

Pro-Poor and Gender Responsive Disaster Financing System in Nepal: A Case Study of Dhangadhi Sub-Metropolitan City

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ABSTRACT

Nepal has made considerable progress in the formulation of disaster-resilient development policies and legal frameworks. However, how such policies have not translated into actions, and financing mechanisms, while governance too remains a prominent issue, which is less discussed in the disaster risk reduction and management sector. As the impact of disasters is disproportional to poor, vulnerable, and deprived groups of the society, disaster financing strategies must have considered pro-poor and gender-sensitive approaches to mitigate, minimise disaster risks, and develop resilient actions. But very limited studies have highlighted critical gaps in pro-poor and gender-responsive (PPGR) disaster financing mechanisms at the sub-national level. This paper draws on both qualitative and quantitative approaches to examine the disaster risk financing tools, policies, practices, and challenges of PPGR in disaster budgeting at local levels. The study reflects that Dhangadhi Sub Metropolitan City has practiced both ex-post and ex-ante-disaster financing tools to cope with the impact of disaster events. The PPGR analysis indicated that over three-quarters of the disaster risk reduction and management budget is indirectly gender-responsive whereas only 10 per cent of the budget is directly responsive in both fiscal years (2018 & 2019). Similarly, the entire disaster risk management budget is indirectly pro-poor responsive. The absence of PPGR-specific guidelines, knowledge and skill gaps on the budgeting, and the lack of explicitly articulated disaster, gender, and poverty reduction targets and indicators are the main challenges hindering the implementation of a pro-poor and gender-responsive disaster financing system at the local level.

1. Introduction

Many countries throughout the world have demonstrated their commitments to gender equality, poverty reduction, and disaster risk reduction through Sustainable Development

Goals (SDGs) and Sendai Framework for Disaster Risk Reduction 2015-2030 (Aitsi-Selmi et al., 2015). Recognising the long-standing economic and gender disparities, countries aim to achieve greater equality in terms of inclusive resource allocation

and opportunity for men and women in every sector. As a result, many countries' policymakers and planners are attempting to integrate gender and other vulnerable groups into their regular budgeting system including Disaster Risk Reduction (DRR) budget planning, implementing, and monitoring procedures (Budlender et al., 2012). Over 92 countries had undertaken steps towards making the regular budget more gender and pro-poor-responsive. Mostly, South East Asian countries such as Indonesia, Philippines, and 17 different African countries have been trying to integrate the gender and pro-poor component in disaster-related budgeting (ESCAP, 2018).

Disaster risk financing is one of the emerging concepts that address the fiscal impact by coping with economic losses caused by disasters and hazards (World Bank, 2015). Settle (2010) defines a disaster risk financing system as the arrangement of financial tools and processes for creating financial resilience by mitigating the impact of disaster events causing an adverse effect on the country's economy. Similarly, Swithern (2021) explains that disaster risk financing can be arranged in advance (*ex-ante*) or in the aftermath of the disaster occurrence (*ex-post*) and also based on specific needs. The literature on disaster financing framework highlights contingency budget, catastrophe bond, regular line agencies' funding, insurances, and contingent credit as *ex-ante* financing tools whereas post-disaster budget reallocation, borrowing, donor assistance, loan, tax concession, grants, and subsidies are expressed as *ex-post* financing tools (Linnerooth-Bayer & Hochrainer-Stigler, 2015). Further, the literature also suggests that *ex-ante* financing is more efficient and effective than *ex-post* risk financing (Swartz et al., 2015).

The National Natural Resources and Fiscal Commission Act 2074 (part 26, articles

250 & 251) states that the Government of Nepal (GoN) collects revenue through taxes and customs and receives grants, loans, and technical assistance from development partners. These funds are pooled together and redistributed to federal, province, district, and local levels. In response to DRR, the Prime Minister Disaster Relief Fund, and the Central Disaster Relief Fund are established at the federal level, whereas Provincial Disaster Management Fund, District Disaster Management Fund, and Municipal and Ward Disaster Management Fund as contingency budgets at the sub-national level. Similarly, on a regular basis through federal and provincial line agencies, sectoral budgets related to disasters are allocated and spent at the local level (MoHA, 2018). Further, several, life, property, agriculture, and livestock insurance are provided by insurance companies (private sector) as risk transfer tools (Pant & KC, 2018). Regarding the provision of these financing instruments, Katongole (2020) states that it helps governments to avoid emergency borrowing and protect their fiscal balance, and maintain the welfare of their citizens. However, particularly on Disaster Relief Fund (DRF) of Nepal, only cross-sectional studies can be found suggesting to develop an explicit DRF framework aligning with the Disaster Risk Reduction and Management (DRRM) Act and DRR National Strategic Plan of Action (COLARP & Practical Action, 2020).

A pro-poor and gender-responsive disaster budgeting system is an emerging fiscal innovation-based policy that translates poverty reduction and gender commitments into fiscal commitments through the application of a "poverty reduction and gender lens" to the identified disaster risk reduction and management processes (Chakroborty, 2014). Over the last few decades, GoN has been working on building a pro-poor and gender-responsive disaster-resilient society.

GoN has adopted and implemented Gender Responsive Budgeting (GRB) and Pro-Poor Responsive Budgeting (PPRB) approach in 2006/07 for equitable resource allocation, sustainable economic growth, and social development. After the formulation of GRB and PPRB framework in 2012, it has been implemented at the federal and province-level by respective line ministries in their annual public budgeting. The framework was the first attempt to institutionalise GRB and PPRB in the country where unprecedentedly, Gender Equality and Social Inclusion (GESI) budgeting expert was appointed and PPRB and GRB committee was established. The committee was established as a permanent body to design a pro-poor and gender-responsive budgeting system within the Ministry of Finance (MoF). The committee also monitors and provides necessary support to the sectoral line ministries while preparing pro-poor and gender-responsive budgeting (Nepal, 2016).

Following the adoption of pro-poor and gender-responsive budgeting at the national and province level, GRB Localisation Strategy 2015 has been developed to mainstream GRB at the local level. Similarly, Nepal has enacted Intergovernmental Fiscal Arrangement Act 2017, Local Government Operations Act 2017, National Natural Resources and Fiscal Commission Act 2017, and Financial Procedures and Fiscal Responsibility Act 2019 that determine how funds are shared between national and local levels and allocated based on development priorities. Further, the Disaster Management Act 2017, Disaster Management Fund 2017, and National, Province, and Local Level DRR Strategic Plan of Action 2018-2030 have envisioned ensuring gender and marginalising group inclusiveness in DRRM. However, their voices go unheard during the decision-making process i.e. planning and

implementation of disaster-related budgeting (United Nations, 2009). As a result, limited participation and integration of women and poor means limited access and benefits in the disaster financing process. Moreover, despite increasing awareness in emphasising the gender differences and empowering vulnerable groups in disaster intervention, the application of gender integration in disaster financing is still a new area for further exploration to ensure an efficient and effective disaster financing system in Nepal. Specifically, local level governments as the front line agencies to respond to disaster events, PPGRB can be an essential tool in addressing gender and vulnerable groups' need along with establishing transparency and accountability for inclusive disaster-related budgeting. In this context, this paper aims to highlight the disaster finance practices and tools and their integration with PPGRB, gaps in its implementation at the local level, and efforts to mainstreaming it at the local level.

2. Methods and Materials

The study was carried out in Dhangadi Sub Metropolitan City of Kailali district, Sudhurpaschim Province. Dhangadi is the only Metropolitan City in the Kailali district located at an elevation of 109 meters from the sea level. It also serves as the provincial headquarter. The total population of Dhangadi Sub Metropolitan City is 147741 with 73462 males and 74279 females. It covers an area of 261.75 Sq.km. Its population density is 564 people per square kilometer. Wards 4, 6, and 18 are densely populated. Slum areas can be found in certain section of the city where squatters have settled in Ward numbers 2, 5, 6, 7, 14, and 18. The major disaster risks of Dhangadi are flood, cold waves, and heat waves. Similarly, windstorms, drought, fire, and earthquakes are classified as second-order risks (Dhangadi Metropolitan City, 2020).

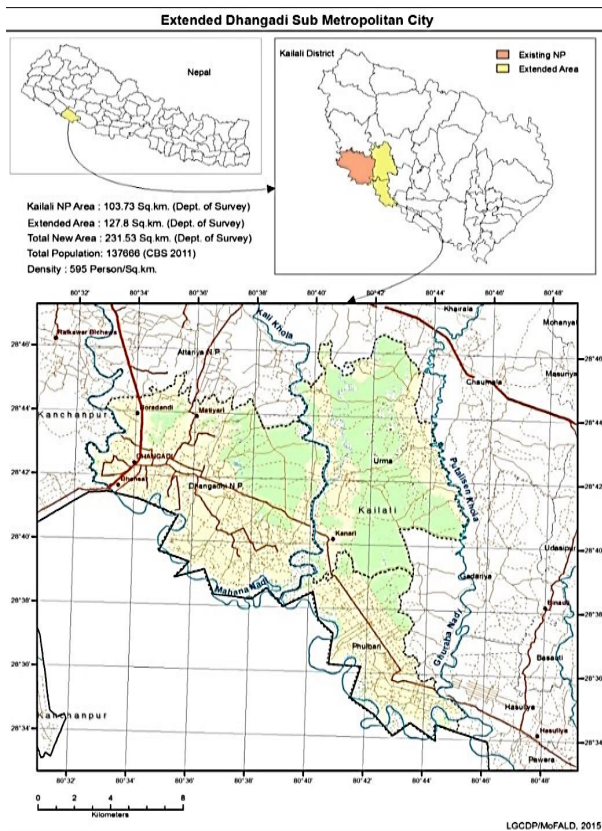


Figure 1: Location map of Dhangadi Sub Metropolitan city, Kailali

Source: LFCDP/MoFALD, 2015.

The study used a mixed method approach wherein both qualitative and quantitative data were collected. Both primary and secondary sources were considered for the data collection. As a pre-requisite, the respondents were required to have an adequate understanding as well as experience of gender, disaster, budgeting, and planning. Therefore, purposive sampling was used. The rationale behind using this technique was that the research process is ‘exploratory’ rather than testing of a hypothesis (Brady, 2003). Hence, using purposive sampling, the respondents involved in DRR budgeting and

planning from the federal, provincial, and local levels were selected for the study.

The websites of various institutions including MoF, Ministry of Home Affairs (MoHA), DRR portal, and National Planning Commission (NPC) among others was visited to identify and collect the published disaster and disaster finance related policies, provisions, mechanisms, latest decisions on the integration of gender and pro-poor in disaster management. Similarly, Google scholar, research gate, and disaster-related journal sites were visited to have a better understanding of the existing knowledge and practices pertinent to gender and pro-poor disaster financing system. Further, additional secondary data such as municipal annual plans, DRRM plans, policies, funds management guidelines were reviewed to understand the regional and local context of gender and pro-poor disaster financing system.

Considering the federalised context, altogether 28 participants were selected for semi-structured interviews from three tiers of government i.e. 4 representatives from the federal level (Disaster Department from MoF, Ministry of Federal Affairs and General Administration, Financial Controller General Office (FCGO) and Ministry of Internal Affairs and Law) and four representatives from the Provincial level (Ministry of Internal Affairs and Law, Provincial Disaster Risk Reduction and Management Committee, District Disaster Risk Reduction and Management Committee (DDRRM) were interviewed to understand the DRF tools, process, provision, and practices. Likewise, 20 representatives from local level (Mayor, Deputy Mayor, chief executive officer, accountants, DRRM focal person, GESI focal, DRRM fund focal

person) and user committee members from the local level (Dhangadi) were interviewed to explore the practice of ex-post and ex-ante disaster financing approaches, tools, gender and pro poor responsive DRRM projects/programmes.

Altogether five key informant interviews (KIIs) were conducted with non-governmental actors. i.e two KIIs with the DRRM/DRF expert and one with the Gender-responsive budgeting expert for the conceptualisation of the DRRM/DRF and GRB concept and validation of the generated findings. Similarly, Secretary and DRR focal person of the Nepal Red Cross Society was also interviewed as they are directly supporting the DRR policy and programme making in the metropolitan city.

Focus group discussions (FGDs) were conducted with the user committee and ward-level disaster management committee to understand the gender, and vulnerable group prioritisation, DRR project identification, and its implementation process.

According to the disaster focal person from MoF, Disaster Budget Coding is still not practiced in Nepal. Therefore, in close consultation with the DRR focal person, CEO, and accountant of Dhangadi, the DRRM budget was highlighted from the municipal annual budget document. Further, the set objectives of identified DRRM projects/programmes were also listed for pro-poor and gender-responsive budget analysis.

Both qualitative and quantitative methods was used for the analysis. For qualitative data, the notes of the interviews and FGDs were prepared. Further, to manage and analyse the data and to maintain a coherent flow of ideas, the interviews and FGDs were recorded. The notes and audios were translated to English and thematically

categorised based on keywords such as policies, DRR tools, integration efforts, challenges, etc. For quantitative data generated from secondary sources, data was coded according to Gender and Pro-poor Responsive Guideline 2012 and data entry template was defined in excel. Secondly, the identified disaster project/programme name, its objectives, and budget from the municipal annual budget were entered in an Excel file. Thirdly, indicator-based points were given to each project/programme. Fourth, using the Pivot table tool, the total received points of the project/programme were categorized as directly, indirectly, and naturally responsive to gender and pro-poor budget

The findings from the quantitative analysis was presented in tables, graphs, and charts using Excel and descriptive and narrative analysis based data in findings and discussion was carried out.

3. Results and Discussion

3.1 PPGRB practices in Dhangadi Sub-Metropolitan city

Dhangadi sub-metropolitan city has been allocating 20 per cent of its total budget towards women and 10 per cent of the budget towards poverty reduction-related annual projects and programmes based on municipal annual budgeting guidelines. The metropolitan city has not adopted the coding system of PPGRB Framework 2012, though it is in the process of preparing GRB guidelines at the local level by adopting the GRB Localisation Guideline 2015. Dhangadi lacks the PPGRB policies for initialising the PPGRB system and mainstreaming women and poverty-related agenda in the annual and periodic planning and budgeting.

Dangadi has prepared DRRM Act in 2017, drafted the Municipal DRR Strategic

Action Plan (2018-2030) in 2019, Municipal Disaster Preparedness and Response Plan (DPRP) and Local Disaster and Climate Resilient Plan (LDCRP) in 2020. All policy provisions explicitly indicate GESI participation and mainstreaming however, it is largely silent on PPGRB.

Dhangadi has prepared the DRRM Fund Management Guideline for allocating, spending, and managing the fund. It has allocated about 3 per cent of their total annual budget as DRRM budget and certain funds are available from the federal and provincial levels as well. Similarly, fund and materials from I/NGOs, Kailali Federation of Nepalese Chambers of Commerce and Industry (FNCCI), and individuals were also collected in the fund after getting approval from the municipal executive body. Further, the guideline stated that the collected fund shall be utilised in disaster-related activities such as search and rescue activities, relief items to the victims of disaster, preparedness, response, and recovery. However, there is no provision for pro-poor and gender-responsive budget allocation or spending of the DRRM fund. It has been stated that priority will be given only to women, pregnant women, children, adolescents, elderly, and disabled persons while providing support. The DRRM Fund Guideline is highly guided by a homogeneous approach (severity of disaster to all groups are same) rather than equity-based resource distribution, and largely overlooking the pro-

poor and gender needs of the community.

3.2 Representation of women and poor in DRRM planning, budgeting, and implementation

There were five major DRRM-related committees (Figure 2) in the metropolitan city for DRRM planning and implementation. Altogether there were 114 members in five committees where 92 per cent were male and remaining 8 per cent were female. It was also observed that there was no explicit ways to indicate pro-poor representation in the respective committees.

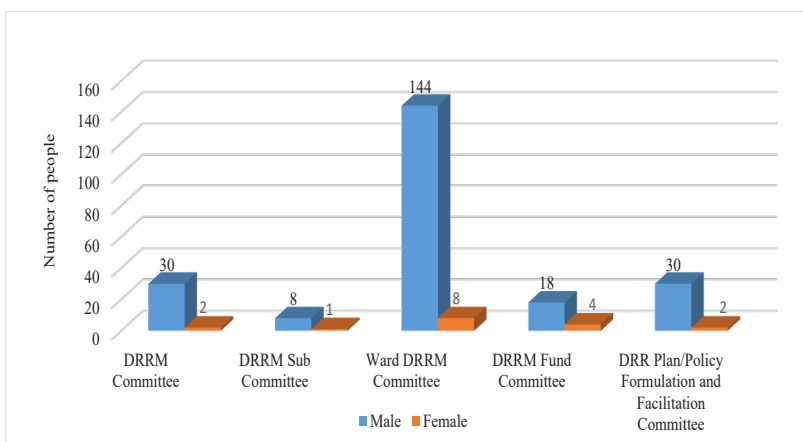


Figure 2: Representation of women in DRRM-related committees in Dhangadi.
Source: LDCRP & DRPR, 2020.

The majority number of women (i.e. eight) representations was found in the ward DRRM Committee whereas only one was in DRRM sub-committee.

Similarly, altogether there were 99 members in nine clusters for disaster preparedness and response in Dhangadi comprising 87 per cent male and 13 per cent of female. There were no female representatives in four clusters i.e. Search and Rescue; Food Security; WASH, and Immediate Response.

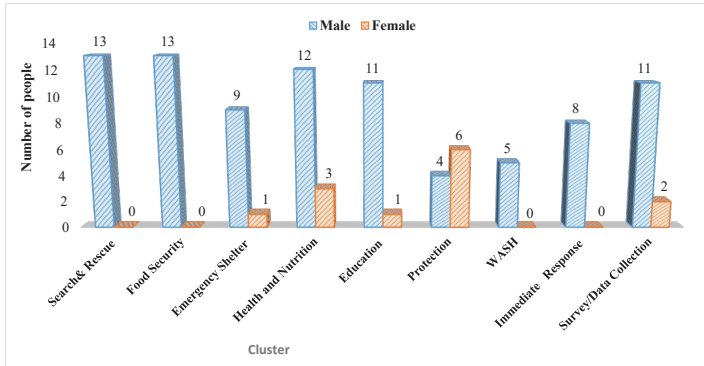


Figure 3: Representation of women in disaster preparedness and response cluster

Source: Disaster Preparedness and Response Plan, 2020.

Although, the government has mentioned 33 per cent participation of women in each committee, contrastingly, low female representation was observed. Regarding this matter, question was posed to the Deputy Mayor in regards to why there are very few representations of women and no explicit indication of poor and vulnerable representation in the DRRM-related committees and clusters? She responded that;

The DRRM Act 2017 suggests that the member in DRRM related committees are to be included from elected representatives, section head and representatives from I/NGOs with gender, youth, children, disabled and elderly composition. However, the entire ward chairperson is male and we only have three women municipal executive members and one women section head in the municipality. Hence, the participation of women is relatively low in the DRRM committee and cluster. Similarly, all the elected representatives represent the need of poor, vulnerable, women. Therefore,

though there is a limited number of representation of women in the committee we are concerned about the need and problem of those groups.

This clarifies that Dhangadi lacks intuitional GESI composition as a result of which, there is a representation gap in all

DRRM related committees.

3.3 Practice of gender and pro-poor responsiveness in disaster risk financing tools

Aligning with the DRRM legislation, Dhangadi has adopted multiple DRR financing tools to cope with the impact of disasters. Both ex-post and ex-ante disaster financing tools are practiced in the city. Dhangadi has been practicing contingency budgets, line agencies based funds, disaster reserve funds, and insurance-linked securities as ex-ante disaster risk financing tools.

3.3.1 Contingency budget

A contingency budget refers to the money set aside to cover the unexpected events. The fund is reserved and only utilised in specific activities such as health projects, infrastructure projects, disaster activities among others (Bakhshi & Touran, 2014).

Sudhurpaschim Disaster Relief Fund (SDRF) is established at the provincial level under the Ministry of Internal Affairs and Law, in the Sudhurpaschim province. According to the disaster focal person of MoIAL, in the FY 2020 as a contingent budget, Nepalese Rupees (NPR) 1 million was collected in the SDRF, and based on hazard/disaster

vulnerability mapping, Dhangadi received NPR 0.10 Million. The received amount was used in response and relief items for the victims of floods and windstorms. There was no gender and pro-poor disaggregated budget allocation/expenditure of SDRF. However, the special need of women such as dignity kits; mother, child, and elderly-friendly food items was included in the relief item. Also, women, children, elderly, and poor section of the community were prioritised while distributing the relief items.

Multiple unit-based contingency funds are established in Dhangadi from the good governance perspective i.e avoid administrative delay and hassles during relief fund disbursement and enhance need-based timely response. Municipal Disaster Management Fund (NPR 4 million) and COVID-19 Management Fund (NPR 390 Million) was allocated at the municipal level. Similarly, there is a Ward Disaster Management Fund with NPR 0.2 million in each ward (19 wards), 15 Community Disaster Management Funds, and one single-woman emergency fund with NPR 0.015 million and NPR. 0.030 Million respectively (Dhangadi Metropolitan City, 2020b). Most of the funds are spent on response and relief using a blanket approach. Meaning, the relief compensation is the same whether the victim is a poor or single woman or disabled, or any residence in the municipality. Further, there is no practice of gender and pro-poor disaggregated DRF allocation and expenditure. However, the special need of women such as separate shelters, bathrooms, and dignity kits, were addressed during relief and response.

3.3.2 Line agencies-based fund

Line Agencies-based Fund refers to the funding from the ministry to the local level. Annually, climate change adaptation (CCA)

and DRRM-related project/programme-based budget is received from different line ministries. In FY 2020, Dhangadi received NPR 10 million for relief and rehabilitation from MoHA, NPR. 16.18 million for river training and embankment from the Ministry of Physical Infrastructure (MPI) and NPR. 2.05 million for forest and environment protection from the Ministry of Forest and Environment (Dhangadi Sub Metropolitan City, 2020b). However, there is no provision for tracking DRR, Pro-poor, and GRB at the local level to date.

3.3.3 Insurance

The insurance (risk transfer tool) seems progressive in Dhangadi. According to the Kailali branch manager of Nepal Insurance Company, since 2018, Dhangadi has insurance coverage for municipal buildings but yet to do for other public assets such as ward offices, temples, and infrastructure. Similarly, all the government staffs of the municipality had insurance coverage for COVID-19. The government has been providing a 50 per cent subsidy under crop and livestock insurance schemes through a blanket approach. Both public and private insurance companies are obliged to provide agriculture schemes, however, they are largely silent on gender and poor integration.

Dhangadi has been practicing post-disaster budget allocation such as borrowing, taxes, and donor assistance as ex-post disaster financing tools.

a. *Post-disaster budget reallocation*

According to the financial chapter of Sudurpaschim DRR Strategic Plan of Action (2018-2030) under “Budget Transfer Mechanism”, the local level can have a reallocation in case of limited budget to cope with disaster. However, according to the

mayor of Dhangadi, so far, the local budget is enough for relief and early response, and in case of mega-disaster, such as the 2017 flood, Dhangadi relied on the provincial and federal government. Therefore, to date, there is no practice of budget transfer for post-disaster response and reconstruction.

b. Borrowing

In the federalised context, the local government does not have the authority to borrow money in any case. Therefore, there was an appeal for assistance during the 2017 flood but has not borrowed any amount so far.

c. Taxes

The local bodies can collect or increase the taxes in order to generate larger revenue to cope with disaster events using the provision stipulated in the Local Government Operation Act 2017. However, Dhangadi has not practiced such provisions to date.

d. Donor assistance

According to DRRM focal person of Dhangadi, a large portion (around 80%) of I/NGOs support is spent during post-disaster; relief and response rather than in reconstruction, mitigation, and preparedness. Every year millions of cash and material support are received from the NGOs but to date, there is no proper recording of such fund. Similarly, there is no provision of pro-poor and gender budget tagging of those collected and spent funds.

3.4 Pro-poor and gender responsive DRRM budget in Dhangadi

The total budget of Dhangadi for the FY 2019/20 was NPR1793400000 (one billion seven hundred ninety-three million four hundred thousand) out of which 2.54 per cent amounting NPR. 51095000.14 (fifty-

one million ninety-five thousand) was related to DRR. In comparison to FY 2018/19, Dhangadi has progressively allocated 1 per cent additional DRRM fund but is still on the way to meet the target of allocating 5 per cent of the total annual budget as mentioned in the municipal DRR Strategic Plan of Action (2018-2030).

The figure below illustrates the annual DRRM budget of FY 2018/19 and FY2019/20 allocated in different five DRRM categories (See figure 4). It was found that in FY 2019/20, the fund allocation in river training and embankment, rescue and response, and forest and environment protection was slightly higher than in FY 2018/19 whereas funds in infrastructure reconstruction and communication were relatively less in FY 2019/20.

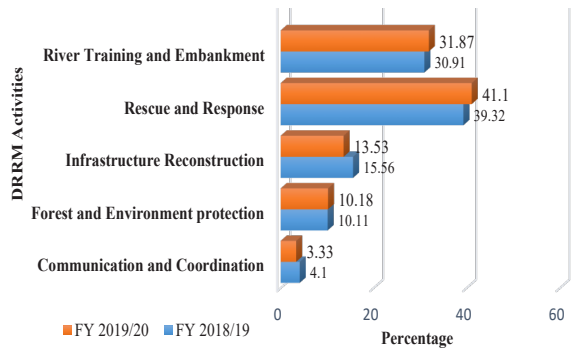


Figure 4: DRRM budget of Dhangadi for FY 2018/19 and 2019/20.

Source: Dhangadi Metropolitan City, 2018, 2019.

Similarly, in both years around half of the DRRM funds were allocated on rescue and response and less than a third in river training and embankment while nominal amount was allotted for communication and coordination.

3.4.1 Gender-responsive DRRM budget

As the Metropolitan city has not adopted GRB coding in their annual municipal budgeting

based on the adopted GRB framework 2012. The analysis showed that there was no relevant gender-responsive DRRM budgeting as DRRM activities are very less likely to be neutral because it directly or indirectly benefits the women.

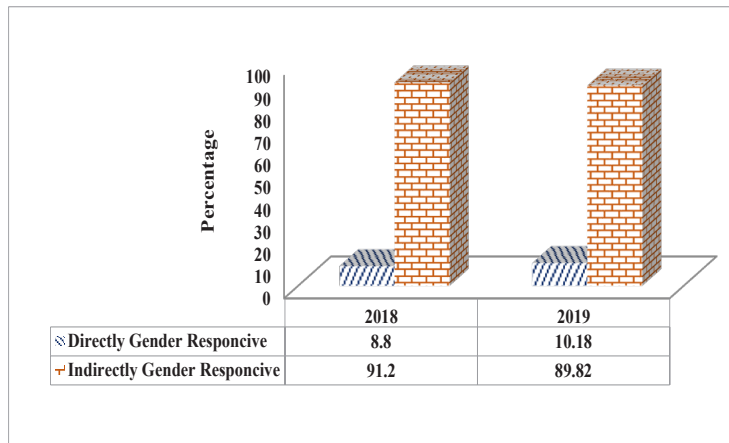


Figure 5: Gender-responsive DRRM budget of Dhangadi for FY 2018/19 and 2019/20

Source: Dhangadi Metropolitan City, 2018, 2019.

It was found that over three-quarters of DRRM budget was indirectly gender-responsive whereas only 10 per cent of the budget was directly responsive in both years. It was also observed that gender responsiveness in DRRM activities is steadily increasing from 8.8 per cent in 2018 to 10.18 per cent in 2019. However, the Metropolitan City has only achieved half of the DRRM gender budgeting target compared to the set 20 per cent of gender-specific annual sectoral budget target.

Forest and environment protection related project/programme was categorised as directly gender-responsive DRRM budget as most of the project under this category is identified and implemented by community forest user group and women group. The

majority of users were found to be women. Similarly, other remaining activities such as communication and coordination, infrastructure reconstruction, rescue and response, and river training/embankment were categorised as indirectly gender-responsive as most of the DRRM activities having a huge budget are hardware projects such as river training, river embankment, fencing, and infrastructure reconstruction among others. Participation of women in these nature of projects is relatively less and are usually run by male. These DRRM activities doesn't enhance the capacity of women and there are no enabling

measures such as quota provision, orientation, and training to women to involve women in such hardware projects.

3.4.2 Pro-poor responsive DRRM budget

The pro-poor responsive budget is categorized into two groups based on the Pro-poor responsive framework 2012: i) spending that directly supports poverty reduction and ii) spending that indirectly supports poverty reduction.

In the case of Dhangadhi, it was found that the entire DRRM budget indirectly supports in reducing poverty. This is due to the DRRM activities design, where the primary objective of DRRM activities were more focused on reducing the impact of disaster rather than poverty reduction. Similarly, the planned DRRM activities of 2018/19 and 2019/20 do not primarily support in the capacity development (skill) of people in rural areas but it partially supports in income generation.

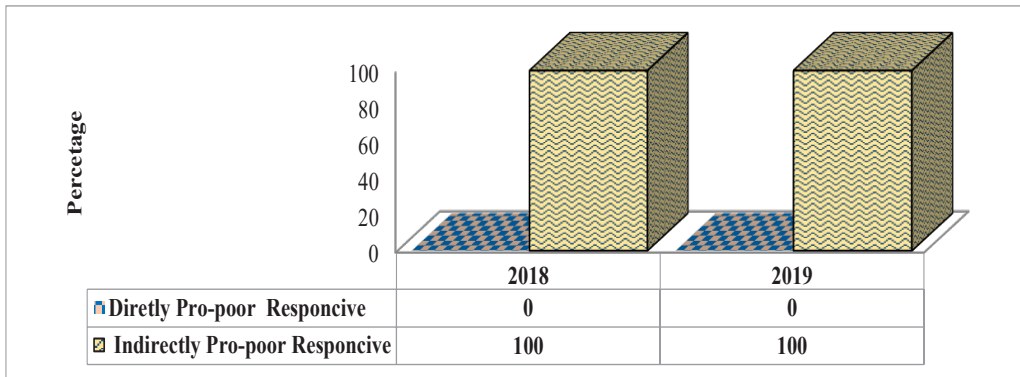


Figure 6: Pro-poor responsive DRRM budget

Source: Dhangadi Metropolitan City, 2018, 2019.

It was also found that most of the livelihood related programmes associated with DRRM such as promoting plantation of flood and drought tolerance crops, increase income via multi cropping among other activities are carried out by I/NGOs rather than local government. Hence, most of the DRRM activities of FY 2018/19 and 2019/20 indirectly support poverty reduction.

3.4.3 Challenges in implementation of pro-poor and gender-responsive DRRM budgeting

Weak enforcement of strategies on pro-poor and gender-responsive DRRM budgeting:

The DRF Financial Strategy of Nepal- a road map for disaster risk financing, has been drafted with the support of the World Bank, but it doesn't explicitly mention PPR and GRB. Similarly, the financial framework chapter of the national, provincial, and local level DRR Strategic Plan of Action 2018-2030 also fails to mention PPR and GRB. Hence, pro-poor and gender-responsive DRRM budgeting are not mandatory and priority at the local level. The absence of GRB and PPR guidelines at Sub-Metropolitan City increases the challenges to integrate into DRRM budgeting.

Institutional challenge: The overall federal budget planning, budget guideline, policy reforms are done by the MoF in Nepal. Largely, disaster financing has remained a cross-cutting issue under regular public financing. However, MoHA and the National Disaster Risk Reduction and Management Authority (NDRRMA) are more focused on DRR and related issues. Hence, for MoF, DRF and integrating PPR and GRB might be less in priority. As a result, it is hard to institutionalise pro-poor and gender-responsive DRR budgeting at the national and sub-national levels.

The federal and provincial level uses Line Ministry Budget Information System (LMBIS) and Provincial Line Ministry Budget Information System (PLMBIS) whereas local government uses Sub-National Treasury Regulatory Application (SuTRA) for planning, budgeting, accounting, and reporting. Only LMBIS and PLMBIS have the gender and pro-poor tagging facility but in SuTRA there is no provision of tagging. However, the DRR budget can be tagged in SuTRA but is hard to tag in LMBIS and PLMBIS as DRRM is taken as crosscutting issue by the ministries. In this context, synchronising all the systems into one and tagging the budget to establish pro-poor and gender-responsive disaster budgeting system is quite challenging.

Meaningful representation of women leaders: In Dhangadi, all the ward chairpersons are male, while there are limited women municipal executive members and women section head in the municipality. Similarly, it was also found that these female representatives struggle with the issues such as time management, travel, and understanding on the policy provisions. Therefore, DRRM budgeting is highly influenced by men. This has been a major obstacle to meaningful representation in DRRM related planning and budgeting.

Insufficient technical capacity and financial literacy on pro-poor and gender-responsive DRR budgeting: This is one of the major problems identified by the study. As pro-poor and gender-responsive training is only given to the planning, programming, and women department section officers at the national and sub-national levels. Therefore, the knowledge gap among the elected local representatives and DRRM focal persons in the metropolitan city has been widely noticed.

Lack of explicitly articulated gender and poverty reduction targets and indicators at local level: Due to a lack of sex/disaggregated and pro-poor population data, there were no specific quantitative gender and poverty reduction targets and indicators in budget plan policy in the 2019/20.

Absence of gender auditing and mentoring mechanism: To date, the sub-metropolitan city has not adopted a mechanism for gender auditing. Further, Dhangadi has not conducted any impact assessment of budgeting activities on the status and well-being of women, poor and vulnerable. This highly raises the accountability and transparency issues from a pro-poor and gender perspective.

4. Conclusion

The research findings reflect that the Dhangadi has not explicitly prepared PPGRB

guideline but local level budgeting guideline has indicated 20 per cent budget allocation for women and 10 per cent for poor and vulnerable specific programme. Similarly, DRR legislation has progressively supported in mainstreaming the issues of women, poor and vulnerable but is yet to fully integrate PPGRB. The metropolitan city practices multiple disaster financing tools to cope with the impact of disasters. However, ex-post expenditure is more than ex-ante and these tools operate on a homogenous approach assuming the disaster impacts all equally.

In Dhangadi, disaster budgeting is within the existing budget system through SuTRA where PPR and GRB are not explicitly recognised. The metropolitan city allocates around 3 per cent of the total budget for DRRM. According to GRB analysis, over three-quarters of DRRM budget is indirectly gender-responsive whereas only 10 per cent of the budget is directly responsive in both years (2018/19 and 2019/20). This is mainly due to less participation of women in DRRM activities resulting in achieving a limited share of benefit (economic and capacity building). Similarly, based on PPR analysis, it is found that the entire DRRM budget indirectly supports to poverty reduction. This is due to the DRRM activities design, where the primary objective was more focused on reducing the impact of disaster rather than poverty reduction and limited participation of poor and vulnerable during budget planning and implementation. The metropolitan city has well scored in PPGRB but has yet to achieve the set sectoral budgeting target. The study summarises by providing possible PPGRB integration challenges hindering its institutionalisation at the local level. i.e. a) absence of proper and specific PPR and GRB guidelines; b) limited meaningful representation of women leaders; c) insufficient technical capacity and financial literacy on pro-poor and gender-responsive

DRR budgeting; d) lack of explicitly articulated gender and poverty reduction targets and indicator; e) weak indication of PPR and GRB in formulated DRR policies, strategies and guideline; and d) absence of gender auditing and mentoring mechanism.

5. Recommendations

- a. It would be better to prepare separate PPR and GRB guidelines and explicitly mention the PPR, GRB, and disaster budget tagging in the DRRM act, policy, plans, and strategies along with a robust monitoring and evaluation mechanism.
- b. Administrative unit based DRRM contingency fund are allocated however, it would be better to revise the respective fund mobilisation guideline explicitly stating the percentage of fund that should be invested in ex-ante intervention and risk transfer mechanisms.
- c. The Ministry of Federal Affairs and General Administration (MoFAGA) is the facilitating body between national and sub-national levels, primarily responsible for capacity building at the local level. Hence, Dhangadi could appeal MoFAGA to conduct trainings on PPR, GRB and disaster budgeting in collaboration with MoF and MoHA because it is a new concept for the local level. Specifically, besides account section staff, elected representatives, GESI and DRR focal persons also need to be the primary participant of such training.
- d. For effective pro-poor and gender-responsive disaster financing, the availability of sex-disaggregated and geographical-based (rural, urban, risk-

sensitive) data is essential. Therefore, the metropolitan city needs to prepare disaggregated data and allocate budget accordingly.

- e. The metropolitan city should quantify all targets and goals including gender equality, poverty, social protection and disaster risk reduction during the budget planning. This will help in pro-poor and gender-responsive DRR analysis.
- f. The metropolitan city can take assistance from the “DRRM platform” to collaborate with I/NGO for preparing PPGRB policies, gender budgeting assessment, and technical capacity-enhancing activities.

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