Stakeholders' Perspective on Building Integrated Social Protection System in Nepal

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A R T I C L E   I N F O

A B S T R A C T

Following the inception of federalist structure, the three tiers of government are providing more than 80 social protection programmes in Nepal. The main purpose of this study is to assess the extent of coordination and integration of various programmes and provisions related to social protection, and to put forward better ways of coordination among them. This study adopted mixed method and partially applied the coordination toolkit developed by United Nations Development Group (UNDG) and ISPA. The study draws on analysis of available research, and in-depth interviews with concerned stakeholders using semi-structured questionnaires. Findings show that the involvement of multiple mechanisms and agencies for managing social protection schemes have created fragmentation, duplication, inefficiency, and ineffectiveness despite the fact that there is programme level vertical coordination within a single programme in some social protection schemes. There are a severe lack of horizontal coordination at the policy and operational level among programmes and mechanisms related to social protection. Implementation of international obligations, designing national policies and legal frameworks, establishing institutions, provisioning sustained funding mechanisms, generating political willpower, and using Integrated Management Information Systems (IMIS) are some strategies that can contribute to integration of the programmes. Moreover, it is very important to establish a single mechanism for coordinating the fragmented social protection activities for its sustainable implementation.

1. Introduction

Social protection is a set of national policies, institutions and political will to combat risks, poverty and vulnerability among people in need. Globally 53.1 per cent of the total population or 4.1 billion people are out of coverage of social protection schemes, whereas 55.9 per cent of population is out of reach of social protection programmes in Asia and Pacific region (ILO, 2021:19). The Fifteenth Five Year Plan of Nepal claims that the share

of social protection on the national budget will be 13.7 per cent and 60 per cent population will be covered by social protection programmes by the end of Fiscal Year 2023/24 (NPC, 2020:290). Nepal has been aiming to increase the coverage of social protection along with its share in national expenditure. Nevertheless, extending social protection through multiple layers of government, agencies and institutions may not be efficient, which has created fragmentation and duplication of social protection programmes in Nepal. This is supported by the fact that there are more than 76 social protection schemes channeled under 29 programmes and more than 11 ministries, with total spending of Nepalese Rupee (NPR) 188 billion, are involved in their management (UNICEF, 2020:19).

There is no proper research on the impacts of fragmentation and lack of coordination among social security programmes. However, it can be said that due to the fragmentation and lack of coordination and cohesion, and delivery mechanism, the sets of social protection programmes have hardly produced any expected results of in regards to reaching out to all citizens and enhancing their quality of life in general. In this context, this paper aims to assess the extent of coordination and integration of various programmes and provisions relating to social protection, and to put forward possible ways of integration among them.

2. Methods and Materials

This study adopted mixed method, where desk-based research, in-depth interviews and consultation with stakeholders were conducted for obtaining primary and secondary data. A range of literature on coordination and integration of social protection in Nepali context were reviewed. In-depth interviews and consultation with the help of self-designed semi-structured questionnaires were conducted with 12 participants, including heads, deputy heads, and officials of the selected programmes.

For conducting the interviews and consultation meetings with respondents, Key Informant Interviews (KII) guideline was developed. This guideline included a total of 17 key questions (as semi-structured questionnaire) consisting 14 from Inter-agency Social Protection Assessment (ISPA)'s Core Diagnostic Instrument (CODI) framework, and three from UNDG's Social Protection Toolkit. This was followed by in person and telephonic conversation with the informants. At the same time, the collected information was analysed partially using these frameworks and presented in descriptive forms. CODI is an instrument for assessing/ analysing social protection situation and recommending the ways for developing and designing social protection system in any country. This framework is developed by the Inter Agency Social Protection. Similarly, the Social Protection Coordination Toolkit is the measure for investigating the level of coordination and cohesiveness among social protection programmes and prescribing better ways for establishing integrated and coordinated social protection systems in any country. Both frameworks are applied to many countries in order to obtain better results.

There are plenty of social protection programmes run by various state and non-state actors; however, three popular social protection programmes including social security allowances under the Department of National Identity and Civil Registration (DONIDCR), contributory social security programme under Social Security Fund (SSF), and health insurance programme by Health Insurance Board (HIB) were randomly sampled for the purpose of this study.

3. Results and Discussion

3.1 Existing knowledge on fragmentation and coordination in social protection systems

Social protection is targeted at safeguarding the society against risks and vulnerabilities in different stages of life to ensure optimal income for a dignified lifestyle. Norton et al. (2001:7) defined social protection as 'the public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given polity or society.' They explained its types/instruments as: i) social insurance; participatory, contributory and formal sector programmes, ii) social assistance; non-contributory, tax funded, informal sector programmes as cash or in kind form, and iii) other instruments; labor market policies, price support, microfinance and employment support programmes.

Various types of social protection schemes have been implemented in isolation under many institutional roofs and various policies existed without establishing a proper integrated system, even globally. Social protection system broadly includes: a) policy (legal and policy framework, alignment of policies with needs of the population, policy making process, policy implementation and capacity, public expenditure and financing, information dissemination and raising awareness, monitoring and evaluation), b) programme design (eligibility criteria, benefit design, expenditure and financing, incentives), and c) programme implementation (identification, eligibility verification, enrollment, benefit delivery, monitoring and evaluation, complaints and appeal mechanism, information dissemination and raising awareness) (Inter Agency Social Protection Assessments (ISPA) on Core Diagnostic Instrument, (CODI). The Inter Agency Social Protection Assessments (ISPA) also claims that after analysing these components in a systemic way, suggestions for building coherent and coordinated social protection mechanisms in any country can be provided.

Fragmentation is defined as the disintegration of any system. In case of access to health care, McIntyre et al. (2008: 871) define it as a situation of "the existence of a large number of separate funding mechanisms (e.g. many small insurance schemes) and a wide range of health care providers paid from different funding pools." The authors further argue that fragmentation has created inequity in health care systems, which needs greater integration of financing mechanisms for correction. Furthermore, the fragmentation of programmes may lead to duplication, where beneficiaries are covered by more than one scheme for the same contingency. This is especially an issue in the absence of common identification and management information system (ILO, 2016:59). Rawlings et al. (2013:5) claim that "addressing fragmentation can enhance efficiency by ensuring better coordination across actors and programmes, as well as sharing of human, financial and administrative resources. This can lead to economies of scale, the leveraging of additional resources, greater savings, enhanced value for money, but, most importantly, the enhancement of final outcomes including expanded coverage, improved delivery of social protection services as well as better use of existing resources by beneficiaries."

Fragmentation leads to inefficiency and ineffectiveness. Alternatively, coordination leads to integration, harmonization, consolidation and cohesion within and across the system. For the purposes of designing and implementing social protection floors, UNDG (2016:9) defines coordination "as

the alignment and harmonization of all stakeholder activities (at the operational level) in a coherent and holistic way to reach clearly identified and shared objectives (at the policy level). Obviously, a vertical link (vertical coordination) is also required between policy and operational levels." Most importantly, UNDG provides three frameworks for policy, vertical and operational coordination. The ministries, social partners and development partners are horizontally involved in policy and operational level coordination, whereas vertical coordination links the policy level and operational level with organisational layers. Policy coordination involves defining national social protection strategies, national social protection floors, and designing the implementation roadmaps with consensus of stakeholders. Operational coordination efforts are made to deliver quality service in social protection programmes, whereas vertical coordination transforms policy decisions into actions at the operational level. Vertical coordination also allows planning, budget allocation, guidance, supervision, monitoring, evaluation, feedback and reporting functions to be optimised by coordinating the different tiers of government including federal, provincial, local (district, municipal and village). The responsible mechanism and their relationship is clearly illustrated in Figure 1.

Figure 1: Required coordination efforts to develop and implement social protection floors
Source: UNDG (2016).

According to UNDG, coordination is crucial for: a) harmonizing different institutions and schemes while developing and implementing social protection floors for universal coverage, b) ensuring efficiency of social protection mechanisms by minimising duplication, c) improving effectiveness of the system by integrating various benefits and services provided by institutions to concurrently address multiple aspects of poverty, exclusion and vulnerability, d) maximising effectiveness of the assistance given to different countries by the United Nations (UN) and development partners, e) sustaining achievements through provisions of social protection, and f) linking national social protection actors (bureaucracy, politician, policy makers, activists) to the international forum of experts and best practices, and sharing expertise, knowledge and skills globally (p.3). For the assessment of existing coordination mechanisms, UNDG has provided framework and questionnaire for all three categories of coordination efforts (UNDG, 2016:17).

ILO (2012) in Social Protection Floors, recommendation no. 202, has underlined the obligation to members for fulfilling coordination and coherence efforts in Section 3 (m, n) as "coherence across institutions responsible for the delivery of social protection;" and "high-quality public services that enhance the delivery of social security systems,". Likewise, section 10 (c) further elaborates as "ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework,". Section 13 (2) states "members should progressively build and maintain comprehensive and adequate social security systems coherent with national
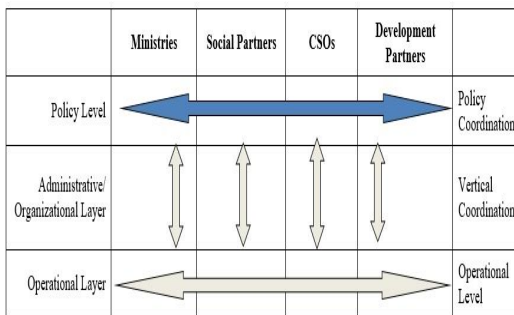
policy objectives and seek to coordinate social security policies with other public policies." The recommendation no. 202 is the foundational stone for Sustainable Development Goals' target 1.3. Therefore, action towards fulfilling this goal also leads to the coordination process.

There is no singular mechanism to increase coherence in social protection systems but making and implementing international obligations, designing national policies and legal frameworks, establishing institutions, provisioning sustained funding mechanisms, generating political willpower, and using Integrated Management Information Systems (IMIS) are all strategies that are conducive for building coherent social protection systems.

International regulations such as "Conventions, Covenants, Codes, Declarations, Frameworks, Protocols, Recommendations and Treaties (CCCCDFPRTs) (Devereux, 2017: 22)" of UN and its agencies, regional institutions, bilateral and multilateral agencies provide the grounds for consolidation of social protection systems. These international provisions are accepted as an obligation for signatories/parties to fulfill the global goals for leaving no one behind. At the same time, these obligations create a basic human right to social protection for an individual (Sepulveda et al., 2012; Devereux, 2017; Kaltenborn, 2013, 2015, 2017, 2020; Sepulveda, 2020). This is evidenced in various articles of the Universal Declaration of Human Rights, 1948 which states that "Everyone, as a member of society, has the right to social security (Article 22)… Everyone who works has the right to just… by other forms of social protection (Article 23(3)…Everyone has…the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control (Article 25(1)…All children, whether born in or out of wedlock, shall enjoy the same social protection (Article 25:2) (UN, 1948)."

Similarly, the International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966 creates right to social protection mentioning as "the State Parties to the present Covenant recognise the right of everyone to social security, including social insurance (Article 9)… "take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realisation of the rights recognised in the present Covenant by all appropriate means, including particularly the adoption of legislative measures (Article 2:1) (UN, 1966)."

According to Universal Declaration of Human Rights (UDHR) and ICESCR, the specific group of covenants such as Convention on the Elimination of All forms of Discrimination against Women (CEDAW) 1979, Convention on Rights of the Child (CRC) 1989, Convention on the rights of the Persons with Disabilities (CRPD) 2006, International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families, 1990 were implemented to provide the same right of social protection/security to minority groups.

International Labour Organisation (ILO), as a specialised UN agency for labor and social protection, has set the gold standard for social protection and its benefits. Income Security Standard (ISR), 1944 as its early document clearly defined social insurance and social assistance and their respective targeted populations. The insurance was for the self-employed and employed person for inability due to invalidity, old age and deaths, while the social assistance was for the dependent children, needy invalids, aged

people and widows who do not receive social insurance benefits. Similarly, ILO's Social Security (Minimum Standard) Convention 102 endorsed in 1952 recommended nine categories or schemes of social security for the coverage of almost all kinds of risks and vulnerability. They are medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivor benefit. There is a provision of ratification of this convention if a country can adopt at least any three or more schemes with substantial coverage of its population. To date it is ratified by 59 countries.

The Social Protection Floors Recommendation 202 was adopted at the International Labor Conference in 2012, and it reaffirms social security as a human right. It suggests that there should be at least four nationally determined minimum guarantees such as essential healthcare including maternity, basic income guarantee for children, aged people and people in active age (who are unable to earn). Likewise, the Sustainable Development Goal (SDG) 1.3 claims to "implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable." Furthermore, target 5.4 and 10.4 extend the provision of social protection policies in case of enhancing gender equality and reducing inequality.

At the regional level, agreements such as European Union Regulations on the Coordination of Social Security Systems, the Caribbean Community Agreement on Social Security, Unified Law on Insurance Protection Extension of the Gulf Cooperation Council, Unified Law on Insurance Protection Extension for Citizens of Gulf Cooperation Council States working outside their countries in any other Council Member States, Ebero-

American Multilateral Convention on Social Security, the Inter-African Conference on Social Insurance Multilateral Convention on Social Security are very useful for coordination and uniformity of social protection system in the respective region.

Social protection is a cross-cutting issue and is reflected in policies and legal frameworks that include the "Constitutions, Laws, Strategies, Policies, Programmes and Projects (CLSPPPs)" and most of the international obligations are incorporated with these for making social protection arrangement right-based and universally accepted (Devereux, 2017: 22). Institutions are the active sources of coordination and cohesiveness of social protection policies for better performance. Kabeer (1994, 2003, 2005, 2008, 2014), Kabeer & Subrahmanian (1996, 1999) and March et al. (1999) claim there are mainly four institutions namely state (legal, military, administrative, organisation), market (firms, corporate house, multinationals), community (village tribunals, voluntary association, informal networks, NGOs), and family (household, extended families, lineage grouping). These institutions are responsible for providing social protection to the targeted population, and the quantity, quality and sustainability of the benefits of social protection are determined by the five dimensions of social relations such as rules, resources, activities, people and power. Among them, markets are profit oriented, communities are faith based or interest based, kinships or families are biased and inadequate. These groups are not obliged to provide social protection, and protection through these mechanisms is not sustainable. However, the state has legal, moral and political obligations towards its citizens. Similarly, the five dimensions determine the degree of responsibility borne by each of these four institutions (Kabeer, 1994, 2003, 2005, 2008, 2014). Kabeer (1994, 2003, 2005, 2008, 2014) proposed institutional analysis for building

an effective and coherent social protection system, which is not only effective from a gender analysis perspective but very useful for system, project and programme analysis, and project planning and policy development. However, March et al. (1999) argues that the framework proposed by Kabeer is very complex which needs very detailed knowledge of context to perform analysis. Further it is very difficult to use with communities in a participatory way.

After an analysis of suitable institutions for effective social protection, a simple but effective approach to promoting collaboration is to establish shared facilities. This not only fosters better understanding of each other's activities and responsibilities but also serves as a foundation for collaboration (UNDG, 2016:50). For instance, the One-Stop-Shop (OSS) is a successful model of collaborative service delivery that provides various front-line services to beneficiaries without the need for merging official processes, such as having a single registry or an Integrated Management Information System (IMIS). Moreover, these facilities play a crucial role in preventing the stigmatisation of the impoverished, as they serve multiple purposes beyond just providing social assistance. They contribute significantly to bringing coherence to an otherwise fragmented social protection landscape (UNDG, 2016:50). Mongolia serves as a notable example of the OSS implementation, addressing the challenge of delivering high-quality services to the world's most sparsely populated country. Since 2007, the OSSs have been implemented nationwide, offering civil registration services, social protection and employment counseling, as well as notary and banking services, at the provincial (aimag) and district (soum) levels (UNDG, 2016:50; ILO, 2016).

Likewise, in Thailand, the utilisation of a national coordination mechanism proves to be advantageous in expediting and streamlining processes. For instance, the Subcommittee on Policy and Planning of the National Commission on Social Welfare, which includes all pertinent line ministries, plays a coordinating role by consolidating and managing all technical input on the draft ABND report (ILO, 2016:44). Thus, conducting institutional analysis to identify the appropriate institution for collaborative services, establishing a unified platform, and forming a committee as an institutional body are crucial for achieving coordinated social protection systems. These practices serve as prime examples of incorporating national coordination mechanisms to enhance service delivery effectiveness and streamline bureaucratic procedures. Sustainable financing of the programmes always matters most though it has not mattered much in Africa (Hickey, 2008:5-6).

Correspondingly, politics and government of the day are significant for provisioning more coordinated social protection policies in the country. In this regard, NGO Committee on Social Development (2018:4) claims that "translating global promises [of social protection] into social reality at the national and international levels will be largely a question of political will and intent…political leaders must take ownership of this issue and find financing solutions." Additionally, Norton et al. (2001) argue that the state's role in the arrangement of social protection should be clearly defined through the well agreed political process for their political acceptance and sustainability. Hickey (2008:2-4) claims that there are four main aspects of politics which influence the formulation of social protection policies and their implementation in the Africa. These aspects are political institutions (patronages, historical precedence), political actors and agencies (elections, formation of government, elites and administrative/bureaucratic

agencies), socioeconomic forces (public attitudes, lobbying) and the global dimensions (donor policy and practices).

These dimensions of politics usually determine the size, target group, type (universal/targeted), stages (conception, implementation and sustainability) of the social protection. On the contrary, these architecture or shapes of social protection have political impacts such as regime, stability, social solidarity and increased citizenship status (Barrientos & Hulme, 2009). Moreover, there are numerous examples of positive linkages of politics and social protection that social protection is much affected by the political system, one is that social pensions of South Africa and Namibia represent the legacy of successful colonial forms of social protection. In addition, it is the politics in the last couple of decades that have been adopting the social protection systems with the changing nature of risks and vulnerability such as increased cases of migration and HIV infection (Barrientos & Hulme, 2009).

There is no option left for adopting ICT for avoiding difficulties of building a coordinated social protection system. Barca (2017) categorises the Management Information System (MIS) into three types namely a) database and programme MIS, b) single registry set-up MIS for selection purpose, and iii) programme coordination using an Integrated MIS. Out of these three designs the last one is very effective as National Information System for Social Assistance in Lesotho, as SOCPEN in South Africa and as IMIS in Seychelles (Barca, 2017:30). This Integrated IMIS is defined as "a common software used by several social protection programmers to manage part or all of the administrative functions jointly: registration of beneficiaries, identification and authentication, collection of contribution, payment of benefits

and delivery of services, complaints and appeal and so on" (UNDG, 2016:16).

All the aspects and instruments discussed above are very important. However, integrating all these aspects strategically is very challenging. Therefore, UNDG (2016) has put the way forward for improving coordination at different level. It starts with five steps for improved horizontal coordination at the policy level: i) Setting up social protection teams; ii) using a national dialogue to define shared priorities; iii) defining social protection strategies; iv) promoting the installation of a single entity accountable for the SPF implementation; and v) installing a common monitoring system for the SPFs (p.31). It suggests five ways for vertical integration by I) promoting the principle of subsidiarity II) developing interest of local administration III) streamlining a chain of committees, IV) encouraging the implementation of reporting mechanisms, and IV) developing integrated management information system (p.38). Lastly, UNDG recommends five stages for enhanced horizontal coordination in the operation level by: i) promoting the role of local social officers, and enhancing their capacities, ii) promoting installation of shared identification databases, iii) supporting implementation of shared selection systems, iv) developing simplified delivery mechanisms based on shared front offices, and v) developing a single window service (p.45).

3.2 Coordination and integration among social protection systems in Nepal

The situation of coverage of social protection in Nepal is not so satisfactory compared to most of the developed nations. The world social protection report 2020-2022 claims that the population covered by at least one social protection benefit (excluding health) in Nepal is 17 per cent and the universal health

coverage is 48 per cent (ILO 2022: 274). Comparatively, this status is just better than a few South Asian (Afghanistan 7.5%, Pakistan and Bhutan 8.8%) and other countries; however, it is tremendously low compared to 46.9 per cent of the world, 44.2 per cent of Asia and Pacific, and 22.8 per cent of South Asia (ILO, 2022:18).

The social protection systems in Nepal is built on the basis of constitutional provisions and national legal framework aligning with the international obligations. Mainly, the Article 34 and 43 of the Constitution of Nepal, 2015 stipulated to provide social security and social assistance to the citizens respectively. Similarly, directly relating to social protection, Social Security Act, 2074, Contributory Social Security Act, 2074, Health Insurance Act, 2074, and Regulations related to them along with other education, health, employment, labor, children, elderly, youth, women, minorities and marginalised related Acts, Regulation, Directives and Standards are in implementation for building various social protection systems in Nepal.

Apart from these, The Fifteenth Five Year Plan (Fiscal year 2019/20-2023) has accepted social protection and security as the drivers of transformation (p. 27) as its' long term vision, while it has the goal "to make social security and protection sustainable, universal, and accessible, for the implementation of civil rights and to strengthen the trust of citizens towards the state," within the period of five years. In the context of building coordinated and integrated social protection system, it has the following working policies:

An integrated social security package will be implemented…inter-agency coordination reforms will be carried …The

Social Security Fund will be restructured to operate both the comprehensive social security scheme as well as the social security scheme based on contributions in an integrated manner…Various social security programmes will be implemented by linking the schemes such as social security, social assistance, labor market intervention, public works, social supervision, and service work, etc. with the integrated social security system…Social security integrated information system will be developed. The reporting system of social security scheme distribution will be developed. To develop the framework for the implementation of security programmes in line with the federal system, the study of international practices will be carried out and intergovernmental coordination and cooperation will be made effective. With the coordination and cooperation among the three tiers of government, Nepali workers going to India will be covered by social security insurance for their safety (NPC, 2020: 289-290).

Multiple governments and institutions are associated with the provisions of social protection. Maharjan et al. (2021) claims that there are federal (1), provincial (7) and local government (753) with more than 80 social protection schemes under more than 35 types of social protection programmes in Nepal. Most of the programmes are implemented by different ministries, sometimes a single ministry runs multiple programmes under the departments and divisions. For example, one of the vital programmes of social protection, the Contributory Social Security programme, is implemented by SSF while the Prime Minister Employment Program (PMEP) is run by the Ministry of Labor, Employment and Social Security itself. The conditions of these programmes is clearly illustrated in the Figure 2 below.

Figure 2: Mapping of social protection programmes by three tiers of governments
Source: Maharjan et al., 2021.

In the context of horizontal coordination at the policy level, three tiers of governments and mostly the executive branches are responsible institutions at the policy level for formulation, implementation, and coordination and integration of social security policies. The Federal Parliament (both the House of Representative and National Assembly), their parliamentary committee (specially the State Affairs and Good Governance, and Industry, Commerce, Labor and Consumer Interest) are at the key bodies for making legal framework and policy change for social protection, which also have the roles on ordering executive bodies for making laws and rules for implementation of constitutional provision. Moreover, it makes the laws on social protection, endorse international obligations, and orders to implement them and oversee the progress. Social protection related acts are made and endorsed from that body. The Secretary of State of Affairs and Good Governance under the Parliamentary Committee of Federal Parliament of Nepal emphasises that:

To date, there is no single law or policy regarding the coordination and integration of social protection programmes and mechanisms under a single umbrella in Nepal. On the one hand, active executive bodies in the area of social protection should be pro-actively engaged in making the draft of the social protection coordination and integration act and table in the Federal Parliament House for endorsement. On the other hand, parliament or any parliamentary committee can order the related ministry to make a coordination/integration act or policy. For the immediate start, a parliamentary committee can oversee the social protection activities run by different agencies and order them to integrate and coordinate their programmes for avoiding duplication. More importantly, it can order the Ministry of Finance to channel the budget spent by the

government and non-government sector on social protection. However, the parliament and its committees are led by people's representatives, the members of parliament, who themselves have to be convinced first for initiating these actions (Personal Communication).

Different ministries, namely Ministry of Home Affairs (MOHA) (for non-contributory social security allowances), Ministry of Labor, Employment and Social Protection, and Ministry of Health and Population are mainly managing most of the categories of social protection both in principle and practice. Maharjan et al. (2021:56-61) examines 12 ministries and their programmes on social protection that are in existence. For the vertical coordination, on the one hand, three tiers of governments are also vertically coordinated to each other. For example, the federal government makes the social protection and local governments implement them while the provincial governments play the role of facilitation. On the other hand, some of the social protection programmes such as 'health insurance', 'contributory social security', and 'lunch for students' programmes have their own mechanisms for coordination in vertical and hierarchical basis. Horizontal coordination in the operation level sounds a bit difficult among the operating agencies because they are fully accountable to the higher organisation but responsible to the beneficiaries as well. Mechanisms should be established at the local level to monitor the delivery of social services and to hold local governments accountable to rights holders (Niti Foundation, 2019:16)", although, municipalities are independent and are working as implementing agencies of federal and provincial governments too. Therefore, they are more accountable to the higher level governments and are reluctant to coordinate with other local bodies. Niti Foundation (2019:15-16) suggests that:

The institutional framework for various social protections is confusing and contradictory. In the absence of clear laws, tensions have emerged between the different tiers of government as to who shoulders which responsibilities. The federal government has engaged in regulating and administrating some social protection programmes that, according to the Constitution, should be left to the local and provincial governments. The federal government should abide by the federal division of power as outlined in the Constitution and embrace the principle of subsidiarity regarding social protection programmes.

3.3 Analysis of coordination and integration status of the selected social protection programmes

Firstly, the Department of National Identity and Civil Registration (DONIDCR) is managing the work of the social assistance programme, the largest social protection programme of Nepal. Though the programme is called social security allowances, it is not exactly a social security scheme because it is not a contributory and not a type of social insurance but the unconditional social assistance in the form of cash. So, it is better to name social assistance instead of social security allowance. This programme includes senior citizens (above 68 years), other senior citizens (senior citizen residing in the districts of Karnali, and Dalit community), single women, widows, compete handicap, severely disable handicap, endangered ethnic tribal and children as beneficiary. Total 3572552 active recipients[1] are benefited from this programme. NPR 78.2 billion (which is 2% of GDP and 6% of consolidated budget) is spent for this programme and does not include the administrative and social costs (UNICEF, 2020).

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1   https://donidcr.gov.np/home/index

For the implementation of this programme there is a well-designed legal framework. These legal and policy frameworks have provision that social security allowances should be distributed/recorded from local levels. Banking channel is compulsory for distribution. DONIDR is coordinating with MOFA (Financial approval), local government level, and MOHA (in case of Policy improvement). DONIDR itself is doing research and way forward for improvement, records management, training orientation (Social Security Regulation 2076). There is a provision of complaint for fraud control in the Judicial Committee of Local bodies.

Related provincial offices, and DONIDR can run citizen awareness programmes for social protection. Monitoring and supervision should be done by Mayor/Chief, Deputy Mayor/Chief, and District Administration Offices and local bodies. MOHA can monitor and supervise DONIDR and local bodies. In case of reporting, local bodies should prepare the reports on social security allowances and send them to the Provincial office on a quarterly and annual basis. Social security related provincial offices should prepare the report and send it to the DONIDR and MOHA annually, and DONIDR will do the same to MOHA. There are three tiers of government involved in managing this programs. Most importantly, the DONIDCR is involved in coordinating and managerial roles while all the municipal councils are in operation level.

For the vertical coordination of the overall programme, the DONIDR has played a very important role and its online system has linked the related institutions and beneficiaries virtually on a real time database. However, there is no single institution assigned by legal framework for the vertical and horizontal coordination at

all. Moreover, other government and non-governmental organisations (UNICEF, World Bank, Ministry of Education, and Ministry of Health and Education) are implementing similar programmes in parallel with DONIDCR. But there is no coordination mechanism to include them under the same umbrella of DONIDCR or other mechanisms. In this context, the Director General and the Officials of DONIDCR share their experience as following:

DONIDCR is a newly established department ....Now this department is working for issuing National ID as well, and in the future it will be easier for identifying the beneficiaries and keeping their records very systematically. The government has envisioned to merge all the social security related programmes in one roof. However, their nature and purpose is different. For the social assistance (shock responsive, conditional, unconditional cash transfer) related programmes, there should be separate institutions for managing them, it could be the larger version of DONIDCER alone. ......But for the improvement of coordination among social protection programmes, there should be one autonomous body for coordinating all the governments, ministries, departments and non-governmental organisations. One common digital framework should be there for coordinating them and accessing the data for common purpose. All the functions of all institutions should be automated and transparent in case of implementation.

The UNICEF, World Bank, and other organisations are distributing cash to the children, aged and other people but they are not on budget and on treasury. At the same time they are operating large numbers of

programmes similar to DONIDCR, which have been creating duplication and fragmentation in the social protection programmes. It seems there is lack of horizontal coordination at the policy and operational level. Women, children, senior citizens are under the responsibility of the Ministry of Women, Children and Senior Citizen. Likewise, Dalits are under the constitutional body of Dalit commission, however, it is operated by DONIDCR. Therefore, it can be said that there is a problem in coordination among those agencies for managing social protection programmes operated by DONIDCR.

The Social Security Fund (SSF) is one of the main institutions for implementing, social insurance. Institutionally, it has its own offices, human resources, hardware, software, data center and legal framework. SSF is an autonomous and organised institution. There is a tripartite steering committee, which includes the representative of government, employee and employer, this committee oversees, operates and manages the SSF, its schemes and provides recommendations for contribution based social security policy change. There are four social security schemes namely, Medicare, Health and Maternity Security scheme, (Medicare and Health Security schemes, and Maternity Security scheme to the contributor or contributor's wife), Accidental and Disability Security scheme (Facility for accident and facility for disability), Dependent Family Security scheme (Pension benefit for husband or wife, education benefits to family, benefit for dependent father or mother, cremation costs), Old Age Security scheme under the Contributory Social Security Schemes Operation Procedure, 2075. Moreover, SSF may implement other schemes provisioned in the Act.

For the operation of these schemes, 11 per cent from the basic salary of the employee is deducted and on top of this, 20 per cent of the amount from the employer is added. A total of 31 per cent of the amount from the basic salary of a worker is deposited to the SSF through a dedicated bank account. SSF, Bank and the employer are interconnected with Social Security Information System (Sosys) online system and work automation process. Contributors' registry, claim, claim settlement and other banking and medical work can be done through this online system. Other offices in different regions are interconnected through this system.

Legal framework has not provisioned the formal coordination mechanism for coordinating and integrating with other similar organisations outside. For the internal coordination with stakeholders such as employees, employers and ministry, it is done by SSF itself. Being an autonomous institution, it is not fully separated from the Ministry of Labor, Employment and Social Security (MOLESS). In this context, the Deputy Executive Director and Directors of SSF expressed that:

Nepal has a diverse group of population which has a diverse range of needs and solutions. On the one hand, in the informal sector, there are unemployment, elderly/ women/children/disable/ill/marginalised/ endangered population and displaced and natural disaster affected people with multiple needs, who cannot earn for living. For those, the Government of Nepal has to offer basic income and income support programmes for living and reduce the chances of falling into poverty trap, which might be in the form of cash or kind. On the other hand, there is a large section of the population involved in some form of employment and can earn for living, while they are working. However, at the time of pre/post-employment, or even during

the employment, they are at risk from accidents, financial shocks, illness and disability. At this time they need support for living. Therefore, for the former type of risks and vulnerabilities, it is more appropriate to conduct social assistance as a form of social protection, whereas for the later type of vulnerability, they have to be secured with the schemes of social insurance and social security such as the schemes run by SSF.

...... So, for the better coordination of the social protection programme, there should be a higher level of agency somewhere in the related ministry and the single window mechanisms for distributing the services provided under the social assistance, insurance and labor market regulation programme and their offices at local level. Another most challenging aspect of coordination is to practice the concept of Integrated Information Management System (IMIS) with the technically advanced features of data security. At the same time, the use of the IMIS will enhance the vertical and horizontal coordination among the agencies involved in the social protection system within and outside the government.

Lastly, health insurance is one of the vital programmes of social protection in Nepal. Particularly, this is a type of social insurance, where a certain portion of the amount is collected from the client who agreed to be benefited from a certain amount of health services to be covered. The Government of Nepal has initiated this programme through the Ministry of Health and Population by establishing the Health Insurance Board. It has an executive and operational committee for policy and implementation work. Functionally, the Health Insurance Board and hospitals mutually agree to provide the hospital and medical/medicine related services to the insured person, and claim

settlement is done by the board as per the cost included in bills. NPR 3500 are charged to a family with five people for services of up to NPR 100,000 within a year. Each client has to renew the service annually to continue the service uninterruptedly. This programme has covered 77 districts with 700 health institutes and 33,00,000 insured persons[2].

In regards to coordination and integration, the Health Insurance Board, Service Provider Hospitals and MoHP are well aligned. Whatever the service, insurance amount and time are agreed are to some extent well implemented. Being the policy making and implementing body, MOHP has played an important role in that it has timely initiated the job of act amendment and policy changes. However, on the performance and coordination and integration of the Health Insurance Board and its schemes, three current officials concluded that:

Health Insurance Board ....is guided by the existing policies... the responses and participation from the public is very enthusiastic. Internal coordination is strong by its control and functional mechanism. However, the coordination with the other agencies who run similar programmes such as Social Security fund and Employee Provident Fund is not as good as it was expected. That might be due to the distinct target group, organisational and functional separation of the organisation. At the same time, the integration of this programme with other organisations is not possible immediately, because the government lacks clear social protection policy at large and also lacks the organisation to play the coordinated and integrative roles. For the better coordination and integration of the programmes, the government has to envision the social protection policy,

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2   https://hib.gov.np/np accessed on 2022/02/02

assign related institution for coordinating and integrating role in the short run, make the commission/committee for designing coordinated and integrated social protection mechanism in medium *term, and take a report from it and do accordingly in the long run. international experience and budgetary capacity of the government should be considered while implementing this report.*

Table 1: SWOT related to coordination and integration of social protection programmes in Nepal

Programme and Institution	Level of Coordination	SWOT Analysis			
		Strength	**Weakness**	**Opportunity**	**Threat**
Social security programmes of DONIDCR	Coordination at policy level	Department and ministry are involved for coordination	Department and ministry are coordinating with other state and non-state social protection provider less efficiently	Department and ministry have coercive power, well established mechanism, and resources for initiating coordination and integration process	Service interruption in initial phase, chances of avoidance by non-state stakeholders social protection provider
	Vertical coordination	All three tiers of governments involved for better coordination	The provincial government is only responsible for reporting function with no policy and operational assigned function	Coordination and integration function with supervisory role may be assigned to provinces	Provinces might create extra hierarchy and procedures might be more bureaucratic
	Coordination at implementation level	Every implementing local level are autonomous	Has no functional relation among every local level	Every local bodies might be able to provide all the social protection related schemes under one roof, social protection programmes are being implemented in coordinated and integrated ways	Local bodies may feel overburdened, they may not have sufficient knowledge and skills to run them; people's representatives may not be motivated with additional work assigned to the organisation
Contributory social security programme/ schemes implemented by **SSF**	Coordination at policy level	SSF can prepare coordination/ integration plan and can convince steering committee, MOLESS for implementation	SSF Cannot approach to other social security provider organisation directly and has to go through MOLESS	Legal framework and ICT are more adaptable for adopting self-employed people and people in the informal sector and integrating them	High paid employees and employers who pay very low to workers may resist the plan and policy of social protection
	Vertical coordination	Being a newly established office it can establish the office under itself for desired coordination	Unregistered and scattered employer who are afraid of their part of contribution	Work automation, well established data center, advanced hardware and software for claim and claim settlement	Cyber threat and digital data vulnerability
	Coordination at implementation level	Employees, employers, banks, hospitals, and SSF are coordinated with the help of Sosys software and work automation	No offices at all provincial and local level for better coordination, has no communication with other providers such as CIT, EPF and HIB	Chances of working together with the social security programme of DONIDCR at local level	Excessive crowding at municipal offices, reluctance of local representatives, burden of handling multiple software and systems through small sections of social security at local level
Health insurance schemes provided by **HIB**	Coordination at policy level	Coordination committees are established at all level	All committees are not well functioning	To be integrated all the health insurance program run by multiple agencies	Fluctuating government's policy towards its modality
	Vertical coordination	Offices are established in district and province level along with insurance agents in ward level	Communication mechanism and procedure are not established among the offices	To be well-coordinated with the support of coordination committees	No permanents staffs at lower level which may create distrust among the beneficiaries and stakeholders
	Coordination at implementation level	Coordination committees are established at all level	Operation level offices are hierarchical in order	To be well-coordinated with the coordination committees at least	Local and province representative may be reluctant to the federal government's programme

Source: Author created on the basis of earlier discussion, desk research and interview/consultation with stakeholders (DONIDCR, SSF and HIB, and SWOT analysis templates is derived from Sarsby, 2016).

Health Insurance Act, 2074 claims that the three tiers of government including federal, provincial and local, will pay the premium of health insurance for the economically weak and poor people. For this, they should be coordinated horizontally with the Health Insurance Board. Now, it has been clear that the health insurance programme has created fragmentation and duplication with other programmes of Nepal Government, which needs to have a better alignment for best utilisation of limited available resources. Based on the above discussion and review, the following strengths, weaknesses, opportunities and threats (SWOT) are identified in the Social Security programme (DONIDCR), Contributory Social Security program (SSF) and Health Insurance programme.

4. Recommendations

Based on the analysis, the following short, medium and long term measures is recommended for better coordination and integration of social protection in Nepal.

Short-term measures:

❖ Strengthening the capacity of MIS in each service providing organisations,
❖ Setting the political climate and advocacy from stakeholders to the both executive and legislative bodies,
❖ Capacity building of related bureaucracy of social protection institutions,
❖ Enhancing vertical coordination within the programmes,

Medium-term initiatives:

❖ Envisioning the coordination and integration of policies in the long run,
❖ Amending and adding provision of coordination in existing social protection policies and legal framework,
❖ Launching merger programmes for identical social protection programmes run by different organisations,
❖ Introducing coordination policies for coordination at policy and operation level;

for example, some of the programmes run by SSF and Health Insurance,

Long-term projects:

❖ Introducing integrated social protection system policy and required legal and institutional framework,
❖ Merger of different categorical social protection programmes under one policy and legal framework,
❖ Establishing wider single institution for integrating all programmes of social protection under one roof to be governed by the specialised higher and federal level organisation, this might be Ministry of Social Protection or other authority with similar status,
❖ Establishing single window organisation for managing all kind of social protection schemes in all provinces and local level,

5. Conclusion

Social protection is expected to be an effective instrument for achieving the goal of poverty reduction, vulnerability, risks and different types of shocks among the affected people. More than eighty programmes of social protection are in implementation; however, they are severely characterised by fragmentation, even the three most popular programmes chosen for this study also lack any kind of coordination. It is found that the individual programme has strong vertical coordination within that programme, but there is almost no coordination in both horizontal coordination at policy level and operation level. The implementation of international obligations, designing national policies and legal frameworks of social protection, establishing institutions with higher levels of authority, provisioning sustained funding mechanisms, generating political willpower, and using IMIS are some of the key recommendations for building a well-coordinated and integrated social protection system in Nepal. Although this study has partially used the UNDG's Coordination toolkit and ISPA's Core Diagnostic Instrument (CODI) framework studying very limited

number of social protection programmes as sample programmes and institutions, it is highly recommended to apply these frameworks in full phase over entire social protection programmes for accumulating more significant information on coordination, integration and overall aspects of social protection in Nepal.

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