverty cards.

Many programmes are directionless because they have not been based on criteria like contribution to equity, poverty reduction and minimization of vulnerability. The fragmented nature of social protection transfers and exclusion of the informal sector workers from social security pose additional problems. Some forms of social transfers, introduced with the aim of overcoming social exclusion, may reinforce exclusion. None of the programmes seek to build productive assets in households that are most vulnerable. As a result, the programmes do not contribute to structural transformation required for socioeconomic security.

Some of the instruments are universal, others by category, or geographical, as the KEP, while others are targeted, with clearly defined recipients, so that they come close to categorical transfers. The majority of social protection schemes are in the fiscal budget and tax-financed, with only a few pilots financed by donors. They therefore can be interpreted as elements in a nascent social contract (Koehler, 2011). GON is on track with over 30% of its budget on social

services. If income levels are low, and income inequality is large, there is a case for universalised approaches, as they are easier to administer and can be the most effective way to spread impact. (Koehler, 2011). Finally, it has been demonstrated that the fiscal stimulus packages introduced in the recent economic and financial crisis augmented the incomes of the lowest income quintiles, and contributed at least marginally to improving their socioeconomic security (Koehler, 2011). However, Nepal suffers from the absence of effective monitoring system. The government announces one programme after another without ensuring the effectiveness of ongoing or new programme.

2 Governance of Active Age social protection programmes in Nepal

The overall governance framework of Active Age Social Protection programmes in Nepal presents a number of challenges. Due to the unusually high number and variety of schemes it will not be possible to provide a detailed analysis of each scheme, but rather we present an overview of the common governance characteristics and challenges of these schemes as documented in the literature. A special focus will be put on the role of local government (Village Development Committees, Women’s Development Office).

2.1.1 Comprehensive description

The cash and kind transfers and labour-market interventions do not have an overarching body responsible to manage social protection service delivery. Rather this responsibility is spread across different ministries and different individuals within the ministries, with distribution and management being usually delegated to local government, as follows:

Scheme	Responsible organisation	Financing	Governance
Formal sector social security	Ministry of Labour. Provident Fund management office.	Employer/employee contribution through an individual account.	KSK and board
Insurance in agriculture	No overarching regulation, ad hoc		
Food aid	Local Administration (MoFALD)	World Food Programme, MOFALD	Reporting to donor
Public works Program (rural community infrastructure works, Rural Access Programme, Poverty Alleviation Fund, Karnali Employment Programme, District Roads Support Programme, Decentralised Rural Infrastructure Livelihood Programme, Rural Reconstruction Rehabilitation Sector development Project)	(MOFALD, except the PAF that is management by an independent agency with Board chaired by the Prime Minister and includes the NPC)	Swiss Development Cooperation, World Bank, Asian Development Bank, United Nations Development Fund, etc.	Reporting to donor and State budget mechanism

Disability allowance	Women and Children's Office (MWCSW)	State budget (tax redistribution including the 1% employee levy)	State budget mechanism
District block grants	Local Administration (MoFALD)	State budget (tax redistribution)	State budget mechanism
Geographical grants	Local Administration (MoFALD)	State budget	State budget mechanism
Ex-combatants	Local Peace Committees (MOPR)	Nepal Peace Trust Fund (donor funded and supervised)	Nepal Peace Trust Fund secretariat reports to donor group who finance the fund

Regarding the formal social security scheme, the provident fund which currently manages provident funds for 466,000 employees, is overseen by a Board of Directors constituted by 7 members appointed from different government services and from the corporate sectors. The CEO (Administrator) is the only one not nominated by GON. Objectives are stated clearly. A website exists with comprehensive information on the scheme. Accounting laws exist for the management of this scheme.

The disability allowance is financed through the State budget and expenditure is reported against through the normal district budget reporting mechanism.

The other schemes are all partially or fully funded by donors and enjoy a double reporting system- through the normal district and national budget reporting mechanism and directly to donors. It is worth noting the existence and role of the Social Protection Task Theme that includes the major supporting local protection and key ministries. The management of these schemes is through regulation and financing from local government and delivery through the local bodies. The local government is also responsible for vital registration. In the middle of each fiscal year, the Ministry of Finance collects a report from each district and then allocates funds accordingly. A pilot programme for branchless banking has been launched.

In most of the schemes, record keeping is usually done by hand; although a electronic MIS is currently being tested.

Different bodies of law, acts and regulations across the ministries responsible for such and such programmes exist. There was no time to be acquainted to all of these for the purpose of this paper, however many provide a general basic overview of the purpose and scope of the programme, without instating governance details as such.

Finally, the Social Security Fund which was originally the mandate of the Ministry of Finance and then passed on the Ministry of Labour has a board that oversees both the fund and the social protection programming more generally with a long-term vision of growing as an umbrella social protection organisation.

2.1.2 Administrative challenges

Regarding the provident fund, an issue has been raised with the fact that it is used as a financial reserve for the State – recently the fund has been used to pay off a part of the debt owed to India for oil supply.

With respect to the Public works Programmes there is limited coherence of activities across the various ministries. A current example is the development of poverty identification cards

by the Poverty alleviation Fund, health cards by the Ministry of health, national ID cards by the Ministry of Home Affairs and the separate creation of biometric data through a World Bank pilot.

Clearly the local administration, which currently substitutes local government in the absence of local elections, is responsible for a large part of these programmes. But capacity constraints mean poor coordination, monitoring and accountability at local level. The absence of a functioning local government to carry out and monitor the targeting and functioning of the programme affects the quality of delivery. (Harris, Mc Cord & KC; ODI, 2013)

Of all the public works schemes, only the KEP has minimum good governance characteristics, although even predictability still isn't in place reducing its potential social protection impact.

In terms of targeting, most programmes rely on self-targeting of the poorest (beyond the geographical targeting of the "poorest" districts), and provides employment on a first-come-first-serve or politically determined basis. A minority of programmes are based on food security ranking, but that has also been criticized.

MOFALD also lacks a strong coordinating function centrally and ends relying on the local administration that faces a workload that exceeds their technical and administrative capacity, which increases the likelihood of rent-seeking behaviours. In fact the fiduciary risk is such (both at central and local level) that donors have repeatedly refused to implement a SWAP funding modality.

There is currently no systematic institutional strategy (except the draft social protection framework); each ministry involved in social protection has their own acts, regulations and guidelines. There is no designated body for coordination, regulation and monitored.

In terms of financing, there has not been enough done to track expenditure, nor an attempt to develop a systematic institutional and financial strategy. For example the 1% tax levy turned out to be insufficient. Therefore the financial sustainability and affordability are difficult to comment on.

A self-assessment was carried out by GON but no comprehensive evaluation exists. And the programmes in place do not have effective performance monitoring systems that could be used to assess performance.

Information management systems remain poor; not all districts are connected to the MIS and most keep records manually rather than electronically. Lists are not updated once a year as required. And the list of beneficiaries is not always put up for the public to see.

The disability allowance faces many challenges: people with disability may not be able to apply for and access this support. There is also a problem with the criteria for "disability" which opens the allowance for misuse.

None of these programmes have grievance system.

Moreover insufficient transfers means that the district staff has to ration the allowances. In the recent self-assessment, it was noted that "quite a few officials" admitted that they honoured "recommendations" from political parties.

Social security programme are simply not being monitored effectively. There is difficulty in getting an updated statement of all these schemes.

In conclusion, it seems that the highly politicised environment in Nepal both led to the proliferation of schemes to serve political interest and fostered rent-seeking at local level.

However, this populist interpretation should not underestimate the role that the plethora of the schemes plays. The proposal by donors to create a single national employment guarantee programme, based on existing programmes should be further pushed for to guarantee better governance. The upcoming local elections and proposed federal model will pose the question of coverage and financial sustainability, depending on the federal model chosen. A merge of the different employment programs into one single programme would also save significant management time and would increase quality especially in terms of targeting and of impact of poverty.

3 Assessment Matrix of Active Age social protection programmes in Nepal

This section provides an analysis of contribution/funding and coverage of active age social/protection, describes the main issues with each scheme and suggests ways forward.

3.1.1 Schemes, contribution/funding, coverage and key issues

3.1.1.1 *Formal sector social security*

The Employment Provident Fund contribution (EPF); Citizen Investment Trust contribution (CIT); Gratuity and severance payments; medical, disability and death insurance; maternity leave are all legal requirements (compulsory for civil service, voluntary for private sector of more than 10 employees). All contributions are made by the employee and employer (EPF for 10% of payroll each,) or by the employer only (gratuity, severance, insurance, maternity). The EPF includes a loan scheme where the member can borrow up to 90% of their equity. EPF had about 450,000 active contributors in 2009, the vast majority of which is the public service. The gratuity is redeemable starting from 3 years of service. In the formal sector, 75 days of maternity leave and 10 days of sick leave have to be provided by law.

Issues: Formal social security provisions are limited to a very small proportion of the work force with no coverage of the informal sector (outside of localised pilot projects). Even in the formal sector the labour laws are poorly implemented and monitored. Compensations are rarely paid in full. The gratuity fund and provident fund provide limited protection in case of unemployment, for a limited duration and without qualitative support schemes to support employment. The fact that savings are redeemable during employment by the employee makes it a very vulnerable protection scheme.

3.1.1.2 *Insurance in agriculture and livestock*

The objective of the scheme is to protect farmers from agriculture shocks. The Insurance Board issued Livestock and Crop Insurance Guidelines in early 2013 through which an insurance coverage fund of up to Rs 10 million has been arranged for animal and crop insurance. Farmers have to pay a premium amounting to 5 % of the insurance coverage for crops, 6 % for poultry and 2 % for fisheries. The government subsidizes 50 % of the insurance premium paid by farmers. It is too early to assess impact and coverage.

Issues: In the design of this scheme, the government imposed on insurance companies the set-up of these schemes. To what extent it made the scheme compulsory for farmers or to what extent it implemented monitoring and compliance mechanisms, is not known. Also, as with other types of insurance claims in Nepal, the compensation mechanisms may be too complex and too little to be worth the investment.

3.1.1.3 Food Aid (Public Distribution System – PDS)

The State (Nepal Food Corporation) distributes food to the residual populations in the mountains during the winter. The rest of the distributions come from donor supported-programmes (WFP). No date on coverage was found.

Issues: the PDS involves a large budget, high risks, and a large number of human resources and infrastructure. There is also the danger of replacing the food market in sensitive areas, by creating uncertainty among private food suppliers. The PDS also discourages farmers from growing food locally and creates chronic dependency of the villages. It is also believed that distribution of subsidized rice leads to malnutrition and loss in crop biodiversity.

3.1.1.4 Public works program, cash for work, employment guarantee projects

Nepal Food Crisis Programme (Social Safety net Rural Community Infrastructure Works: this is a donor supported programme (WB/WFP) supporting 21 food insecure districts with a cash for asset and food for asset programme to 400,000 people.

Rural Access Programme: this is donor funded (DFID), the objective is creating employment for the poor and disadvantaged in the poor and inaccessible districts of Nepal through road construction and maintenance, water supply, etc. in 8 core districts providing employment for over 625,000 person day per year of implementation.

Poverty Alleviation Fund: this donor funded scheme (WB) implemented in 59 districts covering 564,024 poor families.

Karnali Employment Programme: this employment guarantee scheme covers 74,000 households in 5 districts (100 guaranteed days of employment) and is funded by the government.

District Roads Support Programme: this is a donor funded (SDC) programme implemented in 6 districts supporting 31,000 families.

Decentralised Rural Infrastructure Livelihood Programme (ADB, SDC) implemented in 18 districts. *Rural Reconstruction Rehabilitation Sector development Project* implemented in 20 districts.

Issues: The plethora of cash for work programmes and employment guarantee schemes results in a complex web of infrastructure projects with a social protection objection. At times it is difficult to be convinced that this social protection component is a genuine priority and even objective. It is not clear how the schemes are being designed, monitored and implemented from that perspective. Many of these schemes are donor funded with different criteria for beneficiary selection, uncertainty in terms of the duration of the scheme and risk of political capture at district levels.

Moreover, the role of local authorities is an issue. Cash transfers are being handled by limited manpower. The local bodies are not enthusiastic in implementing the programs due to lack of administrative expenses. The inter-bodies coordination system is very weak making identification of beneficiaries at best random. There is difficulty in getting an updated statement from local bodies on the administration of these schemes. Determining how much the target groups are actually benefitting is still a challenge. Political influence and pressure are widely prevalent.

3.1.1.5 Disability allowance

This is State funded. Criteria for eligibility has been defined through guidelines issues by the Ministry of Women and Social Welfare. The disability allowance consists of NRs 300 for the

‘partially disabled’ and NRs 1,000 for the ‘fully disabled’. While all ‘fully disabled’ are eligible to receive the benefit, the district-wise quota is applicable for the ‘partially disabled’. The identification and certification of the disabled is carried out by the District Women Development Office under the Ministry of Women, Children and Social Welfare while the allowance is distributed through local bodies. 22,000 disabled person received the allowance (which is only 4% of the estimated disabled population, itself not properly identified). This is not means-tested.

Issues: The definition of disability does not allow for a proper identification of people with disability that need social protection; a classification based on functionality would be needed. Access to the allowance requires to physically go to the district headquarters, which is impossible for the vast majority of people with disabilities (poverty, exclusion, mobility, etc.). The scheme is poorly known in remote areas, so coverage is very limited. The Women Development Office is not trained to qualify disability. If the scheme was to perform as described in the policy and guidelines, the State would not have the means to financially sustain it.

3.1.1.6 *Endangered ethnicities allowance*

Ten groups fall in this category with a monthly benefit of NRS 500 to NRS 1,000 benefiting around 16,000 endangered indigenous peoples. The scheme government funded.

Issues: The poverty reduction and social protection objective of this scheme is unclear; in fact it appears to be mostly politically motivated. No monitoring of its impact has been carried out.

3.1.1.7 *Subsistence Allowance for those Martyred or Handicapped in the Conflict.*

This allowance is supported through the Nepal peace trust fund (a basket fund of donors) and comes with a much larger programme for reintegration. The Local Peace committees are responsible for administering the allowance. The allowance is of. Rs. 60,000 per year as livelihood support for families of martyrs plus an educational allowance for children. Other provisions are available for those disabled by conflict.

Issues: The implementation of this scheme has been fraught with dodging of the lists of beneficiaries and reluctance from individuals to be acknowledged as ex-combatants.

3.1.1.8 *Other issues*

The government has started distributing Poverty ID card for the poor in 25 districts. The social protection objective of this scheme is not known. The implementation of all these social security programs is scattered among various agencies, so some families tend to benefit twice while some are left out of the programs. Social security programs are not monitored effectively, especially from the perspective of a social protection floor objective.

3.1.2 Key recommendations to address active age social protection programmes in Nepal

The following recommendations can be made:

1. Address the *evasion in the formal sector*: Labour office audits must be more systematic and dissuasive and trade unions and workers associations must be more involved in.
2. *Review formal security schemes to provide better protection in the case of unemployment*: Conduct a feasibility study for an unemployment insurance scheme and linkages with employment services:
3. *Develop protection schemes for the informal sector*: this could be in the shape of a pilot (including a feasibility study and a monitoring mechanism for the follow up and replication) with incentives for protection (such as State contribution) and a long term

commitment on the side of government and could focus on one or two protection elements (such as maternity benefits).

4. *Monitor the impact of crop insurance scheme*: if the scheme is intended to perform a social protection function, it is important that it is monitored by social protection specialist. It would be interesting to link this to on-going discussions on an natural disaster fund (emergency fund) and to tie this to the new resilience agenda.
5. *The function and coverage of food distributions need to be reviewed*
6. *Review the role of district government in the delivery of cash transfers*: exploration of a proper institution for better management and service delivery of cash transfers programmes and employment guarantee schemes is vital for immediate consideration.
7. *Review the social protection objective of cash transfer programmes*: agree on criteria for cash transfers, on definitions of categories of population in need protection and apply them in all transfer programmes regardless of the donor or the political party that initiated the scheme.
8. *Promote a single and specialised body for administration of cash transfer programmes within public works programmes*: this should be linked to the Social Security Fund and be administered by experience social protection staff. This would improve access, transparency, coherence, sustainability
9. *Review the predictability and sustainability of donor-funded projects*: from a social protection perspective, it will be important that the government anticipates the phasing out of the programs and negotiates future social protection financing, as well communicates transparently to the population on prospects for continuation to allow them to better plan for the future.
10. Review objectives and coverage of the disability allowance to better match need and adhere to international definitions of disability.

4 Action plan for the improvement of social protection in Nepal

This section proposes an action plan to address the current gaps in social protection policy and implementation in Nepal, with particular reference to active age. Other social protection instruments will also be discussed in so far as they refer to the progressive realization of the social protection floor.

The Nepal social protection framework is composed of a flurry of schemes across the life cycle (child grant, scholarship/food for education), maternity benefits, public works and formal employment insurance schemes, disability allowance and identity-based allowance and finally single women's allowance/old age allowance.

Social assistance and insurance programmes are further supported by basic social services, protective legislation and active labor market policies as well as poverty reduction/employment-focused programmes. This body of government interventions forms a complex web of social protection mechanisms that represent almost 3% of GDP one of the highest investment levels in a country that poor. But the schemes have been criticised for being inconsistent, poorly implemented (coverage, governance issues) and not focused on poverty reduction (but rather based on political motives).

A description of the stakeholders and the political and policy situation is presented below as well as proposed actions to improve the implementation and extension of social protection, from the perspective of an INGO.

4.1.1 Country situation: key stakeholders, political situation

The implementing arrangements of the different social protection programmes are ensured by different ministries: Ministry of Women Children and Social Welfare, Ministry of Federal Affairs and Local Development, Ministry of Finance, Ministry of Agriculture and Cooperation, Ministry of commerce and Supplies, Ministry of Health and Population, Ministry of Education, Ministry of Home Affairs, Ministry of Labour and Transport management. As many of the programmes rely on some level of intervention by the Chief District Officers, MOFALD plays a central role in the administration of the schemes.

Trade unions and their umbrella unions in Nepal are numerous. The most powerful one, (All Nepal Trade Union Federation- ANTUF) affiliated with the Maoist party has over 600,000 members from the formal and non formal sector (agriculture included) followed by 3 other unions and especially the General Federation of Trade Union – GEFONT under which 30 unions are affiliated.

The main employer's organisations is the FNCCI – Federation of National Chambers of Commerce and Industry, which acts both as a federation and as project implementer.

Formal national tripartite dialogue bodies exist such as the Labour Office, which will handle labour disputes, the Central Labour Advisory board (workers, employers and government) that provides policy advise to government, the Social Security Fund Management Committee (a tripartite committee to oversee and implement new social security schemes), the Board of trustees in Social Security Fund.

Powerful interest groups such as forest user groups (FECOFUN), Freed Bonded Labourer Rehabilitation and Monitoring Committees (focused on the rehabilitation of freed bonded labourers), the Federation of National NGOs in Nepal, Local Peace Committees would typically be consulted in national and local level dialogue.

All the organisations are organised along party lines following the four major political forces present in Nepal (CPN-UML Communist Party of Nepal United Marxist Leninist, NC – Nepal Congress- UMN - Unified Maoist Party, RRP – Royalist party of Nepal). There are 120 parties registered in Nepal, 30 of which are represented in parliament.

The schemes developed in Nepal have often been ambiguous in terms of their objectives (rights/identity based or welfare base), and were often opportunistic initiatives of politicians holding certain ministries to secure political allegiance within a particular group or region. As a result policies and provisions are scattered across several sectors. However, none of them is comprehensive enough to provide a cohesive framework for this diverse field and its instruments. Legal provisions governing this sector are also fragmentary and scattered. The political motives behind some of the schemes renders any proposed change difficult.

Nepal politics are characterised by successions of deadlocks that are eventually resolved through rounds of negotiations with elected political parties. At local level, elected and non-elected parties are legitimate participants of the local planning and resources allocation processes. After elections in November 2013, the parliament has been tasked with writing a new constitution to spell out a federal system of governance, subject of increased political divisions that lead to diversion away from important economic and social issues at hand, and especially Nepal's ambition to graduate away from a low income country by 2022.

The international community is a strong supporter of social protection through the Nepal Social Protection Task force, composed of ILO, IOM, DFID, ADB, WB, WFP, UNDP and GIZ who all finance programmes and/or provide technical assistance to the government – as well as key ministries.

4.1.2 Issues and Action Plan

The central issue in Nepal, seems not to be the need to create new schemes, but rather to reorganise the current offer of schemes to be better administered and with clearer objectives. INGOs have hardly been involved in the social protection schemes run by government, or if so only indirectly. However the overlap in objectives of INGOs and Government of Nepal's social protection ambitions makes space for possible joint action, especially in the context of federal reforms.

Main issues that could be addressed with respect to reorganising existing schemes and the added value of INGOs are :

1. The lack of coherence in terms of objectives, institutional set-up and implementation mechanisms
2. The lack of focus on the informal sector
3. A poor understanding of the target population and the coverage and impact of social protection schemes, especially in terms of resilience. This is linked to a disconnect between the plethora of INGOs rural development and basic service support projects and existing schemes
4. The absence of reliable data
5. The limited awareness of the existence and function of social protection schemes (from a tax payers' perspective as much as from contributors or receivers)
6. The absence of checks and balances on the implementation of the schemes

Actions to address these issues could be:

1. Coherence: The government is drafting a new social protection framework. This is done without consultation of interested parties. INGOs are in a position to facilitate a bottom up process whereby interest groups (such as women's groups, senior citizen's associations, disabled people's associations, etc.) can voice their perspective. This also serves issue 5 of increasing awareness of the population about social protection. Actions include local level workshops with interest groups, national level consultations with federations, participatory research on the impact of existing schemes (building on existing research).
2. Informal sector: taking stock of experiences in the region with contributory schemes in the informal sector, INGOs are in a good position to support pilot initiatives to support informal sector workers, in a way that connects with existing management structures of social protection schemes. USAID and DFID have recently launched two huge programmes on resilience that overlook structural support to the informal sector – there is scope to influence implementing partners in testing large scale contributory schemes in the informal sector.
3. Poor understanding of coverage and impact of social protection, and disconnect with INGO programmes: Many INGO projects operate in isolation of structural efforts of the government to address the needs of poor people through social protection. This gap in knowledge and complementarity is a wasted opportunity for convergence, especially as resilience is top of the agenda in Nepal and at a time when the both government and INGOs are both being criticised for inability to demonstrate impact. It would be useful to facilitate a dialogue between the platform of INGOs (AIN) and the Social Protection Task Force to identify synergies and avoid duplications. This could be done through the Social Inclusion Action Group, an existing platform between relevant donors and INGOs.
4. Data and data management: existing MIS systems and connection with outreach banking are at a pilot stage for social assistance, whilst in the meantime INGOs throughout the country have been using modern MIS systems and banking for cash transfer projects.

Learning from INGOs' experience as well as using the network of existing organisations may be an efficient way to scale up a more modern system for data management and administration of allowance. Moreover, specialist INGOs with their national counterpart are in a very good position to advise government on internationally agreed classifications (for example on disability) and standards for basic packages (elderly, health, disability)

5. Awareness: INGOs have years of experience in behaviour change communication and awareness raising campaigns. Specialist organisations can partner with government to develop information campaigns, websites, leaflets, etc. for citizens to be better informed of the rights and entitlements.
6. Checks and balances: within the timeline of the development of the Social Protection Framework, INGOs and their local NGOs counterparts are well position to set up watchdog mechanisms at local level to monitor the implementation of the framework. This will require defining terms of reference for monitoring and reporting to the Task Force on Social Protection.

5 Conclusion

Due to the nature of INGOs, the impact of such actions on the progressive implementation and extension of social protection lies in our facilitative capacity but remains indirect. INGOs such as Handicap International can play an advocacy role by representing the voices and experiences from the ground and connecting with international experiences. Detailed steps have not been outlined above, as currently there is no experience of INGOs working with the Social Protection Task Force or with social protection schemes, therefore a lot of ground work is still required to defend our legitimacy and relevance in contributing to this. INGOs have a great added advantage in resources leverage and implementation capacity as was recently witnessed in the emergency response that we coordinated and where cash was used to support flood victims. The actions above would all be rather easily embedded in existing INGO activities. As the vice-chair of the platform of INGOs (AIN) and steering committee member of the Social Inclusion Action Group as well as coordinator of the Task Group on disaster management and resilience, Handicap International could in the coming months facilitate the achievement of such actions.

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