

# Cash transfers as an emergency response for vulnerable groups in Nepal

*Independent Assessment Summary Report, January 2016*



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## BACKGROUND

In response to the devastating earthquakes of 25<sup>th</sup> April and 12<sup>th</sup> May 2015, the Government of Nepal, in cooperation with UNICEF, implemented an Emergency Top-up Cash Transfer Programme (ETCTP) for vulnerable groups between June and November. An independent assessment of the programme using mixed methods was conducted between September and November 2015 to examine the outcomes, delivery processes and effectiveness of the ETCTP.

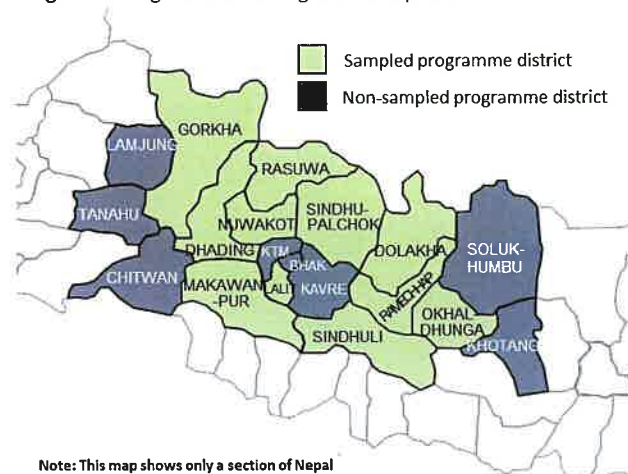
An emergency cash benefit of NRs. 3,000 (US\$30) was provided to the beneficiaries of the existing government social assistance programmes in the 19 most earthquake-affected districts as a top-up to the regular payments. The ETCTP reached five categories of beneficiary including: (1) senior citizens aged 70 years and above or 60 years and above if Dalit; (2) widows, and single women aged 60 years and above; (3) people with disabilities; (4) Dalit children under five years of age; and (5) highly marginalized indigenous ethnic groups. The ETCTP aimed to meet immediate household expenditure needs and to increase household resilience by reducing the use of negative coping mechanisms and behaviours in an extremely challenging post-earthquake situation.

The independent assessment survey verified that the majority (93 per cent) of target beneficiaries - approximately 434,690 people - received the emergency top-up cash transfer of NRs. 3,000 and that the cash was most commonly used to meet short-term basic daily needs such as food and medicine, clothing and other household essentials.

## METHODOLOGY

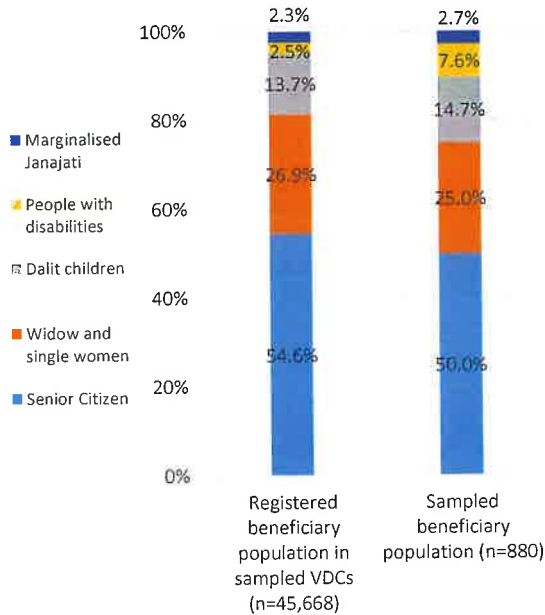
For the independent assessment, 880 eligible individuals were randomly sampled from the beneficiary lists in 44 VDC/Ms across 11 of 19 ETCTP districts (Fig. 1). Districts and VDC/Ms were purposively selected for geographic representation, level of earthquake impact and the presence of large beneficiary populations. The survey data are representative of the eligible beneficiary population at the VDC/M level and the distribution of beneficiary types in the sample is reflective of the wider beneficiary population (Fig. 2). In addition, qualitative data were collected through 22 focus group discussions with beneficiaries and other community members and 47 key informant interviews at local, district and national levels.

Figure 1. Programme coverage and sample districts



Note: This map shows only a section of Nepal

Figure 2. Survey population and sample



## KEY FINDINGS

### CONTEXT

1. **The beneficiary population is highly economically vulnerable.** The majority (79 per cent) of respondents reported that their main livelihood is (subsistence) agriculture (Fig. 3) and only 37 per cent reported having a secondary livelihood. Nepal as a country is highly remittance-dependent, but only 11.8 per cent of the respondents reported having received remittances prior to the earthquake and 9.7 per cent following the earthquake - well below the national average of 56 per cent (NLSS 2010). In addition, the sample households are relatively or absolutely labour poor. Twenty-six per cent of households had multiple

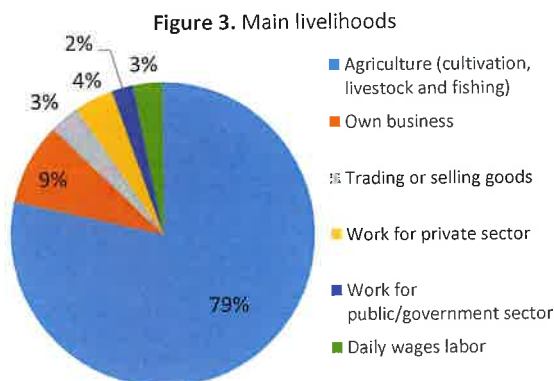
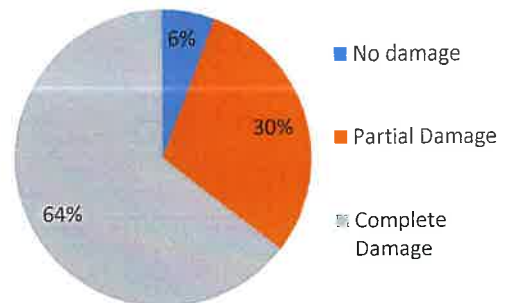


Figure 3. Main livelihoods

beneficiaries (i.e. more than one member who was registered for one of the five social assistance programmes) especially among Dalits and marginalised indigenous groups; average household dependency ratio is 1.2 (i.e. 1.2 people under 18 or over 65 years for every one person aged 18 to 64 years) compared to a national average of 0.98 (MICS 2014); and 14 per cent of beneficiaries live in households with no members of productive age.

2. **The beneficiary population was extremely earthquake affected.** Just one per cent of respondents reported loss of life of a family member due to the earthquake. However, the number of deaths varied greatly between communities and were often very high. For example, interview respondents from one community in Gorkha District reported 72 deaths within the local community. Nearly all respondents (94 per cent) said there had been damage to their house of which two-thirds were completely damaged (Fig. 4). Community members also highlighted widespread damage to government buildings, health centres and schools. Forty-four per cent of respondents reported damage to other property including food stocks, cooking equipment, furniture and livestock.

Figure 4. Has there been damage to your house due to the earthquake?



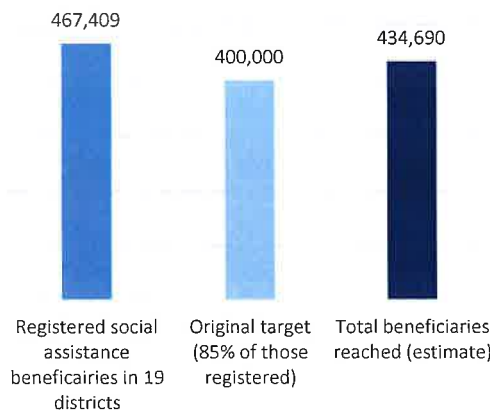
Livelihoods were also affected, with 63 per cent of respondents reporting that their household members had to take time off work. In the two months following the earthquake, an average of 188 days of work were missed

per household. Food insecurity has also been a problem for nearly one-quarter of households: 23 per cent of the respondents said that there were times in the month prior to the survey when household members did not have enough to eat and 12 per cent had to sell assets to meet their food needs. Other common coping strategies included changing diet, reducing consumption and borrowing.

assessment survey found that 99 per cent of the sample beneficiaries received the emergency top-up cash transfer in the selected VDC/Ms, and that all of those received the correct amount of NRs. 3,000. The difference in coverage between the administrative and survey data is due to the sampling strategy (randomised only at VDC/M level); difficulty in accessing certain remote areas; and variability in implementation outcomes between VDC/Ms.

### PROGRAMME DELIVERY AND OUTCOMES

Figure 5. Programme coverage



**3. The ETCTP achieved very high coverage among the target population.** Based on the reports received from the concerned districts to date (10 of 19 districts), 93 per cent of registered beneficiaries - approximately 434,690 people - are estimated to have received the emergency top-up cash transfer (Fig. 5). The independent

**4. The ETCTP achieved the goal of supporting vulnerable households to meet their short-term basic daily needs.** At the time of the survey, the majority of beneficiaries (89.7 per cent) had expended all or almost all of the emergency top-up cash transfer - suggesting high demand for additional cash income. The items most commonly purchased by households were food (81 per cent of respondents), medicines (45 per cent), household essentials (37 per cent) and clothes (32 per cent); and the largest share of the emergency top-up cash transfer was also spent on similar goods (Fig. 6). In relation to the objectives of the programme - to support basic consumption of vulnerable groups - 21 per cent of respondents reported that the transfer amount was enough and 63 per cent reported it was nearly enough (Fig. 7). However, 92.8 per cent of the respondents expressed the need for more rounds of cash transfers of this type.

Figure 6. What did you use (most of) the money for?

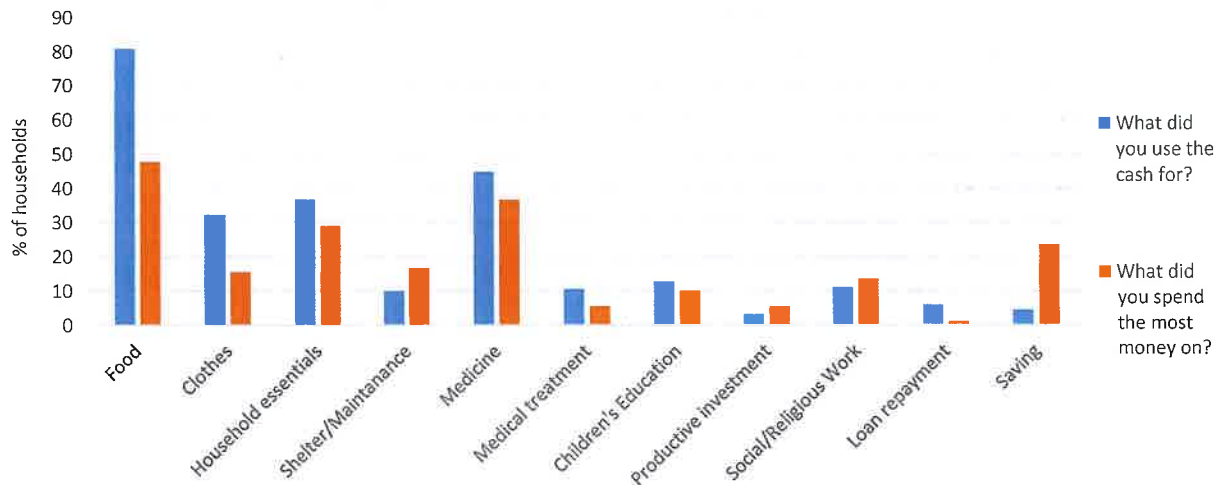
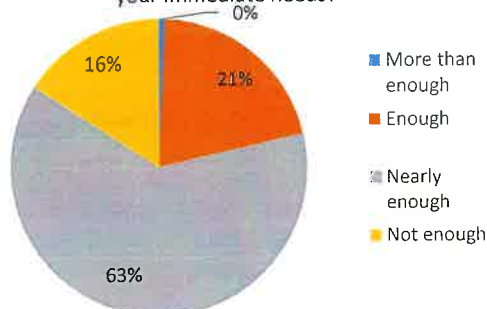


Figure 7. Was the top-up enough to address your immediate needs?



**5. Despite limited direct targeting at children, the ETCTP indirectly benefited many other children.**

Dalit children under five years of age made up 14 per cent of the total beneficiary population, but the survey findings estimate that two-thirds of beneficiaries live with at least one child under 18 years and one-third live with at least one child under five years. Spending patterns indicate that in addition to collective household needs being met, 12.7 per cent of beneficiaries specifically spent some of the emergency top-up cash transfer on children's education. Qualitative interviews with schools, students and children's clubs further confirm these findings.

**6. The ETCTP made some (limited) contribution to other outcomes including reducing negative coping strategies and livelihoods promotion.**

A substantial proportion of households (23 per cent) faced some food insecurity and nearly half of households (48 per cent) allocated most of the emergency top-up cash transfer to food. Thus, while the study is not able to make a direct link, it is reasonable to expect some short-term effects on limiting negative coping strategies such as reducing food consumption and diversity, and borrowing to meet food needs. In addition, a smaller percentage of households allocated some cash to shelter maintenance (10 per cent), loan repayments (5.9 per cent), savings (4.4 per cent), and productive activities (3.1 per cent) (Fig. 6). Focus group discussions with beneficiaries also reported some preference for

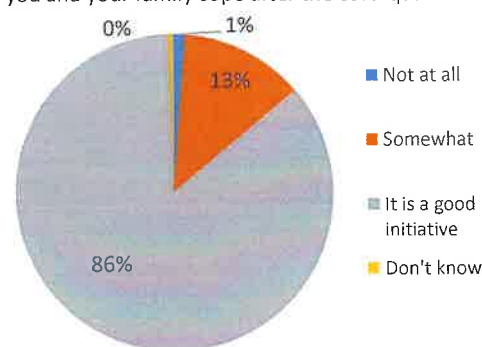
use of the cash to pay debts and for productive activities including purchase of poultry and livestock and payment for wage labour.

The emergency top-up cash transfer was supposed to be distributed together with a booklet that provides information on nutrition, hygiene and other care practices with a view to promote positive behavioural changes. However, synchronization between the distribution of cash and booklets did not work as planned, resulting in low coverage of the booklet (6.5 per cent of sampled beneficiaries). Because of this, the impact of the additional information on households' behaviours is assumed to be low. Nonetheless, the majority of households (91.2 per cent) that did receive the booklet found it "somewhat useful".

**7. Beneficiaries and government officials have mostly positive perceptions of the ETCTP.**

The survey found that 86 per cent of respondents perceived the ETCTP as a good initiative (Fig. 8). Focus groups with beneficiaries supported this view, and also highlighted that for some, the programme had positive effects on feelings of hope following the earthquake. The use of cash rather than in-kind assistance was also appreciated, with 86.6 per cent of the sample beneficiaries stating a preference for cash. Interviews with government officials also revealed that, despite some implementation challenges, they had a positive impression of the ETCTP.

Figure 8. Was the top-up a good initiative to help you and your family cope after the earthquake?





## DESIGN AND IMPLEMENTATION CHALLENGES

**8. Although coverage was high, a small number of registered beneficiaries and eligible but non-registered people were missed out.** The combined findings from government reports, the independent assessment survey and qualitative interviews suggest that the causes of exclusion for a small number of registered beneficiaries were: (i) lack of documentation; (ii) lack of transportation in remote areas; (iii) migration or displacement; and (iv) insufficient funds requested by VDC/Ms.

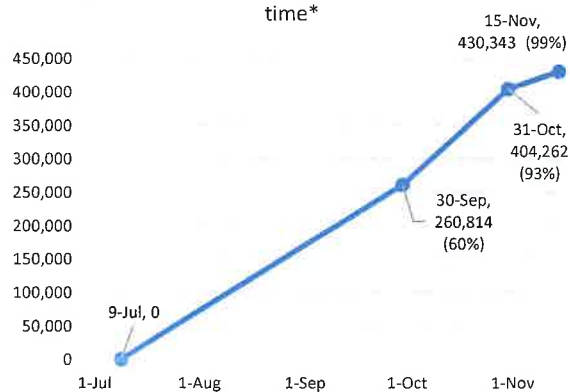
In addition, because registration for social assistance programmes happens only once a year in December, those who became newly eligible after December 2014 were not able to register in time to receive the emergency top-up cash transfer. Estimates from previous studies suggest that the Senior Citizen's Allowance and the Child Grant achieve about 80 per cent coverage of eligible persons.

**9. All districts completed distributions within one to four months after the receipt of funds.** However, delays at different levels of implementation resulted in less timely and less efficient delivery than anticipated. More than half (60 per cent) of VDC/Ms completed distributions within three months of the official directive from the Ministry of Federal Affairs and Local Development (MoFALD) to the District Development Committees (DDCs),

and it took a further 1.5 months to reach 99 per cent completion (Fig. 9). Reasons for the delays identified through the independent assessment survey and regular progress monitoring include: (i) slow bank transfer processes (up to 25 days in some cases); (ii) competing priorities and limited capacity at DDC and VDC/M level; and (iii) difficulty accessing certain remote VDCs.

In addition, the timing of approval for the ETCTP by the Cabinet, and the need to complete regular payments before the fiscal year end (mid-July), meant that about half of the districts (9 of 19) were not able to synchronise distribution of the emergency top-up cash transfer with the regular social assistance payments, and a further eight districts waited until the regular October payment to distribute the top-up. This had implications for both the timing and efficiency of implementation.

Figure 9. Estimated beneficiaries reached over time\*



\*Based on VDC/M reported completion rates

**10. Some beneficiaries experienced difficulty in accessing the locations for cash distribution.** However, very few other major problems were reported during the distribution process. About half (52.2 per cent) of sample beneficiaries collected the cash at their local VDC/M office, but some VDCs managed distributions in two or three locations within the VDCs. While 72 per cent of respondents

reported that it took less than half a day to collect the money and return home, feedback showed that some distribution points were not easily accessible from remote villages. Accessibility issues were compounded for people with disabilities or limited mobility who more often relied on others to collect the money.



Regarding the distribution itself, 99 per cent of sample beneficiaries reported queuing and waiting. However, the majority (83.9 per cent) waited in line for two hours or less. Despite high awareness that complaints can be made to the VDC/M office, only one per cent of sample beneficiaries actually made a complaint and very few other issues were raised in the survey. This may be due to the weak grievance and redress mechanisms at the local level, unequal social relations, and the tendency in Nepali society not to complain.

**11. Low coverage of the booklet and leaflet distribution.** The programme intended to provide a behavioural change booklet to all beneficiaries of the emergency top-up cash transfer at the time of distribution. However, the survey found that only 6.5 per cent of beneficiaries received the booklet during the cash distribution. In addition, programme information leaflets were meant to be widely distributed at the local level before distributions took place. While large quantities

of the leaflets were found to have reached the districts, actual coverage at the community level was low. These findings reflect the logistical difficulties in transporting booklets and leaflets to the VDC level, and in mobilising human resource-intensive information campaigns on such a large scale and within a short time frame in an emergency context.

**12. VDC Secretaries reported limited capacity to undertake additional work, and received no additional financial support.** Most VDC Secretaries had a good impression of the ETCTP to support vulnerable groups in their communities. However, it was also viewed by many as an additional burden, in part because it was not possible to combine the distribution with the government's regular social assistance payments. Furthermore, some VDC Secretaries complained that there was no additional support for logistical arrangements and administration such as travel, photocopying and printing of relevant documents and reports. In many rural areas, VDC Secretaries' jobs were more difficult due to the lack of banking facilities, the tail end of the raining season, limited road transportation, and no additional security (given the larger sums of cash).



**13. Local mobilisation and monitoring in support of the ETCTP was weak.** Systematic programme tracking and monitoring processes were undertaken by officials of UNICEF, MoFALD and the Nepal Participatory Action

Network (NEPAN) – an NGO contracted for the independent assessment. However, local level monitoring mechanisms at the DDC and VDC level were found to be weak. Feedback showed that community-based mobilizers were not very involved in social messaging campaigns; the presence of the Scouts Association was low; and VDC staff members were overburdened with other regular and emergency-related administrative tasks.



## RECOMMENDATIONS

1. **Provide further support to vulnerable populations in the medium-term post-earthquake period.** While the ETCTP was able to meet important basic needs in the months following the earthquakes, the beneficiary population remains highly vulnerable through the winter period and beyond. Household budgets will face increasing pressure as they wait for housing reconstruction support and there is a risk that negative coping strategies are adopted. In this context, there is a need to provide further support to meet basic consumption requirements and to support livelihoods of the affected population, and particularly for vulnerable groups.
2. **Integrate the use of emergency cash transfers through social assistance programmes into future humanitarian relief responses.** The overall success of the ETCTP suggests that using existing social assistance programmes as

a basis for emergency top-up cash transfers can be an effective part of emergency relief efforts and encourages collaboration between both development and humanitarian stakeholders. Based on the experiences of the ETCTP, standard operating procedures and the relevant modalities for rapid vertical and horizontal expansion should be developed and integrated into national emergency preparedness and response plans.

3. **Use the learning from the ETCTP as a means of improving social protection programmes.** Learning from the response has highlighted various weaknesses in the social protection system that limit its effectiveness both in normal times and as a tool for emergency response. Specifically, the current system has limited coverage of vulnerable groups; rigid annual registration processes; inefficient payment modalities; and limited capacity for local level implementation and programme monitoring. These lessons can be used by the government and development partners to inform efforts to strengthen the social protection system.



4. **Consider ways to increase the frequency and predictability of emergency cash payments to improve sustainability and longer-term impacts on household resilience.** The amount of cash provided was seen as adequate by the majority of beneficiaries in the short term. However, most beneficiaries suggested the

need for additional payments, and other recovery phase analyses indicate the need for more continuous income support for vulnerable households while they reconstruct their homes and lives.



This requires identifying alternative funding strategies and establishing implementation reforms. For example, current payment modalities (cash-in-hand through the VDC office) are not well suited to more frequent transfer payments. Alternative strategies include increasing short-term human resource capacity at the local level and promoting extension of electronic payment systems such as branchless banking.

5. **Resolve the registration problems of the social assistance programmes.** One of the major contributing factors to exclusion of eligible vulnerable people is the annual registration process and lack of advance budgeting for anticipated future beneficiaries. Implementation procedures should be reformed alongside strengthening the necessary systems such as Management Information Systems (MIS) to move towards a more regular or rolling registration process and more immediate entry into the programmes. This would also allow for rapid registration following disasters or economic stresses and crises.

6. **Provide more support to local officials for implementation of the ETCTP.** VDC/M staff felt overburdened with the additional workload of distribution and the costs incurred by transportation and logistical operations. The provision of operational costs should be included in future programming. It is also important to invest in strengthening the implementing agencies' capacity, motivation, ownership and accountability.
7. **Identify strategies to make better use of local groups and networks for community mobilisation, information dissemination and programme linkages.** VDC/Ms have already developed a local network of trained social mobilizers through the local governance and community development programme (LGCDP). Awareness and advocacy efforts should utilize these avenues and help to strengthen local civil society stakeholders to support programme objectives and to translate behavioural change messages into action. Linking the ETCTP with other service providers such as Female Community Health Volunteers (FCHV) could be fruitful in enhancing and expanding household resilience efforts.



The independent assessment was conducted by the Nepal Participatory Action Network (NEPAN) with additional technical assistance from UNICEF. Please go to [www.nepan.org.np](http://www.nepan.org.np) or contact [tdhakal@unicef.org](mailto:tdhakal@unicef.org) or [nimathers@unicef.org](mailto:nimathers@unicef.org) for a copy of the full report.