



Building on social protection systems for effective disaster response: the Pakistan experience

Carol Watson, Tanya Lone and Valentina Barca

How can social protection systems be used in disasters, as a complement to, or substitute for, humanitarian assistance? Oxford Policy Management (OPM) led a two-year research project investigating this question, looking at the role of social protection in both mitigating the impact of large-scale shocks and supporting households after a crisis hits. We identify factors that can help and hinder effective disaster response, and consider how social protection actors collaborate with others working in humanitarian assistance and disaster risk management (DRM). We present findings from fieldwork in Pakistan, conducted between December 2015 and January 2017. We focus on lessons from cash-based responses to disasters implemented mainly as standalone initiatives or through the DRM system, and on the potential for leveraging some core systems and operational mechanisms of the country's national social assistance programme – the Benazir Income Support Programme (BISP) – to contribute to shock-responsive social protection.

How are shock-affected households supported in Pakistan?

The risk of covariate shocks is particularly high in Pakistan, as the country is prone to natural hazards – including floods, cyclones, droughts, earthquakes, landslides, avalanches and tsunamis – as well as armed conflict and civil unrest that cause loss of life, damage to infrastructure and massive displacement. On average, approximately 3 million people in Pakistan (1.6% of the population) are affected by natural catastrophes each year, with damages and losses estimated to have exceeded \$18 billion over the past decade. Exposure and vulnerability to hazards varies by province/district and is exacerbated by population growth, rapid urbanisation, environmental degradation and shifting climatic patterns. With a poverty rate of 30%, socio-economic status is considered the biggest single determinant of vulnerability to disaster risk.

The Pakistan government has a rich history of delivering cash transfers for emergency relief and recovery since the earthquake of 2005 which provided a 'wake-up call' on the need for effective disaster-response systems. Most experiences to date have not been conceptualised as part of the social protection system, but rather as standalone emergency interventions or through DRM structures. Such experiences were consolidated after the floods of 2010 through the Citizen's Damage Compensation Programme (CDCP) which provided immediate relief and early recovery assistance to over 1 million families. In the context of devolution, the provincial government of Punjab has developed its own cash-based flood response programme – the Khadim-e-Punjab Imdadi Package – operated through the DRM system as the most important rehabilitation intervention and source of cash transfers for disaster-affected populations in the province. Cash transfer programmes elsewhere have responded to displacement due to conflict (such as support in 2016 to over 300,000 internally displaced people in the Federally Administered Tribal Areas.)

NGOs and humanitarian agencies have contributed significantly to national relief and rehabilitation efforts through the implementation of emergency cash transfers, many within the framework of networks such as cluster groups (for the 2005 emergency response) or the Pakistan Emergency Food Security Alliance (for the 2010 floods). They have also established coordination structures such as the Pakistan Humanitarian Forum, the National Humanitarian Network and the Cash Working Group. The Cash Working Group now has provincial working groups in some provinces.

The role of social protection in disaster response has not been clearly articulated. The main national social protection initiatives are:

- **BISP:** The national non-contributory social assistance programme established in 2008 under an Act of Parliament, currently (2015/16) reaching nearly 5.3 million poor families with a quarterly cash payment of about \$45.
- **Pakistan Bait-ul-Mal:** Created as a semi-autonomous organisation within the Ministry of Social Welfare providing support to poor and vulnerable people such as orphans, the elderly and widows, through 144 district field offices.
- **Zakat:** Based on the Islamic injunction for Muslims who can afford it to pay 2.5% of their financial assets. Finances grants to social welfare organisations (25%) and individuals (75%).

With the exception of BISP, the programmes have been characterised by weak targeting performance, low coverage, and low benefit adequacy. None specifically focuses on emergency response.

While BISP has had early experiences under the previous administration in topping up or expanding its programme in response to emergencies, these have not been fully documented or reviewed and are no longer being pursued as part of its focus on the chronically poor and vulnerable. Nor has the recent (2016) evaluation of BISP looked specifically at its resilience in the face of emergencies, which would be an important aspect to take into consideration.

An increasing role in social protection and disaster response is being played by the country's National Database and Registration Authority (NADRA), which is officially mandated with civil registration (through the Computerised National Identity Card, CNIC). NADRA is responsible for hosting and managing the National Socio-Economic Registry (NSER) – a social registry covering over 85% of the population (27 million households) from which the BISP-eligible households are selected. NADRA played an important implementing role in the aftermath of the floods of 2010, when citizens were paid through the CDCP. It thus bridges the gap between social protection and DRM.

What are the future implications for shock-responsive social protection in Pakistan?

Our case study focuses on the potential for leveraging some of the core systems and operational mechanisms of BISP – managed by the federal government – to contribute to shock-responsive social protection. Our discussion is set within the wider policy and institutional context.

Institutional issues: policy context, regulatory environment and coordination

The institutional setting for both social protection and DRM is still evolving, with no set mechanism for coordination between the sectors. As a result of devolution since 2010, the bulk of social protection and DRM functions have been transferred to the provinces, with significant implications for policy development and programme implementation. A legal and policy framework for DRM was instituted following the 2005 earthquake, with the establishment of the National Disaster Management Commission and national, provincial, and district Disaster Management Authorities (NDMA, PDMA, DDMA); but this architecture is nascent, with severe gaps in manpower and technical capacity, especially at the district level.

While Pakistan recognises social protection as a constitutional right and developed a National Social Protection Strategy in 2007, no single agency is responsible for social protection. Programmes are implemented through a dispersed formal organisational framework and informal networks. Within the formal organisational framework, lack of clarity remains on the division of responsibilities between federal and provincial levels. This has led to duplicating programmes and a vacuum in leadership. Provincial governments are developing their own social protection policies; progress and coordination remain uneven and are aggravated by uneven levels of capacity. Some provinces, such as Sindh, are just starting; others such as Punjab and Khyber Pakhtunkhwa, have made considerable advances, with policies that include recognition of a role for social protection in disaster relief and covariate risk management.

Within this larger policy environment, BISP faces some specific challenges – particularly as a federal programme operating in the context of devolution. The political 'branding' of BISP (eg. Benazir Bhutto's face features on the programme card) has also served and may continue to serve as a barrier to full acceptance in some provinces, including as a barrier for using BISP for shock-response at provincial level.

A national social protection policy framework was in the final process of adoption at the time of our study, with an aim to help synchronise programmes across different tiers of government. It includes significant attention to shock-responsiveness: with victims of disasters and conflicts among the priority target groups and the need to protect the vulnerable from falling into poverty as a result of shocks among its objectives.

The social protection and DRM systems continue to operate in separate silos, with no specific coordination mechanisms or platforms linking their functions. The absence of such mechanisms contributes to a coordination and knowledge gap and translates into missed opportunities.

Organisational issues: capacity, resources and financing

Overall, spending on social protection in Pakistan is estimated to be less than 1% of GDP. This low level may be due to the classification of social protection functions within the government's public expenditure system, which is not always clear or complete, leading to lack of transparency and challenges in assessing total funding.

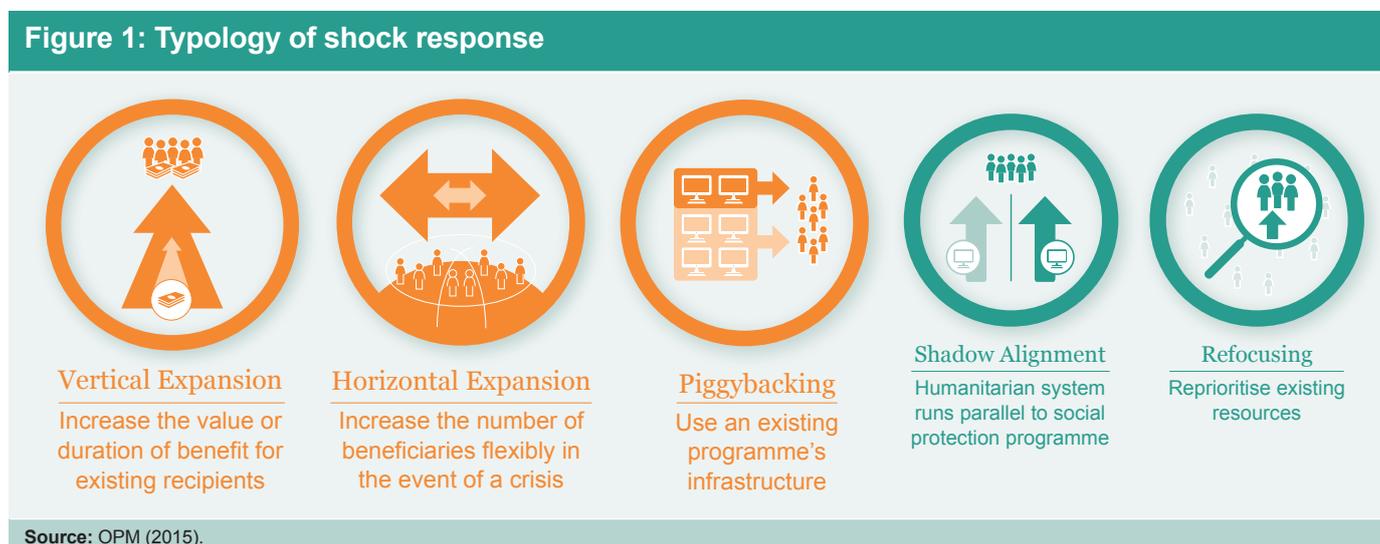
BISP, however, is allocated regular and rising funding from the federal government. Donor support – from the Asian Development Bank, the World Bank, DFID and USAID – has also been significant since its inception: commitments (loans and grants) from these donors have totalled nearly \$1.3 billion. BISP operations have improved over the lifetime of the programme, with increased predictability for recipient households and a reduction in their cost of collecting the transfer. As of 2016, 87% beneficiaries reported having received at least three out of the four planned payments in a 12-month period. Nevertheless, BISP continues to suffer from some capacity constraints, particularly because of the limited number of implementing personnel at local level. It has also terminated most previous experiments to deliver complementary programmes, partly because they were considered to interfere in its ability to meet its core objectives.

In DRM, considerable technical, technological and coordination capacity has been built due to the country's exposure to repeated disasters, and the government has now mandated establishment of federal and provincial disaster management funds. However, the entire structure continues to face severe gaps in manpower and technical capacity, especially at the crucial district level, and so far the mandated funds have not yet been established or capitalised.

Overall, provinces suggest that devolution of responsibility for social protection and DRM requires an accompanying increase in allocations to provincial budgets to support implementation and oversight. At provincial level, capacity building and enhanced collaboration between the DRM and social protection organisations is being explored in Punjab, informed by findings from a diagnostic assessment of opportunities and challenges for shock-responsive social protection in the province. Further reflection is needed on systemic linkages through the full DRM cycle from preparedness to recovery and reconstruction, and on development of a disaster risk-financing strategy to enhance and clarify the use of financial and budgetary instruments to support these linkages.

Operational issues: targeting, data management, payment systems and institutional linkages

A platform for moving forward on shock-responsive social protection could be established by leveraging BISP either as a programme or through its underlying systems – in particular the NSER database, its close connections with NADRA, and its diversified payment system – to respond to shocks. Discussed here are the three main options facing policy-makers and the opportunities and challenges associated with these, drawing on the typology of potential shock responses developed at the outset of our study (Figure 1).



The first option, working through BISP as a programme, could be to 'top up' transfers to existing beneficiaries (**'vertical expansion'**) so that they could receive additional financial support after a disaster. The rationale is premised on the understanding that BISP's target group (a subset of the poor identified through a proxy means test with a cut-off score) are some of the least resilient in a disaster and likely to be in need of this additional support. Vertical expansion would leverage BISP's systems, all of which function well (though there has not been an assessment of the resilience of BISP systems in times of crisis, which would be a critical aspect to ensure in advance in relation to all of the options considered here). If this can be established, and if vertical expansion to BISP beneficiaries were used in times of crisis, this would remove the need to establish parallel processes for targeting, enrolment or delivery of cash to these beneficiaries. Challenges, however, include the following (in addition to the political barriers discussed above):

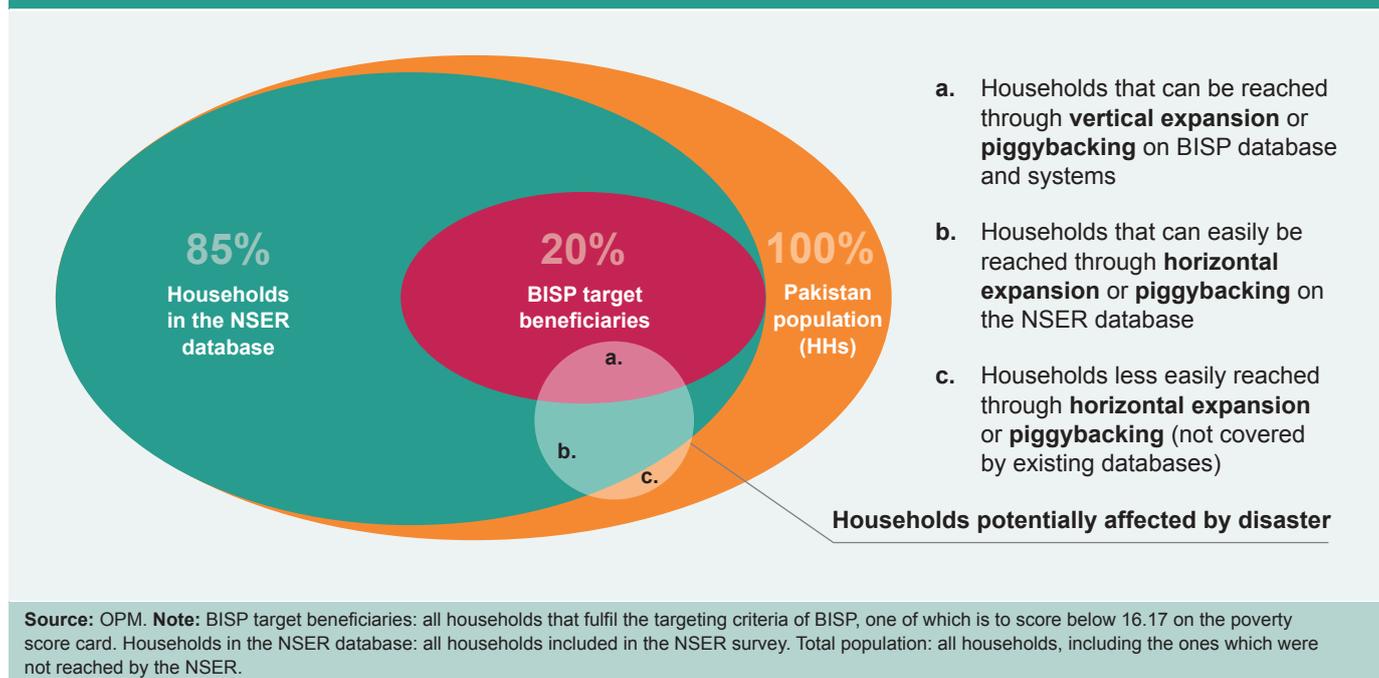
- **Population coverage and alignment:** Post-disaster situations require support to all disaster-affected people. Assuming BISP were 'perfectly targeted' and reaching all its intended beneficiaries, this response alone would be insufficient to meet the humanitarian needs of the wider disaster-affected population (areas 'a', 'b' and 'c' in Figure 2);
- **Communication:** Any top-ups would need to be carefully communicated to beneficiaries so they were aware of the additional funds. The lack of communication in a previous vertical expansion of BISP during the flood response in Sindh reportedly increased opportunity for leakage.

The second option of enrolling additional households into BISP temporarily at times of disaster (**'horizontal expansion'**) could also be considered, drawing from the set of households who are registered on the NSER but do not receive a transfer (area 'b' in Figure 2 below) because they are below the poverty score cut-off for admission into BISP. This could address the issue of population coverage while still taking advantage of existing systems (though beneficiaries would need to be issued with special cards).

The NSER's high national coverage (higher than most other social registries worldwide, and currently being updated and expanded) and its linkages to the 'CNIC' national ID database provide a strong platform for implementing such an approach. Nevertheless, most stakeholders felt that horizontal expansion would be difficult in practice, for reasons including:

- **Political economy factors:** These include both the fear of undermining the understanding and legitimacy of BISP as a programme targeting the chronically poor as well as sensitivities linked to BISP as a federal programme expanding in the context of provincial responsibilities for both social protection and DRM.
- **Programme management issues:** Such an approach would also require establishing criteria guiding the temporary inclusion of new caseloads and their subsequent exit.
- **Data collection and updating:** Data collection for NSER is periodic and based on a census survey, not ongoing and on-demand. Data had not been updated for over five years at the time of our research, though a new round of data collection started in 2016. Continuing to keep the data up to date could become an issue in the future. Maintaining accurate data on populations in contexts of high migration or displaced by disaster would be a particular challenge. Moreover, the NSER data on non-beneficiary households is not used operationally on a regular basis, so may be more incomplete than data on beneficiary households (including eg. geo-location updates). In an emergency, there would be more limited information for immediately targeting and delivering payments to households who are not current BISP beneficiaries. Best practice could perhaps include 'pre-enrolling' vulnerable households (by issuing debit/ATM cards to a pre-identified caseload) as part of contingency planning, as has been done in Kenya.

Figure 2: Disaster-affected people within the wider population – why reaching the right people is challenging



The option that seems to have most support in the Pakistan context would be to reach a caseload of disaster-affected people via 'piggybacking' on the systems used by BISP, but not expanding the BISP programme per se. Piggybacking has been defined as using a social protection programme's infrastructure to deliver a separate response (potentially covering areas 'a', 'b' and 'c' in Figure 2). This was the most common suggestion put forward by stakeholders, who were keen to maintain the integrity and core focus of BISP as a long-term social safety net while building on its systems for separate responses by other actors and agencies in emergencies. Such an approach would face the challenges with data quality and completeness discussed above, and would also require:

- **Pre-emptive data sharing agreements for swift roll-out:** Currently strict protocols are in place to regulate data sharing with external (e.g. humanitarian) partners – primarily because of data security concerns. While such considerations are extremely important, they also significantly hamper the potential for speedy response in the aftermath of a disaster. A research-action pilot conducted by the International Rescue Committee in Sindh demonstrated that truly pre-positioning NSER data could reduce the time needed for targeting to half what is needed for community-based targeting – and would significantly increase cost-efficiency.

- **Clarification of roles and responsibilities:** This would be needed for all of the key actors – BISP, NADRA, NDMA/ PDMA, as well as non-governmental actors and financial service providers – and to establish effective coordination, including procedures for the two-way sharing of data.

While these were the main three scenarios discussed with stakeholders, it may be that different options could be used in combination, or in different provinces. This would be useful to explore in future, taking into consideration some of the factors summarised in Table 1.

Table 1: Summary of enabling and constraining factors for the development of shock-responsiveness of social protection in Pakistan		
Institutional issues		
Policy context and institutional setting	✓	The national policy framework for social protection includes significant attention to 'shock-responsiveness'.
	✗	In the context of devolution, progress on social protection policy development, institutional capacity-building and programme implementation remain uneven across provinces.
	✗	Lack of clarity on the division of responsibilities between federal and provincial levels.
	✓	A National Disaster Risk Reduction Policy oriented toward building resilience was approved for the DRM sector.
	✗	There is no set of fixed rules or systems for standardisation of approaches to disaster response.
	✗	BISP as a federal government programme faces challenges in the context of devolution of responsibility for both social protection and DRM to the provincial governments.
Coordination	✓	Devolution is contributing to improved coordination around social protection and DRM within some provinces.
	✗	Devolution is contributing to coordination challenges between federal and provincial levels.
	✗	No single agency is responsible for social protection at the national level; this has led to duplication of programmes and a vacuum in leadership for integrated implementation.
	✗	Social protection and DRM systems operate in separate silos, with no specific coordination mechanisms or platforms linking their functions.
Organisational issues		
Financing	✓	BISP receives regular – and rising – federal funding. Donor support is also a major technical and financial resource.
	✗	Classification of social protection within the public expenditure system unclear, leading to lack of transparency and challenges in assessing total funding.
	✗	Mandated disaster management funds at federal and provincial levels are yet to be established so disasters primarily financed through supplementary grants.
	✗	With devolution, provincial governments are calling for increased budget allocations to support newly mandated responsibilities.
Capacity and resources	✓	NADRA has the institutional knowledge, capacity, and human resources to be a key implementing partner, as it has shown in the past. This capacity stands ready to be further tapped and extended.
	✓	DRM technical, technological and coordination capacity has been built in the country in the past decade.
	✗	DRM at district and subdistrict levels are under-resourced and staffed. Capacity development at this level, including through enhanced resourcing, would be critical.
	✗	BISP still faces human capacity and resource constraints particularly at subnational level, and the resilience of its systems in the face of emergencies has not yet been assessed.
Operational issues		
Data management and targeting	✓	National coverage of BISP and its large existing caseload of some of the poorest households in the country could facilitate response to disasters.
	✓	An updated NSER could be utilised for rapid identification of caseload – this can be through the potential inclusion of household GPS coordinates and indicators of climatic and livelihood vulnerability in the updated NSER.
	✗	Using BISP beneficiary data on its own for shock response would exclude other disaster-affected people who are also in need of assistance.
	✗	Data in the NSER – though currently being updated – would soon become outdated again, since it is collected and updated through a national survey and not, at the moment, through on-demand approaches (though these are being explored).
Payment delivery	✓	A strong and well established BISP payment system could be utilised in a disaster to swiftly reach disaster affected populations.
	✓	BISP's linkages with other organisations – including payment providers – could be leveraged to support a shock response.
Source: OPM. Note: ✓ = aspects that could be conducive to shock-responsive social protection. ✗ = aspects that may pose a risk, but could be mitigated.		

Lessons learned from Pakistan: how can social protection best complement and enhance disaster response?

Pakistan is a country where the social protection system is evolving, and continues to operate within a dispersed organisational framework with discrete social protection programmes at the national and provincial level. It has a nascent DRM system, but with continuing capacity constraints, leaving an opening whereby the social protection sector could potentially play a complementary role. Within this context, what are the broad lessons for Pakistan?

Coordination between social protection, humanitarian and DRM actors is crucial in disaster preparedness and response

For the operationalisation of shock-responsive social protection, coordination with DRM communities at the national and sub-national levels of government, and the wider humanitarian system is crucial. Mechanisms which could be developed include:

- At policy level, both social protection and DRM offer holistic frameworks for programming along a continuum running from preparedness, mitigation and prevention through to response, protection and promotion. Policy coherence could be strengthened through explicit recognition of converging and/or complementary roles in preparation for, prevention/mitigation of and response to disasters. Policy guidelines would in this case need to be developed to strengthen specific synergies and collaboration.
- Creation of an overarching coordination structure to link social protection and DRM actors at an organisational level would go a long way to establishing conditions to enhance such synergies. This would ensure, among other things, that cash-based responses to emergencies build on a common body of lessons learned and technical guidelines.

Social protection databases can be instrumental in disaster response

Countries which have chosen to invest in a national database of household socioeconomic data (a 'social registry' with information on potential beneficiaries of social protection) may find this has the potential to play an important role in disaster response (through the modalities such as horizontal or vertical expansion, or piggybacking). Measures that could help 'prepare' the NSER for use in emergencies include:

- Ensuring that the data collection approach enables continuous updating (such that the database is dynamic). Pakistan is now piloting on-demand data collection for this purpose;
- Ensuring that the 'right' data are being collected (e.g. information that can be useful to identify and reach those affected in an emergency, both existing and potential beneficiaries).

One possibility would be to use the updated NSER database to pre-register households in the areas most vulnerable to disasters. In Pakistan, this could be accomplished by juxtaposing newly collected GPS coordinates for households in the NSER with hazard vulnerability maps. Such geographic targeting, with blanket targeting of all households or targeting on the basis of poverty scores within these areas, could be an effective, immediate 'first phase' response, based on pre-agreed triggers, transitioning to a more refined targeting approach in 'phase two' where the database records identify households for further assessment of their vulnerability. However, such technological approaches to disaster preparedness would also need to be pre-planned such that required information is recorded in the database. This would require close coordination between the social protection and DRM communities.

Higher priority is needed for DRM and shock-responsive social protection in the government budget

Expansion of fiscal space to finance shock-responsive social protection is needed. Public sector allocations for social protection are difficult to determine precisely, leading to a lack of transparency and difficulty in determining total funding. Mandated disaster management funds at federal and provincial levels have not yet been set up or capitalised, and disasters are primarily financed through supplementary grants. Donor support for key social protection and humanitarian response programmes such as BISP and CDCP has been significant as a complement to government budgets, but cannot serve as a long-term fiscal strategy. Other strategies could include re-prioritisation of expenditures away from inefficient/untargeted subsidies and development of a national disaster risk financing strategy.

Capacity building at all levels is critical for coordinated response and enhanced service delivery

We have seen that systems have been established for both DRM and social protection, the latter particularly through BISP. But capacity gaps for each remain, especially at provincial and district levels where service delivery takes place. Significant learning has been built up in Pakistan on cash-based responses to emergencies, and efforts are underway to strengthen and harmonise approaches and protocols. As such efforts move forward, it will be important to include key government, civil society, and development partner stakeholders as well as private actors spanning DRM, social protection and humanitarian response so that positive synergies may be achieved.

About the project

The Shock-Responsive Social Protection Systems study is a two-year research programme (2015 to 2017) led by Oxford Policy Management (OPM), in consortium with the Overseas Development Institute (ODI), the Cash Learning Partnership (CaLP) and INASP. Its aim is to strengthen the evidence base as to when and how existing government social protection systems can better respond to shocks in low-income countries and fragile and conflict-affected states, thus minimising negative shock impacts and reducing the need for separate humanitarian responses. The research is funded by UK Aid as part of the UK Department for International Development's (DFID's) Humanitarian Innovation and Evidence Programme (HIEP).

Further information

This policy brief builds on work by Carol Watson, Tanya Lone, Usman Qazi, Gabrielle Smith, and Faisal Rashid. The Pakistan research draws on both quantitative and qualitative data gathered through a combination of literature review, document review and consultations with key informants and stakeholders at the national and sub-national levels. Our methodology builds on insights offered by the literature and summarised in our overarching conceptual framework for shock-responsive social protection. These are all accessible on our project webpage, where the full Pakistan case study can also be found. The views expressed are those of the authors and do not necessarily reflect the UK government's official policies.

Suggested citation: Watson, C., Lone, T., and Barca, V. (2017) 'Building on social protection systems for effective disaster response: the Pakistan experience'. Policy Brief. Oxford Policy Management, Oxford, UK.



Oxford Policy Management



In partnership with:



Clare O'Brien

Senior Consultant – Poverty and Social Protection Portfolio

Tel: +44 (0) 1865 207 300

Email: clare.obrien@opml.co.uk

<http://www.opml.co.uk/projects/shock-responsive-social-protection-systems>