



Shock-Responsive Social Protection Systems Research

Case Study: Pakistan

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July 2017

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 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 from the UK Government, as part of the UK Department for International Development's (DFID's) Humanitarian Innovation and Evidence Programme (HIEP). HIEP is an initiative to improve the quality, quantity and use of evidence in humanitarian programming.

Six case studies form the core of the research team's analysis of the features of a social protection system that facilitate its use to respond to shocks, and of the ways in which social protection, humanitarian assistance and disaster risk management systems can best work together for a more effective response. The three in-depth case studies—of Mozambique, Mali and Pakistan—explore the issue across a wide range of shocks, and review a number of social protection interventions. Two light-touch country case studies, of the Philippines and Lesotho, focus on a single type of shock. Finally, a light study of the Sahel region reviews region-wide mechanisms for responding to food security crises.

About this report

This is the full case study report for Pakistan. It presents an overview of the social protection, disaster risk management and humanitarian systems in Pakistan, and discusses both Pakistan's flagship social protection programme, the Benazir Income Support Programme (BISP), as well as emergency cash transfers provided as disaster response since 2005. A summary briefing note is published separately.

Acknowledgements

This country team is grateful for the inputs of all of its members as well as for continuous support and guidance provided by OPM project leader Clare O'Brien and DFID project lead, Heather Kindness. The team wishes to extend its thanks and appreciation to all stakeholders encountered during the course of successive visits to Pakistan—including those at national and provincial levels, in Punjab and Sindh, and those who agreed to be interviewed via Skype. Special thanks are due to the DFID country office for its interest and support in the course of this research, and particular to Mazhar Siraj, who provided extensive feedback on an earlier draft. The current team acknowledges the work of initial OPM team members, Joanna Buckley and Simon Brook, editorial and support provided by Zoe Scott, and inputs from Marta Marzi on the analysis of poverty and vulnerability. We wish to thank as well the OPM country office in Pakistan under the leadership of country director Rauf Khan for their in-country support. We also greatly appreciate the comments from reviewers, including those mentioned above, Chris Porter in DFID, as well as external reviewer Paul Harvey, all of whose inputs and suggestions have greatly enriched this report.

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., Qazi, U., Smith, G., and Rashid, F. (2017) 'Shock-Responsive Social Protection Systems Research. Case Study: Pakistan', Oxford Policy Management, Oxford, UK.

Executive summary

Approach and method

This study is part of a global research project that has examined two related but distinct themes: first, social protection and its potential role in shock response; and second, the opportunities for coordination (and possible integration) of humanitarian interventions, disaster risk management (DRM) and social protection. Our overarching research question is: what factors enable social protection systems to be responsive to shocks and to deliver effective shock response? The two associated sub-questions are: what features in the design and implementation of social protection systems facilitate an effective response to shocks? And how can humanitarian, DRM and social protection systems best work together for effective responses to shocks?

While acknowledging that cash transfers are not the only appropriate response to large-scale covariate shocks, this case study on Pakistan focuses on lessons learned from the multitude of cash-based responses to disasters implemented mainly as standalone initiatives or through the DRM system, and on the potential for leveraging some of the core systems and operational mechanisms of the country's flagship social assistance programme—the Benazir Income Support Programme (BISP)—to contribute to shock-responsive social protection programming. This includes analysis of the potential of the National Socio-Economic Registry (NSER) to contribute to targeting processes in times of crisis, as well as consideration of existing payment and registration systems used by both BISP and the national cash-based programmes designed as emergency response. Throughout, there is a particular focus on potential pathways for coordination between social protection and DRM, as well as on the challenges and opportunities created through the devolution of responsibility for both social protection and DRM from federal to provincial level.

Shocks and vulnerability in Pakistan

High levels of poverty and vulnerability form the backdrop to the country study. The risk of covariate shocks is particularly high. Pakistan is prone to a variety of natural hazards, including floods, earthquakes, cyclones and droughts. On average, approximately 3 million people (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. In the last 40 years or so, over three quarters of all people affected by natural disasters have been impacted by floods, with the annual economic impact of flooding estimated at 0.5 to 0.8% of gross domestic product (GDP). Exposure and vulnerability to hazards varies by province / district, and is exacerbated by population growth, rapid urbanisation, environmental degradation and shifting climatic patterns. Pakistan is also prone to armed conflict and civil unrest that cause loss of life, damage to infrastructure and massive displacement. Over 1.8 million people were displaced by insurgency, counter-insurgency and other related violence in 2015, with Khyber Pakhtunkhwa (KP) and the Federally Administered Tribal Areas (FATA) witnessing the most sustained periods of intensive conflict linked to the Taliban.

The links between poverty, shocks and vulnerability are explicitly recognised and well documented in Pakistan. With a poverty rate of 30%, socioeconomic status is considered the biggest single determinant of vulnerability to disaster risk. Poverty in rural areas is nearly twice as high in urban areas, and has experienced a slower rate of reduction. Many of the poorest cannot meet their immediate needs for food, basic education or health even in the best of times, with children and women among those most affected by household poverty and thus among the most vulnerable in the face of shocks of all types.

Institutional and policy context

The institutional setting for both social protection and DRM is still evolving and under consolidation, 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. The country recognises social protection as a constitutional right and has developed an initial National Social Protection Strategy, but there has never been a single agency responsible for social protection, with programmes instead being implemented through a dispersed formal organisational framework and informal networks. This has led to duplicating programmes and a vacuum in leadership for integrated implementation. A national social protection policy framework is being finalised to help synchronise programmes across different tiers of government. Provincial governments are developing their own social protection policies, but progress and coordination remain uneven, and are aggravated by uneven levels of capacity.

Many of the agencies involved in social protection also contribute to emergency response, but the most structured responses to emergencies have either been developed as standalone initiatives or are channelled through the DRM system. A comprehensive legal and policy framework for DRM was instituted following the 2005 earthquake, with the establishment of the National Disaster Management Commission (NDMC) and national, provincial, and district Disaster Management Authorities (NDMA, PDMA, DDMA); but this architecture is still nascent, with severe gaps in manpower and technical capacity, especially at the district level.

Design and implementation features of the Benazir Income Support Programme—the flagship social assistance programme

BISP is the main social protection programme in Pakistan, with national coverage and reaching nearly 5.3 million poor families with an unconditional quarterly cash payment of about \$45. It is a federal programme, but certain administrative processes are managed from the province and district. Eligible households are those that are registered as 'poor' within the NSER, according to a 2011 proxy means test (PMT), and that have married / previously married women in possession of a computerised national identify card (CNIC) issued by the National Database and Registration Authority (NADRA). BISP's use of the CNIC for registration has increased take-up of this card, which has been helpful for humanitarian assistance programmes which use this as the primary form of identification. Previous attempts to add extra interventions onto BISP have mostly been terminated owing partly to a lack of capacity, as well as to problems with their design, and pressure for programmes to be devolved to the provincial level, where BISP is not always politically acceptable.

A recent evaluation found that BISP has reduced the poverty rate, enhanced consumption smoothing and empowered women (Cheema et al., 2016). It also confirmed that operations have improved over time, with increased predictability of delivery and a reduction in the cost of collection. Currently, the PMT is being redesigned in readiness for an update of the NSER and a re-registration exercise for BISP. Data on climatic vulnerability will be included in the new household survey and is likely to be included as a factor in the scoring of the revised PMT. BISP will also be moving to a cardless payment system that relies on biometric verification of beneficiaries at ATMs. This has potential to reduce leakage but may make it difficult for beneficiaries who struggle to reach pay points. BISP will need to adopt a policy on exceptional basis to allow caregivers or nominees of such beneficiaries to withdraw cash on their behalf.

Key experiences in cash-based responses to emergencies

Pakistan has a rich history of experience and lessons learned from provision of cash transfers in emergency relief and recovery operations since the major 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 or conducted through the social protection system, but rather as standalone emergency interventions or through DRM structures. Such experiences were consolidated particularly after the floods of 2010 through the Citizen’s Damage Compensation Programme (CDCP) which provided both immediate relief and early recovery assistance to over 1 million families. While introduced separately from existing social assistance programmes, the CDCP learnt from BISP’s experiences with its database and payment systems, and from previous emergency responses. 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 (KPIP), again outside the social protection system. Cash transfer programmes elsewhere have responded to displacement due to conflict, such as support in 2016 to over 300,000 displaced families in FATA.

NADRA has served a critical function in a number of these programmes, including as a direct implementer. Government approaches have become increasingly sophisticated and robust operational and delivery systems have developed. There is growing consensus on the benefits of cash-based responses and the need for permanent organisational preparedness and oversight, but there are no guidelines or policy frameworks to support such initiatives nationally. NGOs and humanitarian agencies have also been involved in cash-based emergency responses, with donors and NGOs increasingly moving towards disaster resilience and multi-year emergency programming. NGOs, civil society organisations and humanitarian actors have also been influential advocates for a focus on the post-emergency needs of vulnerable groups such as women and children and, among other things, are developing vulnerability assessment profiles for displaced populations.

BISP itself, under the previous administration, has experimented with scaling up in response to disaster, including in Balochistan (through a temporary top-up to existing BISP beneficiaries after an earthquake and temporary enrolment of additional beneficiaries following a bomb-blast) as well as provision of cash top-ups to BISP beneficiary families affected by the 2010 floods, and provision of cash assistance to temporarily displaced populations in FATA. However, these experiences have not been evaluated, are not well documented, and are currently not being pursued. The recent BISP evaluation (Cheema et al., 2016) does not specifically examine the resilience of the standard BISP programme during or after crisis; this would be important in future assessments.

Budget and financing

Public sector budget allocations for social protection are low overall, with spending on the national safety net estimated to be less than 1% of GDP over the past five years. But the classification of social protection functions with the government’s public expenditure system is not always clear or complete, leading to lack of transparency and challenges in assessing total efforts. BISP as the main federal safety net programme is experiencing regular (and rising) funding levels by both government and donors. However, provinces hold that devolution of responsibility for both social protection and DRM requires an accompanying increase in allocations to provincial budgets, in order to support implementation and oversight for programmes and activities. The government has mandated establishment of disaster management funds at both federal and provincial levels. But so far, no funds have been set up or capitalised, and disasters are financed primarily through supplemental grants.

Coordination, synergies, and potential future scenarios for shock-responsive social protection

The evolving social protection and DRM systems in Pakistan operate in separate siloes, with no specific coordination mechanisms or platforms linking their functions. Experiences in disaster response remain primarily within the DRM sector, not generally being considered to be ‘social protection’, despite sharing cash-based modalities and some organisational affiliations (e.g. NADRA). Significant potential exists to enhance coordination between these sectors, not only in preparing and responding to emergencies but throughout other parts of the DRM cycle (i.e. as part of disaster prevention, mitigation, recovery and reconstruction).

Features of BISP and its underlying operating systems that could facilitate response to disasters include i) national coverage and a large existing caseload of some (but not all) of the poorest households, who can also be considered some (but not all) of those who are vulnerable to disasters; ii) the NSER, as the database contains most households in the country, ranked by poverty, for rapid identification of caseloads (soon to be updated and to take into account hazard vulnerability); iii) an effective e-payment system; and iv) strong links with other organisations—both NADRA and the payment service providers—that could be leveraged to support a shock response.

Potential approaches to shock-responsive social protection using BISP include:

- J) **Vertical expansion** (increasing the value or duration of benefits to existing BISP beneficiaries): Providing ‘top-ups’ to existing BISP beneficiaries in the aftermath of a disaster is one possible option, with the rationale that these beneficiaries are the poorest and least resilient members of the community and therefore in most need of this additional support. Vertical expansion would leverage the existing systems of BISP, all of which function well. For BISP beneficiaries this would remove the need to establish parallel processes for targeting, enrolment or delivery of cash. However, importantly, this approach would not reach others who have also been affected by the disaster, so would therefore still need to be accompanied by a parallel humanitarian response. Political economy barriers to the scaling up of BISP are also likely to arise at different levels, and careful communication would be needed to explain the nature of the expansion.
- J) **Horizontal expansion** (increasing the number of beneficiaries in the event of a crisis): Expanding BISP to additional beneficiaries on a temporary basis to offer needed relief at times of disaster is another possible option. Such an approach has proven to be an efficient and effective measure for dealing with cyclical drought crises in other countries. Operational difficulties linked to the challenge of finding and enrolling non-BISP beneficiaries, especially in contexts of high migration or displacement after a disaster, might potentially be met by ‘pre-enrolling’ vulnerable households as part of contingency planning. But other obstacles may arise from the potential dilution of BISP’s currently clear mandate and targeting criteria and the potential to raise unrealistic expectations of long-term support for the temporary caseload. For these reasons, as well as the political economy factors relating to vertical scale-up, stakeholders felt that such an option would not generate political support.
- J) **Piggybacking** (using elements of an existing social protection programme’s infrastructure to deliver a separate humanitarian response): Based on our analysis and consultations, building emergency responses onto specific elements of the existing operational BISP platform, but as a separate independent emergency programme, seems to offer the best approach to shock-responsive social protection. Stakeholders highlighted the NSER database, and the planned updates and improvements to this social registry, as having high potential for supporting shock-responsive targeting. Current policy aims to establish NSER as an independent entity outside BISP, which may further reduce political barriers to its broader utilisation both federally and provincially. A research action project has already identified the positive potential of ‘pre-

positioning' the NSER database for rapid identification of beneficiaries and delivery of benefits in the event of a disaster, providing a good example of the gains to be achieved from such piggybacking. For enrolment, existing relationships with NADRA are also strong and could be built upon. NADRA itself as an organisation has experience in delivery of cash-based responses in emergencies and is currently doing so for internally displaced people in FATA. Leveraging the existing payment mechanisms and providers would also be a possibility though specific technical issues would need to be addressed. In general, successful piggybacking would also require clear clarification of roles and responsibilities for BISP, NADRA, NDMA / PDMA, non-governmental actors, and financial service providers, and establishment of effective coordination mechanisms including procedures for the two-way sharing of data.

Conclusions and recommendations

The formal social protection system in Pakistan is evolving and continues to operate within a dispersed organisational framework. The current focus on establishment of more effective implementation processes and a more integrated social protection system to respond to issues of chronic poverty, vulnerability and idiosyncratic shocks, as per the National Social Protection Policy Framework, will allow it to mature to the extent that it can begin to develop more standardised operating procedures, in order to contribute to responses to covariate shocks. Such responses currently remain within the mandate of the DRM system, which itself is evolving and solidifying its structures and implementation procedures. In the meantime, however, BISP as a programme (and more specifically the delivery systems and processes through which BISP operates) presents significant opportunities for shock-responsive social protection in Pakistan.

Our findings suggest that it is the piggybacking model, through which the underlying systems of BISP are leveraged to help deliver a separate emergency response programme, rather than modifications to the BISP cash transfer programme per se, which offers greatest potential for supporting shock-response (while not excluding the other options for horizontal or vertical expansion and shadow alignment). For this option, stakeholders identified three ways in which BISP could be positioned to support shock-response: i) as a service provider platform, providing access to systems such as the NSER, or channelling humanitarian funds through the BISP payment channels (and perhaps levying a fee to the implementing agency accordingly); ii) as a technical adviser, providing advice and recommendations to provincial governments and humanitarian agencies on setting up and implementing emergency safety nets; and iii) as facilitator, or convenor, supporting the institutionalisation of data sharing protocols, or introductions to financial service providers for developing independent contracts.

Optimisation of such an approach would require stronger intersectoral coordination overall to foster joint planning exercises, share lessons learned on design and implementation features, and build joint capacity for key actors in the social protection and DRM / humanitarian sectors. If any of the options for vertical expansion, horizontal expansion, or piggybacking on BISP or its underlying operating structures are to take place, coordination with PDMAs, their district level counterparts and the wider humanitarian system will be crucial, particularly in the context of devolution. Further reflection overall is needed on how to facilitate systemic links between the DRM and social protection sectors at both national and provincial levels.

Potential strategies for the expansion of fiscal space for both social protection and emergency response increasing revenue generation through improved taxation, exploring options for disaster risk insurance and re-prioritising expenditures away from inefficient / untargeted subsidies towards more targeted social protection support. Development of a disaster risk financing strategy within the framework of the overall DRM structure and mandate would also help clarify the use of financial and budgetary instruments to finance emergency responses.

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Abbreviations

ACTED	Agency for Technical Cooperation and Development
ADB	Asian Development Bank
ACF	Action Against Hunger
AJK	Azzad Jammu and Kashmir
ATM	Automated Teller Machine
BISP	Benazir Income Support Programme
CaLP	Cash Learning Partnership
CBT	community-based targeting
CCI	Council of Common Interest
CDCP	Citizens Damage Compensation Programme
CNIC	Computerised National Identity Card
CWG	Cash Working Group
DDMA	District Disaster Management Authority
DFID	Department for International Development (UK)
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
ECHO	European Civil Protection and Humanitarian Aid Operations
EOBI	Employees Old-Age Benefit Institution
ERC	Emergency Relief Cell
ERRA	Earthquake Reconstruction and Rehabilitation Authority
FATA	Federally Administered Tribal Areas
GDP	gross domestic product
GFDRR	Global Facility for Disaster Reduction and Recovery (World Bank)
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HCT	Humanitarian Country Team
HDI	Human Development Index
HIEP	Humanitarian Innovation and Evidence Programme
IASC	Inter-Agency Standing Committee
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IDP	internally displaced persons
ILO	International Labour Organisation
IPC	Integrated Food Security Phase Classification
IRC	International Rescue Committee
KP	Khyber Pakhtunkwa
KPIP	Khadim-e-Punjab Imdadi Package (Punjab)
MCII	Munich Climate Insurance Initiative
MIRA	Multi-Cluster Initial Rapid Needs Assessment

MIS	Management Information System
MOU	memorandum of understanding
MPDR	Ministry of Planning, Development and Reform
MPI	Multi-Dimensional Poverty Index
MTDF	Medium-Term Development Framework
NADRA	National Database and Registration Authority
NDMA	National Disaster Management Authority
NDMC	National Disaster Management Commission
NDMP	National Disaster Management Plan
NGO	non-governmental organisation
NHN	National Humanitarian Network
NSER	National Socio-Economic Registry
NSPS	National Social Protection Strategy
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODI	Overseas Development Institute
OPHI	Oxford Policy and Human Development Initiative
OPM	Oxford Policy Management
PAD	Project Appraisal Document (World Bank)
PBM	Pakistan Bait ul Mal
PEFSA	Pakistan Emergency Food Security Alliance
PHF	Pakistan Humanitarian Forum
PDMA	Provincial Disaster Management Authority
PDMC	Provincial Disaster Management Commission
PKR	Pakistani Rupee
PML-N	Pakistan Muslim League-Nawaz
PMT	Proxy Means Test
POS	point-of-sale
PPAF	Pakistan Poverty Alleviation Fund
PPD	Pre-Positioned Database
PPP	Pakistan's People's Party
PSPA	Punjab Social Protection Authority
REFANI	Research on Food Assistance for Nutrition Impact
SAE	Schedule of Authorised Payments
SDGs	Sustainable Development Goals
TDP	temporarily displaced people
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme
WINS	Women and Children/Infants Improved Nutrition in Sindh

1 Approach and method

1.1 Research questions

Globally, the frequency, size and duration of disasters and crises—be they the consequence of natural phenomena or economic or political shocks—are on the rise. The cost of responding to these disasters has also been increasing. While national governments bear the main responsibility for mitigating the risk of shocks and responding to them, the demands placed on the international humanitarian community to provide assistance continue to grow. The value of international humanitarian assistance keeps hitting record highs—the last three years have each seen the highest ever levels of assistance provided—yet the gap compared with what is needed continues to widen (Development Initiatives, 2016).

Many shocks are predictable and protracted, and often slow-onset. For this reason, governments and international agencies alike are committed to finding a way forward that responds more efficiently and effectively, rather than reactively, to shocks: they aim to 'use existing resources and capabilities better to shrink humanitarian needs over the long term', in the words of the Grand Bargain made by the humanitarian and development communities at the World Humanitarian Summit ('The Grand Bargain', 2016, p. 14). Many actors are now asking whether and how long-term social protection systems can be part of the solution, since these are already intended to meet the needs of the poorest households, to build resilience and to respond to crises.

In 2015, the UK Department for International Development (DFID), as part of the Humanitarian Innovation and Evidence Programme (HIEP) commissioned research to further explore this issue. Our research team has examined two related but distinct themes: first, social protection and its potential role in shock-response; and second, the opportunities for coordination (and possible integration) of humanitarian interventions, disaster risk management (DRM) and social protection.

Our overarching research question is: **What factors enable social protection systems to be responsive to shocks and to deliver effective shock-response?**

There are two associated sub-questions:

- J What features in the design and implementation of social protection systems facilitate an effective response to shocks?
- J How can humanitarian, DRM and social protection systems best work together for effective responses to shocks?

These questions are addressed by means of a series of six country case studies—including this one—and a number of related outputs (a literature review, synthesis report, toolkit and others).

1.2 Approach taken in Pakistan

The focus of the Pakistan case study is on lessons learned from the multitude of cash-based responses to disasters implemented for the most part as standalone initiatives or through the DRM system and on the potential for leveraging some of the core systems and operational mechanisms of the main national social assistance programme—the Benazir Income Support Programme (BISP)—to contribute to shock-responsive social protection programming. This includes analysis of the potential of the National Socio-Economic Registry (NSER) to contribute to targeting processes in times of crises, as well as consideration of existing payment and registration systems used by both BISP and the national cash-based programmes designed as emergency response.

A particular focus throughout is on the nature of and potential for strengthening coordination mechanisms between social protection and DRM, as well as on the challenges and opportunities created through the devolution of responsibility for both social protection and DRM from federal to provincial level. Examples of provincial level programmes are highlighted with reference particularly to Punjab, Sindh, and Khyber Pakhtunkwa (KP) which implement social protection differently and demonstrate different types of response to disasters.

Cash transfers are not the only response to large-scale covariate shocks but should be set within a broad spectrum of social protection measures and DRM responses that seek to both bolster preparedness and resilience, and respond to immediate relief and longer term rehabilitation needs in the aftermath of crisis. The focus on cash transfers in this study stems largely from the significant experience and momentum that has built up around these, and on the development of robust systems to deliver them. It seeks in this way to contribute to current national reflection on the way forward for cash-based responses in emergencies and for more integrated and coordinated approaches to social protection.

The Pakistan case study was developed on the basis of an extensive literature review, and three country visits conducted between December 2015 and January 2017, including provincial visits to Punjab and Sindh¹. The research uses a broad set of analytical tools (see Annex B for details of the method). These include an analysis of poverty and vulnerability, a mapping of policies and interventions, a review of their effectiveness in response to shocks, and an analysis of the factors that shape their design and performance, including political economy issues, operational capacity and financial resources.

Through the course of the research, consultations were held with 86 key informants (government, development partners, non-governmental organisations (NGOs) and civil society organisations, the private sector and policy / research institutes). A national stakeholder engagement workshop was organised in Islamabad in January 2017, drawing together 24 participants. It formed part of the research uptake strategy, and focused on the presentation and discussion of key findings as well as the refining of recommendations for the way forward on shock-responsive social protection in Pakistan. Results have also been shared at the Asia Regional Cash Working Group meeting in Bangkok in February 2017, and at a global webinar in March 2017 hosted by socialprotection.org as part of a series of webinars on shock-responsive social protection.

1.3 A note on terminology and research scope

It is useful to define the term ‘shock-responsive social protection’, since all social protection is inherently intended to respond to shocks. In this research, we use the term ‘shock’ to refer implicitly to covariate shocks, i.e. those that affect large numbers of people and/or communities at once. Covariate shocks may be natural, economic or political. We focus on the types of covariate shock that affect a substantial share of the population and result in a ‘crisis situation’ that is likely to trigger an international humanitarian response. However, we do not cover the influx of refugees, which triggers specific international mechanisms and is not the sole responsibility of the host country, or disease outbreak, which calls primarily for a response from the health system.

We adopt a broad definition of social protection which encompasses a range of instruments including, for example, food distributions, cash transfers, school feeding, grants for goods and basic foodstuffs, subsidies, health insurance and pensions. The overall research programme

¹ The team had hoped to visit KP province, but this was not possible, so information on KP in the report is drawn from the literature review and discussions with key stakeholders in the capital with direct knowledge of social protection and DRM in the province.

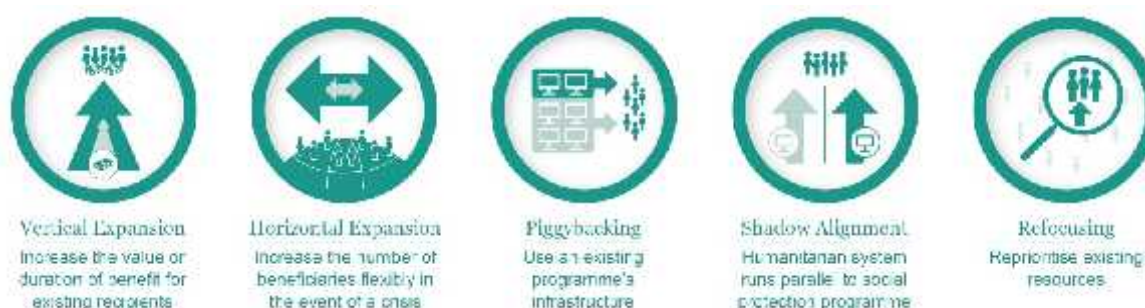
therefore considers both contributory and non-contributory instruments. Similarly, state and non-state social protection providers are included. We include interventions that can be put in place in advance of a shock to mitigate its impact, not only those implemented after the event. A subset of these interventions is explored for each case study. In Pakistan, for example, we examine mainly the contribution of cash transfer programmes.

Two further concepts merit a brief mention here, as they drive the diagnosis of what types of needs a country must address, and what sort of response is feasible². First, in terms of need, we recognise that social protection needs in relation to covariate shocks fall into three categories: structural, seasonal and humanitarian. 'Structural needs' refer to the type of chronic poverty and vulnerability commonly addressed by long-term social protection programmes. 'Seasonal needs' refer to cyclical crises whereby every year or so, poor weather or other conditions push an additional number of households into requiring short-term assistance. 'Humanitarian crisis needs' refer to the occasional exceptional year or event when communities that usually manage without any assistance find themselves in need of support.

Second, in terms of response, we note that the ability of a formal (rather than informal, household-level) social protection system to handle shocks depends to a large extent on the maturity of the system. Our emphasis on understanding opportunities for using state-run social protection systems to respond to shocks means that our studies cover countries where some kind of system is in place. In some cases it is only nascent, and we take into account the implications of this.

An initial starting point for the research was a thorough literature review which identified five main ways in which social protection and humanitarian assistance interventions may adapt or collaborate to address needs arising from covariate shocks (OPM, 2015). We have organised these into a typology of shock response (Figure 1):

Figure 1 Typology of shock response



Source: OPM (2015)

In brief, systems are not only shock-responsive if they provide top-ups to existing beneficiaries, or temporarily add beneficiaries to existing social protection programmes (which we term 'vertical expansion' and 'horizontal expansion' respectively)—although these are two commonly perceived options, often referred to as 'scaling up' an intervention in response to a shock. Other possibilities include taking advantage of part of an existing programme's infrastructure, such as a database or its personnel, while delivering an entirely different intervention ('piggybacking' on the system); running a separate humanitarian intervention that is designed to have some of the characteristics of a long-term social protection intervention, in order to facilitate subsequent integration ('shadow alignment'); and, if no additional budget is available, simply 'refocusing' existing resources on the priority households suffering from the shock. This typology is referred to throughout the report.

² The concepts are presented fully in [OPM \(2015\)](#).

2 Shocks and vulnerability

Key points

-) The risk of covariate shocks is particularly high, as Pakistan is prone to a variety of natural hazards including floods, cyclones, droughts, earthquakes, landslides, avalanches and tsunamis. In the last 40 years, over three-quarters of all people affected by natural hazards have been impacted by floods.
-) Armed conflict, civil unrest and political insecurity are also ever present threats, contributing to loss of life, massive population displacement destruction of infrastructure and livelihoods, and generalised insecurity, particularly in some parts of the country.
-) Exposure and vulnerability to hazards varies by province / district and is exacerbated by population growth, rapid urbanisation, environmental degradation and shifting climatic patterns.
-) 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.
-) While income-based poverty has dropped from 64% (2000/01) to 30% (2013/14), multidimensional poverty as measured by deprivation in education, health, and standard of living affects well over a third (39%) of the population (2014/15). Both measures of poverty are characterised by significant disparities across urban / rural locations and by province and district.
-) Links between poverty, shocks and vulnerability are explicitly recognised and well documented in Pakistan. Socioeconomic status is considered the biggest single determinant of vulnerability to disaster risk. Structural inequalities from regional disparities combine with economic class, gender-based inequalities, and social identity to accentuate vulnerability in times of disaster.

2.1 The main types of covariate shock

The risk of covariate shocks in Pakistan is particularly high³. Results from a household panel survey between 2008 and 2010 suggest that a tenth of the population experienced at least one shock in the two years preceding the survey; these include drought, flood, earthquake, landslide, crop disease, livestock epidemics, fire, and conflict / displacement (Mete et al., 2013; World Bank 2013a)⁴. The global economic downturn of 2007–08 contributed to a food crisis as prices for staple foods such as wheat rose by more than 100% (World Bank 2013a). Armed conflict and political insecurity are also ever present threats, particularly in some regions of the country.

2.1.1 Natural hazards

Owing to its geographic position, geological features and climatic conditions, Pakistan is vulnerable to a variety of natural hazards including floods, cyclones, droughts, earthquakes, landslides, avalanches and tsunamis (NDMA 2012b). Exposure and vulnerability to hazards varies by province / district and is exacerbated by population growth, rapid urbanisation, environmental degradation and shifting climatic patterns that are seen to result in the occurrence of increasingly frequent and severe disasters (World Bank 2015a). Some hazards (e.g. floods, landslides) are predominantly seasonal and occur on an annual basis, whereas others such as earthquakes and tsunamis are rarer but potentially highly destructive, as evidenced by the 2005 earthquake in the northern part of the country (NDMA 2013). (See B.3 Annex C for key characteristics of natural hazards in Pakistan).

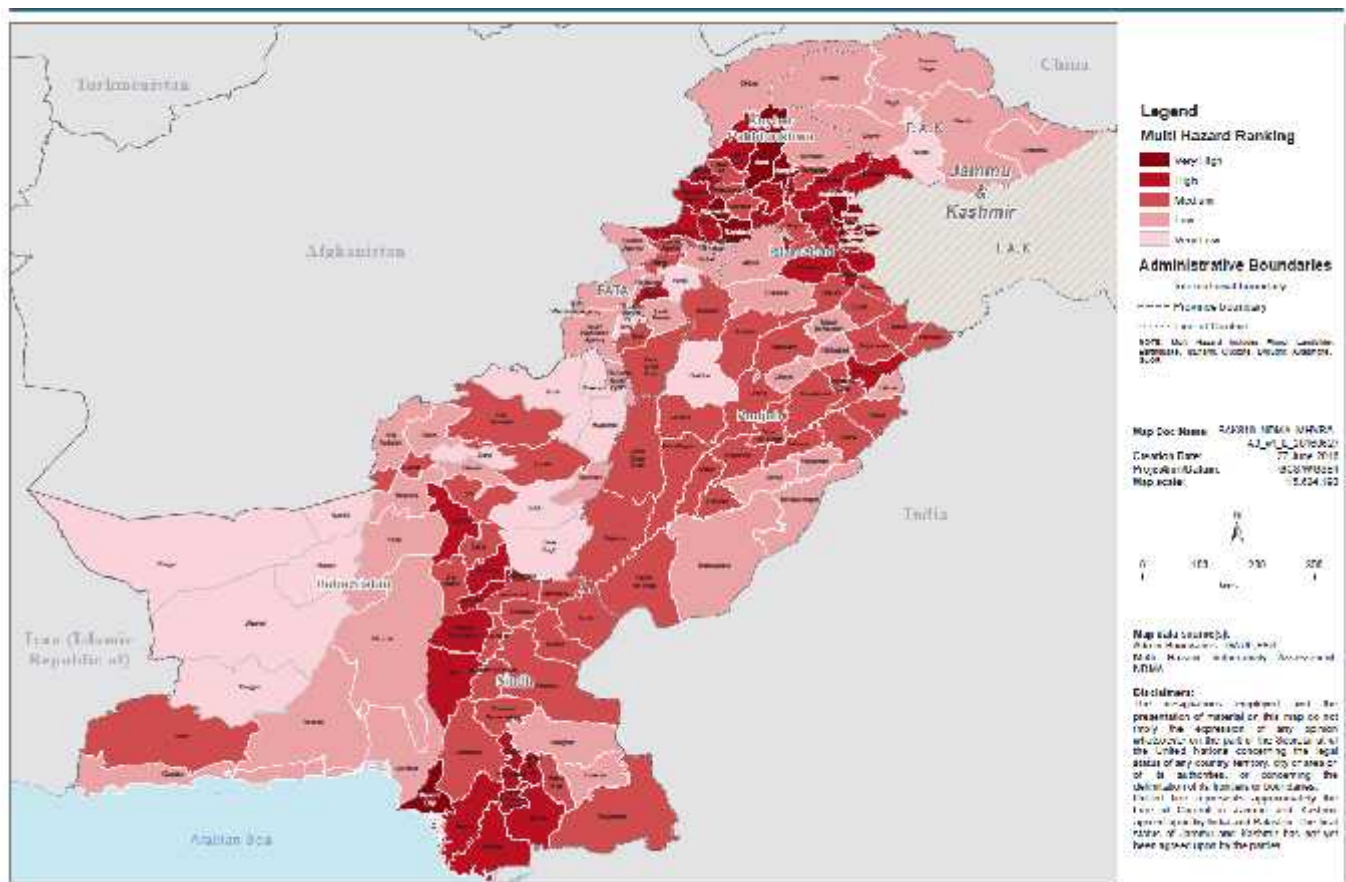
Multi-hazard vulnerability and risk assessments have been conducted by government and partners in an effort to rank districts according to the degree and type of risk, as part of overall disaster-preparedness efforts (Figure 2). On average, approximately 3 million people in Pakistan (1.6% of

³ An overview of the geographical distribution of major disasters between 2005 and 2015 can be found [here](#)

⁴ Pakistan Social and Living Standards Measurement Surveys 2008-2010

the population) are affected by natural catastrophes each year, with damages and losses estimated to have exceeded \$18 billion over the past decade (World Bank 2015a).

Figure 2 Multi-hazard vulnerability and risk assessment, by district



Source: [OCHA](#).

In the last 40 years or so, over three-quarters (77%) of all people affected by natural hazards have been impacted by floods, with the annual economic impact of flooding estimated at \$1.2 billion–\$1.8 billion, or 0.5-0.8% of gross domestic product (GDP) (World Bank 2015a). The monsoon season of 2010 brought the worst floods in Pakistan's recorded history, inundating one-fifth of its landmass and covering all the provinces, as well as the autonomous territory of Azad Jammu and Kashmir (AJK) (Hunt et al., 2011). More than 20 million people are estimated to have been affected, with nearly 2,000 reported deaths. Some 1.6 million homes were destroyed, and 2.4 million hectares of crops damaged, with both farm and non-farm livelihoods severely affected and an estimated \$9.5 billion in damages (Abdullah et al., 2012; Multi-Cluster Rapid Humanitarian Needs Assessment, August 2010, cited in World Bank 2013b). Major monsoonal floods also occurred in 2011 (affecting 5.1 million people in Sindh and Balochistan) and again in 2012 (World Bank 2013b; Abdullah et al., 2012).

The massive earthquake of 2005 left 73,000 dead, 130,000 injured, and 3.5 million homeless with the brunt of destruction spread across eight districts in Khyber Pakhtunkhwa (KP) and AJK, with estimated overall damage of \$3.5 billion (World Bank GFDRR 2014).

2.1.2 Civil conflicts and displacement

As an ethnically, linguistically, religiously, and culturally diverse society, Pakistan has been prone to civil unrest, conflict and population displacements contributing to loss of life, destruction of infrastructure and livelihoods, and generalised insecurity (NDMA 2012a). There were more than

1.8 million people displaced by insurgency, counter-insurgency, and other related violence in 2015 (IDMC, 2015). KP and the Federally Administrated Areas (FATA) have witnessed the most sustained periods of intensive conflict linked to the Taliban, and host most of the 2.6 million conflict-affected people in the country (Abdullah et al., 2012). According to the government, the direct and indirect cost of the spillover effects of the war in Afghanistan and related military actions during the past decade by Pakistan have amounted to nearly \$70 billion (Shahbaz et al., 2012). Ethno-political conflicts and violence also affect the province of Balochistan and the city of Karachi, capital of Sindh province (Abdullah et al., 2012).

2.2 Poverty analysis

With an estimated 189 million inhabitants in 2015, Pakistan is the sixth most populous country in the world. Pakistan is divided into 138 districts within its four provinces (Sindh, Punjab, Balochistan, and KP), the federally administered Capital Territory of Islamabad, FATA and two autonomous and disputed territories. Although Pakistan has seen sustained periods of economic growth in the past, these have not always translated into proportionate poverty reduction or been accompanied by commensurate improvement in social indicators (Abdullah et al., 2012) (Table 1). Moreover, the economy has struggled in recent years during the global economic downturn, with difficulties exacerbated by internal security problems and disasters related to natural hazards; steep price inflation for basic commodities has brought sharp increases to the cost of living and food, and social service provision and infrastructure remains limited, particularly in remote rural areas.

Table 1 Basic demographic and socioeconomic data

Indicator	Value
Demographic indicators	
Population projection	189 million
Rural population	61%
Households headed by women	11%
Fertility rate ¹	3.6 births per woman
Under-5 mortality rate	81 per 1,000 births
Socioeconomic indicators	
Poverty headcount (%) ²	30
Rural	36
Urban	18
Net enrolment rate, primary (%) ³	74
Literacy rate, 15+ (%)	56
Human Development Index ranking ⁴	147th out of 188
Macroeconomic indicators	
GDP per capita	\$1,429
Primary sector (% of GDP)	25
Employment in agriculture (%) ⁴	44

Source: Authors based on [World Development Indicators](#), World Bank. Notes: Unless otherwise specified indicators are for 2015. (1) 2014 (2) People below national poverty line 2013/14, World Bank (3) [UNESCO](#) 2015 (4) UNDP (2015c) (5) Of total employment, 2014.

Poverty dropped from an estimated 64% of the population in 2001/02 to 30% in 2013/14, but it remains a tenacious phenomenon accompanied by significant food insecurity, low education, and

poor health outcomes⁵. Poverty in rural areas is nearly twice as high as in urban areas and has experienced a slower rate of reduction (Government of Pakistan 2016). It is particularly widespread in the country's many mountainous areas, where isolated communities, rugged terrain, and ecological fragility make agricultural production difficult and where there are challenges in accessing markets and services.

When calculated according to the multidimensional poverty index, well over a third (39%) of the population in 2014/15 is characterised as poor in terms of different dimensions of deprivation in education, health, and standard of living, with remarkable geographical differences⁶. The rate is considerably higher than monetary poverty and shows even starker disparities than monetary poverty by locality (9% in urban areas; 55% in rural areas); by province (31% in Punjab compared with 71% in Balochistan) and by district within provinces (MPDR, UNDP, OPHI 2016). Progress in reducing multidimensional poverty has been uneven. This highlights the significance of challenges in terms of social protection and poverty reduction, as social development has not kept pace with economic development (Government of Pakistan 2015; MPDR, UNDP, OPHI 2016).

Many of the poorest cannot meet their immediate needs for food, basic education, or health (Malik and Pop 2013). Pakistan ranks 77th (out of 109 countries) on the Global Food Security Index and, according to Pakistan's Vision 2025, 60% of the country's population is facing food insecurity (WFP 2016)⁷. In 2015, 44% of the adult population was illiterate with a strong gender bias: only 43% of women are literate versus 70% of men (Government of Pakistan 2016). Under-five mortality remains high. According to the Human Development Index (HDI) Pakistan is classified in the low human development category in 2014. While Pakistan's performance on component parts of the index has shown improvement, the high level of inequality strongly impacts the overall score. Indeed, while consumption-based poverty and multidimensional poverty have fallen in the last 10 years, inequality has grown.

Pakistan scores very low on the gender inequality index, ranking 121 out of 155 in 2014 (UNDP 2015). Gender disparities are significant for all social and economic indicators and the 'feminisation of poverty' has been cited as a critical issue. Pakistan has one of the lowest female labour force participation rates in South Asia (EIU 2014). Women are concentrated in informal and home-based work, and as such face specific challenges. Hurdles to female economic participation include illiteracy, social attitudes which restrict mobility, particularly in rural areas, deterioration in human security in different parts of the country, and high fertility rate (Abdullah et al., 2012). Children and women are those most affected by household poverty: those from the poorest households are routinely denied or otherwise discouraged from attaining access to health and education services that are already either inadequate or underutilised (UNICEF / Government of Pakistan 2012).

People with disabilities also face significant obstacles to full participation in social and economic development, including difficulties in accessing quality schools and in finding gainful employment. A World Bank study found that among those aged 18-65 who were employed in Pakistan only 27% had completed primary school, compared with 42% without disabilities (cited in EIU 2014).

Although it has declined in recent years as a percentage of GDP, agriculture still accounts for 44% of the labour force, and 80% of the poor live in rural areas where agriculture offers the main

⁵ Until recently, headcount poverty in Pakistan was based on food energy intake, with the national poverty line set at PKR 2,259 per adult per month. Current estimates of poverty are produced by the Planning Commission using the 'cost of basic needs' methodology, with the poverty line set at PKR 3,030 per adult per month (MPDR, UNDP, OHI 2016)

⁶ The MPI has been developed by Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP) as a measure of consumption-based poverty reflecting deprivations in education, health and standard of living. Pakistan's MPI includes 15 indicators capturing these dimensions.

⁷ The integrated Food Security Phase Classification (IPC) analysis in March-June 2015 identified 29 out of a total 148 districts in Pakistan as highly food insecure (Government of Pakistan 2016).

livelihood (Cheema 2015; IFAD 2012, cited in IFPRI 8). Outside the agricultural sector, the informal sector accounts for almost three-quarters (73%) of non-agricultural employment in 2014, and is characterised by low and uncertain wages: most workers do not work all year long, due to the seasonality of rural work and chronic underemployment (World Bank, 2007).

Structural inequalities from regional disparities combine with economic class, gender-based inequalities and social identity, with many of the poorest and most vulnerable, such as bonded labourers, belonging to historically marginalised groups in Pakistan (Abdullah et al., 2012). Social vulnerabilities—including those linked to gender—are seen to be among the most complex, least well understood, and most difficult to deal with ‘as these remain mostly invisible but deeply rooted in social systems, community structures and power relations’ (NDMA, 2014, p. 5).

2.3 Vulnerability to shocks

The links between poverty, shocks and vulnerability are explicitly recognised and well documented in Pakistan⁹. The likelihood of being exposed to a shock—as well as the ability to respond and the impact on welfare—varies widely not only by geographic locality, but by household or individual characteristics, as well as by the type of shock. According to national analysts, the biggest single determinant of risk to vulnerable populations and groups is socioeconomic status. Poverty and social exclusion, in most of the crises experienced in Pakistan, have had a direct correlation with the extent of damages in the case of natural or man-made disasters, and poor households’ recovery from a shock is slower than non-poor households, as they have few buffers against its effects and deploy coping strategies that further erode well-being (Abdullah et al., 2012)¹⁰.

The Government of Pakistan recognises that the effects of disasters can be more pronounced on identified vulnerable groups, such as women (particularly women heads of household), children (particularly orphans or child heads of household), older persons, and people living with disabilities or chronic illness whose coping capacities are limited due to factors such as reduced physical strength, weak social and economic status, and limited access to resources. These factors are set out in its National Policy Guidelines on Vulnerable Groups in Disasters, published by the National Drought Management Authority’s (NDMA’s) Gender and Child Cell (NDMA, 2014). In particular, women are more likely to suffer from a lack of mobility and access to information or decision-making authority, which are critical in the event of a disaster. In situations of displacement, they are also at higher risk of certain types of violence, such as gender-based violence. Children are the first to suffer the effects of malnutrition or ill-health in the immediate aftermath of a disaster and are often at risk of violence or exploitation in the event of displacement and family separation. Older persons and people with disability may also be unable to cope with additional stress in times of disaster (NDMA, 2014a).

Lessons learned from the 2010 floods showed how the emergency situation created by the natural disaster resulted in specific challenges and exacerbated existing problems including: safety and security of affected population (fear of criminality; dangerous living conditions); difficult access to assistance by persons with specific needs (women heads of households, separated /

⁸ <http://www.foodsecurityportal.org/pakistan/resources>

⁹ The National Disaster Management Authority (NDMA 2012) draws on international standards to define vulnerability as ‘the conditions determined by physical, social, economic, and environmental factors or processes which increase the susceptibility of a community to the impact of hazards’ (UN/ISDR Geneva 2004).

¹⁰ As a response to the 2008 food price shock, for example, a much higher percentage of the poorest households reduced the quantity and quality of food intake as well as expenditures on education (World Bank, 2013a; Mete et al 2013). Moreover, both the extent of damage suffered by villagers affected by flooding in Punjab in 2014 as well as the ability to cope have varied by socioeconomic status (Hyder and Iqbal 2016).

unaccompanied children; older persons); difficult access to assistance by persons with disabilities; difficult access to assistance for undocumented persons (identity cards and marriage certificates) due to lack or loss of documents, family separation; lack of dedicated facilities for women and girls (space / privacy in common facilities, health facilities for pregnant women), and gender-sensitive arrangements in assistance delivery (NDMA, 2014).

Conflicts have also disproportionately affected the excluded and the vulnerable. Pre-existing socio-economic vulnerabilities of conflict-affected populations are exacerbated by indiscriminate damage to villages, loss of livelihoods, trauma of displacement and disillusionment over the failure of support systems to respond to people's needs (Abdullah et al., 2012). Women affected by crisis in FATA, for example, have seen increased restrictions on their already limited mobility due to conditions of widespread insecurity and displacement (Shahbaz et al., 2012).

3 Institutional and policy context for social protection, disaster risk management and humanitarian response

Key points

-) As a result of devolution, the bulk of social protection and DRM functions have been transferred to the provinces, with significant implications for policy development and programme implementation. Provincial governments are developing their own social protection policies, but progress and coordination remains uneven.
-) Despite being recognised as a constitutional right, and having developed an initial National Social Protection Strategy, there has never been a single agency responsible for social protection in Pakistan, with programmes instead being implemented through a dispersed formal organisational framework and informal networks. This has led to duplicating programmes and a vacuum in leadership for integrated implementation. A national social protection policy framework is currently being finalised to help synchronise programmes across different tiers of government.
-) Many of the agencies involved in social protection also contribute to emergency response, but the most structured responses to emergencies have either been developed as stand-alone initiatives or are channelled through the DRM system.
-) A comprehensive legal and policy framework for DRM was instituted following the 2005 earthquake, but this is still nascent, with severe gaps in manpower and technical capacity, especially at the district level.
-) The social safety net systems and the DRM system do not have any set mechanism for coordination between them, which contributes to a coordination and knowledge gap, translating into missed opportunities for shock-responsive social protection.

3.1 Governance in the context of devolution

Pakistan, a federal parliamentary republic, devolved significant powers to its provinces under the 18th constitutional amendment of 2010 and induced structural changes to guide and redefine the architecture of governance. A number of federal ministries were abolished, with transfer of subjects and functions to the provinces and reallocation of remaining functions to other ministries or divisions in the federal government. Abolished ministries include culture, education, special initiatives, environment, health, labour and manpower, local government and rural development, minority affairs, population welfare, social welfare and special education, sports, tourism, women's development, youth affairs, and religious affairs, Zakat and Ushr (for Zakat see section 3.2.2 below; Ushr is a tax on agricultural lands) (UNDP, 2015).

This has been accompanied by the transfer of greater financial resources to the federating units through the 7th National Finance Commission (NFC) Award. The 18th amendment specifies that future NFC awards cannot reduce provincial shares below those given in the seventh award (Malik and Pop 2013; Khan 2014; Planning Commission 2016). As a result of devolution, the bulk of social protection and disaster risk management functions have been transferred to the provinces, with significant implications for policy development as well as programme management and implementation.

3.2 Institutional and policy context for social protection

3.2.1 Policy framework for social protection

National level

Social protection is recognised as a constitutional right in Pakistan under Article 38 (d) and (e):

‘The State shall provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means; provide basic necessities of life such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, creed, caste, or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment; reduce disparity in the income and earnings of individuals.’ (Constitution of the Islamic Republic of Pakistan, 1973)

An initial National Social Protection Strategy (NSPS) was developed in 2007, consistent with the then current Poverty Reduction Strategy, and Medium-Term Development Framework (MTDF) 2005-2010 (Ministry of Planning 2005). Priority areas for policy action and reform were identified as i) increasing access to economic opportunities among the poor; ii) preventing households / individuals from falling into poverty due to income shocks; and iii) providing basic needs for the chronic poor and those unable to work (World Bank, 2013).

The NSPS provided the setting for the establishment of BISP (discussed in detail in section 4), but beyond that, according to key stakeholders, implementation remained limited. One of the problems was that it focused exclusively on federal government programmes and thus needed to be revised after the 18th amendment (Gazdar 2011). Other problems stemmed from the political transition occurring thereafter in Pakistan.

A national policy framework for social protection was developed by the national Planning Commission of the Ministry of Planning, Development and Reform and approved by the provinces in 2016: it is awaiting final approval at national level (see Annex D.1). This framework sets out key principles, goals, targets and areas of action, with the aim of synchronising initiatives across the tiers of government. It is in line with Pakistan’s Constitution and long-term national development Vision 2025 which calls for mainstreaming social protection into government policies to ensure equality and inclusion through social assistance, insurance, social equity, social development and economic empowerment. It also includes significant attention to ‘shock-responsiveness’, identifying overall objectives of social protection as follows (with those most relevant to shock-responsiveness highlighted):

-)] **enabling the poor to exit poverty;**
-)] **preventing the vulnerable from falling into poverty in the face of income / consumption decline due to shocks;**
-)] building capacity and adaptability to ensure a better quality of life;
-)] expanding opportunities for income expansion in the long term; and
-)] **sustaining a minimum standard of living in spite of exposure to shocks.**

The national social protection system is considered to include all state-run, private sector and traditional initiatives that contribute to the goals set out in the national policy framework. The [draft] framework identifies 17 priority ‘vulnerable groups’ including ‘**victims of natural disasters, internal conflicts and internally displaced persons**’ and sets out the parameters needed to define the minimum standard of living at provincial level (Planning Commission 2016).

The framework seeks to facilitate processes to strengthen social protection as a system, including through efforts to specify the roles of various tiers of government and create partnership with non-government providers; integrate initiatives to reduce fragmentation, avoid duplication and address gaps; prioritise target groups; establish organisations where required; establish a national unified socio-economic registry, with requirements for all beneficiaries to have a computerised national identification card (CNIC); and establish a monitoring and reporting system.

Among the six different ‘types’ of social protection initiatives identified, those that are most ‘shock-responsive’ include i) support for mitigating the impact of events such as natural disasters such as floods, earthquake, drought, etc.; ii) support provided to those who are internally displaced as a result of security and other issues; and iii) assistance provided to poor households to build their resilience to climate change and mitigate environmental risks.

Provincial level

Provincial governments are developing their own provincial social protection policies, and have signed memorandums of understanding with the Planning Commission for this process. Progress, however, remains uneven. Some provinces, such as Sindh, are just starting; others, such as Punjab (under the newly-created Punjab Social Protection Authority, PSPA) and KP (with support from the International Labour Organisation, ILO and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have made considerable advances, with policies that include recognition of a role for social protection in disaster relief and covariate risk management.

3.2.2 Institutional setting for social protection

National level

There has never been a single agency responsible for social protection in Pakistan. Prior to devolution, key national entities were the Ministry of Social Welfare and Special Education, which implemented social welfare programmes directly and oversaw the functioning of Pakistan Bait-ul-Mal (PBM—see below) as an autonomous body; the Ministry of Zakat and Ushr, responsible for Zakat programmes; and the Ministry of Labour and Manpower, which oversaw the Workers Welfare Fund. Since 2010, development, implementation and management of social protection is now primarily a provincial subject, though the BISP is still implemented as a federal programme and policy coordination and guidance remains an important function at federal level (World Bank 2013a; Planning Commission 2016). The draft national policy framework highlights the need to,

‘Create a new institution or designate an existing one to take lead at the federal level to consolidate, coordinate and mainstream social protection policies and programmes in the country, along with developing its vertical and horizontal linkages at national, provincial and local government levels’ (Planning Commission 2016, 7).

Responsibility would include oversight for monitoring and reporting, as well as management of the national socio-economic database (the NSER).

A UN Social Protection team has recently been established under the leadership of ILO, but—according to stakeholders—is just getting off the ground and currently there is little coordination except around specific projects or in particular provinces (for example in KP where partners are drawn together under the social protection floor initiative supported by ILO). UNDP is supporting the establishment of a Sustainable Development Goals (SDG) support unit headed by the Ministry of Planning with a presence in the provinces. Since social protection figures prominently in the SDGs, this could also become an important forum for coordination.

Within this dispersed institutional framework, social protection mechanisms are implemented through both informal networks and formal institutions. Informal support is based largely on the extended family and kinship groups (*biraderi*) and community networks. Formal mechanisms include programmes by federal and provincial governments for **social assistance or safety nets** (cash transfers, educational or medical stipends, and food support); **social insurance** (including contributory pension schemes and other benefits for workers in the formal sectors through

schemes such as the government Servants Pension Fund; the Workers Welfare Scheme; Employee Old Age Benefits Institution; and Provincial Employees Social Security Institutions); **labour market or employment generation** (including skills development / vocational training, employment creation, such as the People's Works Programme, and micro-finance schemes, which are growing rapidly); and **subsidies** (mostly universal, but some such as wheat, targeted). (See Annex D.2 for a more detailed overview of the key social protection mechanisms in Pakistan.)

Small and scattered but needed **social care and support services** are also implemented, sometimes alongside social assistance programmes (these include, for example, child protection initiatives, special education, orphan and older persons care, and services for people with disabilities). At federal level, the government includes as well the **Pakistan Poverty Alleviation Fund (PPAF)**, a governmental non-profit organisation, as part of its social safety net system; this delivers community-driven development interventions through a network of partner organisations.

Prior to the initiation of the BISP in 2008, the country's two main social safety net programmes were **Zakat** and **PBM**. These provide both cash transfers and care and support services for vulnerable categories of the population. Zakat channels support to needy Sunni Muslims, generating funds through the Islamic tax system of 2.5% of assets (contributions have been voluntary since 1999). The PBM provides financial assistance and support with an eye to inclusion of those not eligible for Zakat, i.e. minorities. Besides cash assistance, its services include vocational training centres for poor women, widows and girls and the provision of orphanages and care homes for older people.

Many of the same agencies involved in social protection activities also contribute to emergency responses. In 2010/11, for example, PKR 100 million was distributed through Zakat to internally displaced persons (IDPs) and PKR 4 billion among the four provinces to help the flood-affected; PBM provided in-kind support to flood victims; and social welfare departments contribute to support for flood and disaster victims (World Bank 2013a, b). But the most structured responses to emergencies have either been developed as stand-alone initiatives or are channelled through the DRM system; these are not usually classified as social protection per se (in spite of disaster assistance being identified as a key component of social protection), and will be dealt with in detail in section 3.3 below.

Provincial level

As with provincial policy development, institutional development around social protection and programme implementation at provincial level remains uneven. In Sindh, for example, the institutionalisation of social protection remains at an early stage, and information on coverage of particular programmes implemented by the provincial Department for Social Welfare is limited. In other provinces, however, important progress is being made. In Punjab, the PSPA, established in 2015, has developed the Khidmat card scheme as an unconditional cash grant for people with disabilities. In KP, while the Social Welfare and Women's Development Department is the designated focal department for social protection, it is the provincial Planning and Development Department that has taken a lead in moving forward on comprehensive social protection development and reform in the province (Khan 2014). Stakeholders, organised under the framework of the social protection floor and guided by the draft provincial policy framework, are now working to provide more integrated social protection services through the establishment of social protection platforms and a pilot 'one-window' operation in selected districts.

3.2.3 Analysis of the social protection system

Reviews of the social protection system in Pakistan have invariably noted that until recently, initiatives have been ad hoc responses to problems thrown up by particular circumstances, with

overlapping programmes operated by a variety of organisations at federal and provincial levels. Key policy challenges include the fragmented and uncoordinated nature of interventions; lack of clarity on the division of responsibilities between federal and provincial levels; and inconsistent administrative practices which have often suffered from lack of objective and transparent beneficiary targeting, have unreliable or irregular systems for delivering benefits, and are not rigorously monitored or evaluated.

As the focus of analysis in this case study is on BISP as the flagship national safety net programme, details on its scope and structure and impact are provided in section 4. Of the other main programmes, social assistance provided through Zakat and PBM has been characterised by weak targeting performance, low coverage and low benefit adequacy: a World Bank assessment found that less than half of Zakat and PBM expenditures reached the poorest 40% of the population (World Bank 2013a). Social insurance mechanisms reach formal sector workers only, leaving vast numbers of informal workers uncovered and health insurance has lagged behind other initiatives. It has been estimated, for example, that less than 4% of the non-agricultural labour force actually benefits from social insurance programmes (Jamal 2010). There is also seen to have been an over-reliance on regressive untargeted subsidies leaving little fiscal space for direct social assistance targeted to the poorest (Malik and Pop 2013; Kardar 2013; World Bank 2013a; ADB 2012; Jamal 2010; Gazdar 2011). An ILO assessment stresses overall that, 'There is an urgent need to increase coverage under the existing schemes, improve adequacy of benefits, and improve coherence and coordination across schemes and institutions.' (ILO nd).

The current vacuum in organisational leadership and responsibility for a more integrated implementation of social protection in all of its forms is acute: at federal level, the Planning Commission is leading on overall policy development and guidance, but stakeholders suggest that—particularly in the context of devolution—it has limited clout to forge links across organisations and sectors, including for linkages with the DRM machinery. Even though social protection and DRM share disaster-affected populations as a common target in policy, in practice this seems—with some exceptions—to have remained largely 'on paper' for social protection.

The 18th amendment has amplified the pressure on provincial governments to streamline administrative procedures and improve effectiveness of programme implementation (World Bank 2013a). But discussions with key informants at both national and provincial levels suggest that processes of devolution are a work in progress; significant gaps in capacity remain, with different provinces advancing at different rates, and continuing tensions and complexities in federal and provincial relations as new roles, responsibilities and relationships are worked out—all of which have implications for social protection on the ground. While coordination of programmes within each province is likely to improve through devolution (and there are signs of this happening already, for example in Punjab and KP), coordination among provinces might deteriorate in the absence of a central, coordinating body, and it is not yet clear what measures will be established to compensate for the weaker capacities and finances in some of the provinces (World Bank 2013a).

Nevertheless, significant progress is evident at both national and provincial levels in the development of integrated social protection policies—including those that recognise a role for social protection in disaster response and protection against covariate shocks. Organisational structures and administrative procedures are being strengthened, and clarity on the respective roles of federal and provincial government is being developed. It may be that the current focus on establishment of more effective processes and more integrated systems to respond to chronic poverty, vulnerability and idiosyncratic shocks will allow social protection to mature, to the extent that it can begin to develop more standardised procedures to contribute to responses to covariate shocks. But in the current environment, with the ever-strengthening DRM sector, it would probably

not be in a position to take a lead. These and other questions will be explored in the following chapters.

3.3 Institutional and policy context for disaster risk management / humanitarian response

3.3.1 Policy framework for disaster risk management

The devastating earthquake of 2005 highlighted the need to come up with a comprehensive legal and policy framework for addressing the whole spectrum of DRM—from prevention and mitigation to relief, recovery and reconstruction. This was fulfilled by enactment of the National Disaster Management Ordinance in 2006, subsequently legislated into an Act of Parliament in 2010. The law lays emphasis on mainstreaming disaster risk reduction (DRR) in development plans, policies and initiatives with a view to mitigate the likely impacts of disasters before these occur. This is a departure from the previous reactive approach to disasters that was primarily concerned with response. The law includes grassroots level activities for DRM, acknowledging the key role of local communities and recognising the value of indigenous knowledge and social mobilisation.

A National Disaster Management Plan (NDMP) developed in 2012 identifies the responsibilities of the relevant stakeholders and defines the measures necessary for disaster management and risk reduction, including human resource development, investment in early warning systems and community-based DRM. A National Disaster Risk Reduction Policy oriented toward building resilience was approved in February 2013. This sets out priorities and guidance for disaster risk assessment, prevention, mitigation and preparedness (NDMA, 2010).

3.3.2 Organisational framework for disaster coordination and response

Government DRM structures

As a result of devolution, Pakistan's federal structure is reflected in the organisational systems for DRM. At the federal level, the National Disaster Management Commission (NDMC) chaired by the Prime Minister is the highest policy making body. All four provincial Chief Ministers, relevant federal ministries and the armed forces are members, along with civil society organisations. As an executive arm of the NDMC, the NDMA coordinates and monitors implementation of national DRM policies and strategies (see Annex E.1 for the organisational structure of NDMA).

Since 2012—though established as an autonomous agency—the NDMA has been placed under the administrative authority of the Ministry of Climate Change. While the law mandates NDMA to manage all types of disasters, the actual scope of its activities is defined by the government at the time of a disaster. For instance, NDMA has had a minimal role in responding to man-made crises of displacement and destruction during military operations against religious extremists. Nevertheless, senior leadership of the armed forces are part of the NDMC, and the military—with its significant logistical capacity—has a significant role in responding to disasters in aid of the civil administration (see also section 5.3).

The NDMA acts as an entity for inter-provincial coordination on DRM related matters, setting of national standards, coordination with international agencies and ensuring Pakistan's compliance with relevant international commitments. Additionally, in case of a large-scale calamity that overwhelms the capacity of the provinces, the NDMA can assist in response, at the request of the affected provinces through the NDMC.

At provincial level, the chief ministers chair the Provincial Disaster Management Commissions (PDMCs) while the Provincial Disaster Management Authorities (PDMAs) act as their executive entities (see Annex E.2 for organisational structures of PDMAs). At the district level, District Disaster Management Authorities (DDMAs), headed by the head of district government, bring together the district heads of line departments and are mandated to serve as the primary responders in case of disasters. The DDMAs are supposed to be assisted with enabling environment, capacity, resources and coordination by PDMAs, who in turn support the NDMA in implementing integrated, equitable and timely response.

In reality, the entire structure from the federal to the district levels is quite nascent, and there are severe gaps in the manpower and technical capacity, especially at the crucial district level. The Chairperson of the DDMA is not a dedicated role, but merely another role that the Deputy Commissioner must undertake. S/he, in most cases, has no dedicated staff to implement DRM related functions, and has to rely on staff of the revenue department at the time of disaster¹¹. In their role as the senior executive officer of the district s/he has the power to commandeer the resources of other departments to respond to a disaster.

The Inter-Agency Standing Committee / United Nations humanitarian system and NGO networks

In the case of a massive disaster that is deemed beyond the capacity of the national authorities, international appeals are issued. This process is led by NDMA and the United Nations (UN) is called upon for assistance. A set of humanitarian clusters is rolled out at agreed upon locations. Based on the Rapid Needs Assessment (through a choice of instruments, mostly Multi-cluster Initial Rapid Needs Assessment ([MIRA](#))), a UN Flash Appeal is issued for international assistance, often within a week of the disaster.

Pakistan was the first country in the world where the Inter-Agency Standing Committee (IASC) Humanitarian Cluster System was used, in response to the 2005 earthquake. Since then, the UN Office for the Coordination of Humanitarian Affairs (OCHA) has maintained a presence in the country and the humanitarian clusters have been rolled out on a number of occasions in response to large scale disasters¹². At the time of a disaster, the Humanitarian Country Team (HCT) discusses with the national authorities whether to activate the clusters (at national and sub-national levels) and issue a Flash Appeal. As per global IASC guidelines, the clusters are primarily chaired by the respective UN agencies or globally designated non-governmental organisations (NGOs). In Pakistan, the cluster lead agencies make an effort to appoint co-chairs from government departments, at national and sub-national levels. The clusters meet frequently—even daily—according to the severity of the situation, becoming less frequent as conditions stabilise.

A number of NGO and civil society partnership platforms have been established to coordinate efforts: these include the Pakistan Humanitarian Forum (PHF) of international NGOs; the National Humanitarian Network (NHN) of national NGOs and the Pakistan DRR Forum linking partners around DRM and climate change adaptation. Moreover, a Cash Working Group (CWG), established under OCHA now numbers 90 organisation members at national and provincial levels. NDMA hosts periodic coordination meetings for all humanitarian actors including members of the Humanitarian Country Team, donors, relevant ministries and provincial governments on humanitarian issues.

¹¹ Khyber Pakhtunkhwa (KP) province has replaced the DDMA forum with a dedicated District Disaster Management Unit headed by a junior bureaucrat designated as the District Disaster Management Officer, with a small staff to assist the Deputy Commissioner in DRM activities.

¹² There are 11 humanitarian clusters globally and the decision on which to activate in a country is taken at the spot.

Preparedness and response systems

While most of the national focus (and the focus in this paper) is on response, sizeable investment in the mapping of natural hazards has been made as a means of enhancing preparedness: a macro level hazard-mapping has been conducted by the NDMA with technical and financial assistance from the Government of Japan, while at the grassroots level several participatory multi-hazard risk assessments are carried out by NGOs. Feasibility studies for disaster insurance initiatives have also been undertaken (MCII, 2014). Table 2 shows how the full response system is set to function.

Table 2 Steps in disaster response

Process	Action	Responsible Stakeholder
Declaration of Emergency	Official notification	Relief Commissioner on recommendation of the Deputy Commissioner(s)
Search, Rescue and Evacuation	Activation of rescue services, volunteers and soliciting the help of military through the federal government, if needed	PDMA (and NDMA if the federal government's help is sought)
Rapid Needs Assessment	Official notification	Deputy Commissioner through the Revenue department staff
Relief supplies and services	Setting up relief centres, IDP camps, field hospitals, distribution of food and NFIs, announcement of blanket emergency cash grants	PDMA, humanitarian agencies, philanthropists
Damages and Needs Assessment	Framing of information collection tools and deployment of teams to collect information	NDMA / PDMA, humanitarian agencies
Recovery Policy / Framework	Sectoral working groups / Clusters	
Setting up of recovery implementations and management structure	Designation of coordinators at sectoral and geographical levels	
Execution of recovery	Reconstruction / Recovery	NDMA / PDMA, humanitarian agencies, private sector

Source: OPM

The response itself is first targeted on a geographic basis, through a combination of satellite imagery, aerial surveys and rapid stock-taking used as a basis for declaring certain administrative units as 'calamity hit' through a notification of the provincial government. In the second instance, physical inspection of the degree of damage (to lives, properties, and livelihoods) is carried out by local revenue officials who compile a list of affected people / households verified by the Deputy Commissioner's office. Key informants suggest that within this process, errors of inclusion or exclusion arising out of local power struggles may now be increasingly tempered by public awareness and the role of media.

Conventionally, the government announces an emergency blanket grant of PKR 25,000 per affected household for meeting immediate expenses, followed by compensation for the deaths and injuries and for damaged or destroyed property and productive assets. In most cases, these cash grants are given via bearer cheques in the name of the head of the beneficiary household, with a few exceptions where debit cards or other forms of electronic cash transfers were used (such as in the Citizens' Damage Compensation Programme, CDCP, in response to the 2010-11 mega-floods—see section 5 below). Often issues of compensating female-headed or child-headed households arise, but civil society organisations and international humanitarian agencies have mostly been able to devise and propose mechanisms to cover this gap. For instance, the Recovery

Needs Assessment for 2014 floods in Punjab mentions ensuring the inclusion of vulnerable groups, especially female-headed households, in recovery, and puts in place organisational mechanisms to follow it up (NDMA, 2014b). Cash-based responses beyond the conventional blanket emergency distribution, however, do not have a set of fixed rules or systems for standardisation of approaches.

3.3.3 Analysis of disaster risk management and humanitarian systems

There is an elaborate law at the national level and similar but customised legislation at the provincial levels for governing DRM in Pakistan. Considerable technical and coordination capacity has been built in the country during the last decade due to exposure to a number of large, medium and small scale disasters in the country. A vibrant national civil society and a vigilant (though sometimes sensationalist) media exist to keep a focus on humanitarian issues. Coordination structures are defined in the law as well as the conventions and get activated at the time of the need.

However, the DRM system in Pakistan is only a decade old, and the capacity to adequately run the system needs more attention and investment, especially at the sub-provincial levels. The absence, in most parts of the country, of dedicated resources for DRM at the district levels sometimes stretches the capacity of the responders at this level. The DDMA, for most parts of the country, is just another hat that the Deputy Commissioner has to don, and s/he has to depend upon his/her staff from the Revenue Department for managing the DRM activities, especially in post disaster times. The decline in the training and capacity of the revenue staff, even in their core area of work, and the public perception of their being among the most corrupt officials does not augur well for activities at the sub-district level. During the last few years, international NGOs have seen increased governmental restrictions on their movement and activities in the country, especially in the conflict affected areas¹³. Similarly, the formal and quasi-formal regulation for the national NGOs has also resulted in restricted space for the civil society organisations¹⁴.

Though the new system purports to lay emphasis on DRR, the bulk of attention and resource allocation has thus far been for post-disaster response. In some parts of the country, the security situation is often stated to be an impediment for humanitarian actors and a degree of mistrust between the government (especially the national security apparatus) and the civil society is quite palpable. The social safety systems and the DRM system do not have any set mechanism for coordination between them. The absence of the DRM stakeholders from the discussions on social protection (and vice versa) contributes to a coordination and knowledge gap between the two sets of entities and translates into missed opportunities for shock-responsive social protection.

¹³ <http://tribune.com.pk/story/965678/international-ngos-will-require-govt-consent-to-gather-funds-operate-nisar/>

¹⁴ <http://tribune.com.pk/story/984022/eight-days-later-ngos-asked-to-obtain-nocs-before-continuing-relief-work/>

4 Design and implementation features of the Benazir Income Support Programme

Key points

-) BISP is the main social protection programme in Pakistan, with national coverage and reaching 5.29 million poor families with a quarterly cash payment of about \$45. It is a federal programme but certain administrative processes are managed from the province and district.
-) All households that are registered as 'poor' within the national socioeconomic registry NSER, according to a proxy means test (PMT) carried out in 2011, and that have married / previously married women in possession of an ID card are eligible for the programme, though enrolment has sometimes been delayed, due mainly to capacity gaps at local level. Moreover, targeting data has not been updated since initiation of the programme. The PMT is being redesigned in readiness for a re-registration exercise beginning in 2017 and may include climate vulnerability as a factor in future scoring.
-) Previous attempts to add extra interventions onto BISP have mostly been terminated. This is due partly to a lack of capacity, as well as problems with their design and pressure for programmes to be devolved to the provincial level. BISP has a limited number of implementing personnel at local level.
-) Political motivations have been a major driving force behind the establishment and expansion of BISP; political factors (the association of BISP with the ruling political party) coupled with issues of devolution (BISP as a federal programme in the context of provincial responsibility for social protection) also enter into the acceptability of the programme at provincial level.
-) BISP's use of the national ID card for registration has increased take-up of this card. This has been helpful for humanitarian assistance programmes which use this as the primary form of identification. The quarterly payments system is efficient and robust but transfers are often delayed and have no set disbursement date. In response to this, BISP is in the process of changing to cardless payment system that relies on biometric verification of beneficiaries at ATMs. This has potential to reduce leakage but may make it difficult for those beneficiaries who struggle to reach pay points. This risk can be mitigated by adopting a policy of caregivers or nominees who can withdraw cash transfer on behalf of the beneficiary.

4.1 Background

BISP was established in 2008 under the guidance of the NSPS 2007, by the coalition government of Pakistan People's Party (PPP) and Pakistan Muslim League–Nawaz (PML-N). BISP is implemented in all provinces and territories. Its immediate objective was to mitigate the impact of the food, finance and fuel ('Triple F') crisis caused by the global economic downturn; the long-term aim was to meet redistributive objectives by providing consistent support to the chronically poor and highly vulnerable. In 2010, the Parliament of Pakistan approved the BISP Law, ratifying BISP as the national safety net programme under the Prime Minister's office. BISP was established under the legal framework of the BISP Act 2010 as an autonomous social safety-net body charged with coordinating the design and implementation of social protection programmes.

A recent evaluation (Cheema et al 2016) has found that the BISP unconditional cash transfer has induced a 7% point drop in poverty rate; enhanced consumption smoothing by increasing per capita monthly consumption expenditure by PKR 187 (just under \$2 at current exchange rates); and empowered women, such that they have greater mobility, are more likely to participate in elections, and play a more active role in household decision making. The evaluation also found that BISP operations have improved over the lifetime of the programme, with increased predictability of receiving the transfer and a reduction in the cost of collecting the transfer. This includes the cost of multiple trips and unwilling payment of a 'fee' to collect the transfer.

4.2 Key design features

4.2.1 Transfer value, coverage and budget

BISP provides an unconditional cash transfer of PKR 4,700 (\$45) per quarter to female beneficiaries in households that are included in the NSER and that fall under the poverty score of 16.17 (Cheema et al., 2016). The women must be married or previously married, and be in possession of the national ID card, the CNIC¹⁵. The amount was originally set at PKR 1000 per beneficiary per month, and was raised to PKR 1,200 in July 2013, PKR 1,500 in July 2014 and PKR 1,566 in July 2015 (Cheema et al., 2016). BISP is targeted towards the poorest 25% of the population, with 7.7 million families eligible for the programme. The number of registered beneficiaries has grown from 3.7 million in 2012-13 to 5.29 million in 2015-16 (Cheema et al., 2016; Govt. of Pakistan 2016). Budgetary allocations have increased from PKR 70 billion in the financial year 2013 to PKR 97 billion in the financial year 2015 (Government of Pakistan 2016).

4.2.2 Targeting

In the initial phase, beneficiaries were identified through parliamentarians under the assumption that they would be able to identify the needy in their constituencies. Parliamentarians were tasked with identifying and compiling a list of 8,000 potential beneficiaries including name, CNIC and basic income profile, which was passed to the National Database and Registration Authority (NADRA), a government agency whose functions are detailed in Box 1, for data entry, verification, and application of exclusion criteria. Exclusions comprised those with a monthly income over PKR 5,000, employed by or drawing a pension from government or armed forces, owning more than three acres of agricultural land or eight square yards of residential land, receiving income support from other social protection programmes, and owning a passport (World Bank 2013a).

Box 1 Overview of National Database and Registration Authority

NADRA is primarily mandated with the civil registration of all Pakistani citizens. It is responsible for the issuance of the CNIC (Computerized National Identify Card) to over 96 million of Pakistan's 150 million citizens in-country and abroad and is the largest repository of citizens' data. Additionally, NADRA provides other information technology solutions for identification, e-governance and programme implementation, with a key strength being biometric verification. Such services outside of NADRA's core business that are provided to governmental and nongovernmental agencies come at a cost. Through the project management unit, NADRA provides a platform to integrate different systems. Over the years, in addition to the provision of cards for BISP beneficiaries, NADRA has facilitated and implemented various cash transfer and social protection programmes. NADRA's involvement in disaster response started with the 2005 earthquake. It later assisted with rapid CNIC registration for the Watan Card in the flood response of 2010 and was responsible for delivering cash to Internally Displaced Persons in FATA (see section 5). NADRA employs more than 11,000 technical and management personnel. It has developed 365 multi-biometric Interactive Registration Centres and deployed 189 mobile vans to register citizens living in remote areas. It has received international awards for its e-passport services (NADRA Technologies, u.d, cited in World Bank 2013b). Stakeholders have found NADRA to be a strong implementing partner and the agency is able to deploy quickly.

Due to concerns about the subjective nature of parliamentarian-based targeting and the ability and willingness of parliamentarians to identify poor households, the Government of Pakistan moved to a proxy means test (PMT) methodology in 2011 (World Bank, 2013). This had the additional objective of creating a national database, or 'social registry' on the distribution of poverty and vulnerability, for use in other national poverty reduction initiatives. BISP therefore developed a

¹⁵ Possession of CNIC was included as an eligibility criterion because it is a requirement for possession of bank accounts, mobile phones, driving licence, passports and even post-disaster debit cards such as the Watan card (Cheema et al. 2014; World Bank, 2013).

National Socio-Economic Registry (NSER) of households through a nationwide household poverty scorecard survey conducted in 2011¹⁶. This utilises a PMT to assign every household included in the NSER with a score, and target beneficiaries for BISP are identified on the basis of their score.

Data collection for the NSER was conducted by three independent organisations under the management of BISP, and passed to NADRA, who digitised the data from the PMT. Whilst BISP is owner and custodian of the NSER data, they rely on NADRA to host and manage the service, and NADRA has administrative control. The NSER database is linked to the broader NADRA citizen database through the common identifier of the CNIC number. Beneficiary registration is also carried out with support from NADRA. BISP can share NSER data (all households that were included in the registry following the 2011 survey, identifying household heads), or BISP beneficiary data (a subset of the NSER data, identifying female beneficiaries) with other organisations upon request. Several government agencies and NGOs have been interested in using the NSER data for targeting poverty alleviation programmes and to inform pertinent policy questions. Initially they had to purchase the data from BISP but it is now provided to agencies without any charge.

4.2.3 Payment mechanisms

Payments are delivered quarterly through a range of financial service providers. Originally beneficiaries received cash through the post office (via money order or through doorstep services). As electronic payment infrastructure and services expanded in Pakistan, the programme has transitioned to electronic payments through the national banking system. By 2014 the majority of BISP beneficiaries were being paid through the Benazir debit card, though beneficiaries in remote communities continued to receive money orders. Since 2014 BISP has been incrementally phasing out this postal service¹⁷. In 2014-15 BISP piloted other electronic payment mechanisms in a few districts—a smart card and mobile money—to evaluate their effectiveness. These were not considered successful and have been discontinued.

The debit card payment process is managed by six partner banks. The product is a 'limited purpose account', enabling only the transfer of BISP funds and their withdrawal. Cash can be withdrawn from any ATM and through point-of-sale (POS) machines operated by the growing network of branchless banking agents¹⁸. BISP established an arrangement with the State Bank of Pakistan to waive ATM transaction fees for BISP beneficiaries.

4.2.4 Complementary programmes

In addition to the unconditional cash transfer, the BISP department has also implemented various complementary initiatives for BISP beneficiaries: the Waseela-e-Taleem (a top-up payment of PKR 750 per child per quarter conditional on children of primary age attending school, which has reached 1.3 million children), Waseela-e-Sehat (a life and health insurance scheme piloted in one district only), Waseela-e-Rozgar (a programme offering free technical and vocational training that

¹⁶ The NSER is a database of 27 million households in Pakistan (Cheema et al., 2016). The survey collected data on 23 characteristics (such as gender, age, and schooling attainment, ownership of household assets, land, and livestock) as proxies for consumption. These form a unique index with the aim of objectively identifying the poorest households. Poverty scores are calculated for each household based on the survey variables.

¹⁷ In 2015 300,000 beneficiaries were covered with this, whereas in 2016 this had reduced to 150,000 and other beneficiaries were transitioned to the debit card system. 93% of beneficiaries included in the 2016 evaluation reported receiving the transfer through debit cards (Cheema et al., 2016).

¹⁸ Over the counter bank branches and most ATM machines—about 70%—remain concentrated in urban areas. Commercial banks are developing their branchless banking capability, through a network of agents, in partnership with telecom companies who have a much larger retail presence. The banks provide them with POS machines. Alfala Bank partners with Ufone and Warid whilst Summit Bank partners with Ufone and Mobilink.

reached over 50,000 households) and Waseela-e-Haq (a micro-finance programme that gave interest-free loans to female beneficiaries or their nominees).

These last three were not continued beyond their pilot phase due to certain limitations with the design of these programmes as well as constraints in BISP's capacity and resources to implement several programmes at the same time. Additionally, with the 18th constitutional amendment of 2010, there is pressure to implement certain government programmes at the provincial, rather than the federal level. The BISP Board has therefore steered BISP back towards its core mandate and is focusing on the unconditional cash transfer and the complementary conditional cash transfer for education. Instead, BISP beneficiaries are being linked to complementary poverty alleviation programmes implemented by other organisations. It has signed a memorandum of understanding with the Pakistan Poverty Alleviation Fund (PPAF), an existing organisation working on provision of microfinance, to extend loans to BISP beneficiaries, and it will potentially link with the federal government's newly launched Prime Minister Health Insurance Programme (Government of Pakistan, 2016).

4.3 Organisational relationships

4.3.1 Organisational setting and management structure

BISP is a statutory body governed by an independent board, consisting of a chairperson appointed by the chief patron (the president of Pakistan), a secretary appointed by the federal government and representatives from both government and NGOs. BISP is run by the management team at federal level, with support from governmental, non-governmental and private organisations in a public-private partnership approach. These partnerships are considered further below (DFID 2012).

The BISP department has divisional, regional and tehsil offices across the country who support and oversee implementation of the administrative processes. BISP has limited human resources to manage operations at field level. It does not employ social workers and has a limited number of personnel on the ground (Villaneuva 2016). In Sindh province, BISP reportedly has a 70% staff shortage on the programme. Of the filled positions, 20% are not contracted BISP staff but are seconded from other departments. Meanwhile there is high turnover of junior staff so a constant loss of organisational memory and capacity.

4.3.2 Donor support

Donor support for BISP has been significant since the inception of the programme, and is a major technical and financial resource and a success factor for BISP (Table 3). The World Bank, DFID, the Asian Development Bank, and the United States Agency for International Development (USAID) are the international funders. They also support management and monitoring through technical assistance and third party validations.

Support for the unconditional cash transfer and complementary activities has been provided by USAID (\$160 million before 2012) and the Asian Development Bank (\$150 million in 2009 and \$390 million in 2013), as well as a credit of \$60 million from the World Bank to support the design of the poverty survey and related activities. The World Bank and DFID have provided support that covers both the unconditional and co-responsibility cash transfer. The World Bank has made an additional commitment of \$150 million and DFID has provided a grant of \$340 million (adjusted for exchange rate), both commitments are through a set of disbursement-linked indicators.

Table 3 Donor assistance for the Benazir Income Support Programme

Donor	Type of funds	Contribution (\$ million)	Amount disbursed as of January 2017 (\$ million)	Areas of support
Asian Development Bank	Loan Budgetary Support Programme	150	150	UCT
Asian Development Bank	Loan	390 ¹	296	UCT
USAID	Grant Budgetary Support Programme	160	160	UCT
World Bank	Loan	60	60	UCT
World Bank	Loan	150	150	UCT, CCT
DFID	Grant	340 ²	289	UCT, CCT
TOTAL		1,250	1,105	

Source: Benazir Income Support Programme. Notes: (1) Amount adjusted as per current SDR rate. (2) Amount adjusted as per USD exchange rate.

4.3.3 Political considerations

Political motivations have been a major driving force behind the establishment and expansion of BISP in Pakistan. The BISP was launched by the ruling party of 2008, the PPP, and there was a desire to clearly link this very visible response to the Triple F Crisis, in the eyes of the public, to their political party. Naming the programme after the party's deceased leader did this very effectively, whilst also exploiting political capital associated with her martyrdom (Kahn and Qutub 2010).

However, politicisation of the programme has implications in terms of its long-term political support and implementation. The PPP is no longer the national ruling party since the PML-N's election victory in 2013. Whilst the government's financial commitment to BISP has not diminished under PML-N, the incumbent government is moving to phase out political branding of the programme (e.g. the image of Benazir Bhutto on the debit cards). This issue also plays out at provincial level. In Pakistan's federal system, provincial governments may be from the political party governing at federal level, or from the opposition. In Sindh, the present provincial government is from the PPP whereas in Punjab they are from the PML. So whereas the Sindh provincial government has little political motivation to criticise BISP or to develop provincially managed social assistance, in Punjab this is a key factor driving its provincial government to develop provincial social assistance in the form of the Khidmat card scheme (an unconditional cash grant for people with disabilities).

4.4 Programme implementation

4.4.1 Experiences in targeting (identification of eligible households)

Current practice

Eligibility is determined by the PMT on the household survey that was implemented in 2011 to create the NSER. At the time, spot check surveys to assess data validity showed only minimal difference between the NSER and the spot check (Innovative Development Strategies 2013). Nonetheless, key informants highlight some limitations with the targeting mechanism in that the survey did not reach all households. It covered about 85% of the population (about 27 million

households); it also excluded two areas of FATA due to security reasons, leading to exclusion of disadvantaged groups of people. Another limitation is that the PMT does not capture short-term wealth fluctuations as it relies on static household variables (Cheema et al., 2014; World Bank 2013a). It is also recognised that this data on poverty is now outdated and needs to be renewed.

The possession of a CNIC is one criterion for eligibility to BISP. Some respondents felt that the more disadvantaged households had higher likelihood of being excluded since they generally do not possess CNICs. On the other hand, others felt this criterion was a key factor in the rise in CNIC registration for women, with potential to increase their access to services and rights such as voting and banking. In the event of a disaster, possession of a CNIC is also particularly useful, because it is the primary form of identification for humanitarian cash assistance.

Future developments

The government is updating the NSER and a new poverty survey is being piloted in 16 districts. Of these, 12 are using the door-to-door approach followed in the previous survey while four are piloting a 'demand led' desk-based approach followed by the door-to-door approach, to test the possibility of creating a more dynamic social registry which could allow for more regular updating of changes to a household's circumstances or poverty level. Results will determine the approach for national roll-out. The survey will run from late 2016 to March 2018 and aims to cover 90% of the population, whilst also capturing the GPS coordinates of as many as possible of the remaining 10% of households, in order to have all of the households covered.

The design of the PMT is also being reviewed. It aims to balance rural–urban and provincial indicators more effectively. It also plans to include indicators of agro-climatic zones, to bring in aspects of climate vulnerability. This would enable targeting of populations whose livelihoods are vulnerable to climatic shocks, such as floods and droughts.

There are ongoing discussions between government and donors with a view to establishing the NSER as a separate entity outside of BISP (still hosted by NADRA, or perhaps independently). Such measures are considered necessary to provide clarity to government and external agencies on the differences between the NSER and the BISP databases, and to remove the political barriers (particularly at provincial level) to broader utilisation of the data, such that the NSER becomes more systematically used by all departments at federal and provincial levels. BISP is working with the World Bank to establish protocols for two-way sharing of data which will complement these moves and make the NSER more dynamic. This will be piloted in Punjab. Partners that make use of the NSER data will share details of any corrections, or relevant updates, that they make to the household records (for example—new contact information; new CNIC; details of provincial government services that households are accessing) with BISP and NADRA for updating of the national registry.

4.4.2 Experiences of the enrolment process

The number of beneficiaries enrolled in BISP has increased steadily since the household survey of 2011, reaching 5.3 million in 2016. This includes those listed as eligible in the NSER in 2011; those who had an eligible poverty score but who still had to get a CNIC; and women in eligible households who have subsequently had a change in marital status. BISP provincial offices have been responsible for incrementally registering eligible households since the survey, by identifying them, informing them of their requirement to get a CNIC available from offices at the tehsil level) and finally enrolling them at enrolment counters (previously located at tehsil level—subsequently moved up to district level). At the enrolment counters a BISP desk, NADRA desk and bank desk are located together so that data on NSER score and CNIC can be cross-checked and a debit card issued (Villanueva 2016).

Field officers have faced a number of challenges which have delayed enrolment owing to unclear addresses, multiple spellings for the same villages, the same names of multiple people and so on. This is compounded by the fact that five years have passed since the database was established, so information on household location and contact number is largely outdated. Some households deemed eligible for assistance in 2011 are still not registered. For some this is because they have moved (including for seasonal and climatically induced migration); in other cases, especially in remote areas, it is difficult to make women aware of BISP or of the need to get the CNIC, while in other areas such as Karachi the PMT survey was not done well and there were errors in the data.

4.4.3 Transfer delivery

The payment process is managed federally, but cash delivery happens at the level of the province or tehsil. Payments are not disbursed on a regular, predefined day—delivery date varies from quarter to quarter dependent on when banks receive funds from the federal government, after the head of BISP finance has signed off on the beneficiary payroll. BISP field staff therefore mobilise beneficiaries when it is time to receive their payment including through banners, local union council and tehsil staff, and mosque announcements. ATM menus are in Urdu and have reportedly been simplified for beneficiaries. At the POS, the agent manages the transaction for beneficiaries.

Overall the payment process is functioning relatively well and the e-payment system is an efficient and effective way to reach people. There are also challenges with the current payment system, identified in recent evaluations and during interviews with key informants:

Irregular and delayed payments

Payments have become more regular over the years. As of 2016, 87% beneficiaries reported having received at least three out of the four planned payments in a 12-month period¹⁹. However, payment regularity is not consistent across the provinces. In parts of Balochistan 12% of beneficiaries reported not having received any payment in the last year. This may be related to the low penetration of banking services in the area (Cheema et al., 2016). Besides the lack of a fixed payment date, delays are due to operational difficulties at the point of cash out. ATMs are only operational for a couple of hours per day, whilst POS agents do not have the necessary cash or the POS machine is not charged. Furthermore, the commission structure for financial partners, by which the bank receives its commission at the same time as the payroll funds, means they have no incentive to improve the way that cash gets from people's accounts into the hands of beneficiaries.

User costs in collecting the transfers

Most beneficiaries receive the full value of the transfer. Nevertheless, according to the most recent evaluation, 18% report that they had unwillingly paid a fee to access their transfer at least once; this was usually paid to guards or staff at the collection point (Cheema et al., 2016). This issue has been most prevalent in Sindh, where one-third of beneficiaries reported having to unwillingly pay fees to access the transfer. Leakage has been reduced through the debit card compared to the post office system, though beneficiaries with low financial literacy still rely on the agent or others in accessing their transfer (Cheema et al., 2016). BISP has started to roll out a biometric verification system to eliminate this practice. The role of 'middleman' or 'intermediaries' will be eliminated, as the biometric system matches fingerprints of the beneficiary with civic registry and does not require the use of a debit card. Some stakeholders noted challenges with fraudulent text messages

¹⁹ This statistic is derived from the BISP Final Impact Evaluation Report (Cheema et al., 2016). The timing of the survey was February 2016 – April 2016, therefore it was noted that it may not coincide with actual payment days. Therefore, the authors considered payments to be regular if beneficiaries reported receiving at least three payments in a 12 month period.

whereby messages claiming to be from BISP advised recipients to share their ATM cards and PINs. BISP has collaborated with law enforcing agencies to catch those involved in this practice. It has also set up a system for citizens to be able to report the phone number of the sender, which is then blocked.

There are opportunity costs to beneficiaries in terms of the time and cost of transport to access payment points. Again, according to the most recent evaluation, in terms of the time for collection, the average time for collection of payment is 33 minutes—time required is highest in Balochistan, where the average collection time is 45 minutes (Cheema et al., 2016). Direct costs (such as transportation costs) associated with the collection of the transfer are low—on average, beneficiaries reported this to be 2% of the value of the transfer. Again, this cost is highest in Balochistan. However, 18% of beneficiaries surveyed in the evaluation reported that they could not withdraw money at their first attempt and had to visit the payment point again, due to long queues or lack of funds at the ATM. Women often have to be accompanied when collecting money, effectively doubling the direct and opportunity costs of collecting the transfer. Households may choose to send someone who is not the named (female) beneficiary to collect the transfer from ATMs—only one third of female beneficiaries collect the transfer themselves (Cheema et al., 2016).

Future developments in the payment mechanism

In 2016, a concept note for a new BISP payment system was approved by BISP and donors, pending approval from the State Bank. This will phase out the debit card, to be replaced by cardless payments using biometrics and/or mobile money. Cardless payments rely on ATM machines fitted with biometric readers. This means the payment will be authorised by biometric data only, requiring the named BISP beneficiary to attend the payment site. This is seen to offer potential to improve accountability and reduce risk of leakage; however, it could lead to difficulties for those women who struggle to attend payment points (especially those with disabilities or who face mobility restrictions for religious and cultural reasons). Another issue is the failure rate for such biometric verification, which a key informant estimated at around 15%. (See Annex F for trends in branchless banking and e-payments.)

5 Key experiences in emergency cash transfer programming in Pakistan

Key points

-) Pakistan has a rich history of experience and lessons learned from provision of cash transfers in emergency relief and recovery operations. These are for the most part operated as standalone emergency responses or through the DRM system, and are not conceptualised as or integrated into the social protection system.
-) The major earthquake of 2005 provided a wake-up call on the need to establish effective emergency response systems: as part of the response, families were assisted with housing reconstruction along with a livelihood support grant benefiting some 1.4 million people.
-) Experience was consolidated particularly after the floods of 2010 through the Citizen's Damage Compensation Programme (CDCP) which reached 1.5 million families with a one-time grant, expanded to support early recovery through two additional transfers. The CDCP was introduced separately from existing social assistance programmes but learnt from BISP's experiences with its database and payment systems, as well as from previous emergency responses.
-) 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 (KPIP)—operated by PDMA as the most important rehabilitation intervention and source of cash transfers for disaster-affected populations in the province, disbursing PKR 22 million in 2014 and 2015. Cash transfer programmes elsewhere have responded to displacement due to conflict (cash transfers provided to IDPs in both camps and host communities in KP in 2009 and an emergency recovery programme for temporarily displaced populations (TDPs) in FATA reaching over 300,000 families in 2016).
-) BISP itself has some limited experience with scaling up for emergency response, but these experiences have not been documented or evaluated and are not currently being pursued.
-) NADRA has served a critical function in a number of the emergency response programmes, including as direct programme implementer. Government approaches have become increasingly sophisticated and robust operational and delivery systems have developed. There is growing consensus on the benefits of cash-based responses and the need for permanent organisational preparedness and oversight, but no guidelines or policy frameworks to support such initiatives nationally.
-) NGOs and humanitarian agencies have had significant involvement in the implementation of cash transfers, though issues of security and access in conflict areas have at times proven problematic. Both donors and NGOs are increasingly thinking about disaster resilience and multi-year emergency programming.

5.1 Background and context

Pakistan has a rich history of accumulated experience from provision of cash transfers in emergency relief and recovery operations dating since the 2005 earthquake, which provided a wake-up call on the need for strengthened DRM machineries, policies and plans. (See Annex G for historical overview of government emergency response architecture.) Experience was consolidated particularly after the 2010 floods through the introduction of the Watan Card in the CDCP, held up as a model of international good practice. Provincial governments have since designed and implemented programmes to respond to a variety of emergencies (Figure 3). NGOs and humanitarian agencies have also been involved in different kinds of cash-based emergency programmes (see CaLP 2011).

There are, however, currently no guidelines to support such initiatives nationally (NDMA and OCHA 2015). The multiplicity of mandates for responding to disasters has been an impediment to the adoption of a permanent cash-based response by the government. Initial efforts were made by the Emergency Relief Cell within the Cabinet Division to consolidate experiences and develop an action plan, identifying key design features and processes for the implementation of cash transfers after disasters (ERC 2012). The action plan was ultimately not implemented.

Figure 3 Chronology of cash-based responses to emergencies

Source: World Bank (2012) (PPT flood response)

Key informants suggest that the lack of full take-up of suggestions in the paper could be due to fear of over-committing on cash, for while the government gives PKR 25,000 to affected households after a disaster that is a convention and not a standard procedure:

‘Quite understandably, the cash-starved government is wary of making any concrete commitments in policies and laws because it may turn the existing (mere) expectation of the masses into a sense of entitlement.’ (Key informant.)

The change in government structures and organisational responsibilities since the paper in 2012 have also affected its implementation. Nevertheless, it offers useful guidance for further thinking and planning of such approaches. NDMA, in collaboration with OCHA, recently held a national workshop on the use of cash transfers in emergencies resulting in key recommendations on the need to i) establish a forum / platform for dialogue between key stakeholders including government, private sector, and humanitarian partners; ii) develop national policy guidelines for the implementation of emergency cash transfer programmes; and iii) form a national technical taskforce / advisory board on cash transfer programming in emergencies (NDMA and OCHA 2015). Current plans are underway to revise the overall National Disaster Response Plan and develop organisational DRM guidelines.

5.2 Lessons learned from early experiences

5.2.1 The 2005 earthquake response

The 2005 earthquake triggered a massive response by the government, the army, civil society and international agencies and served as a ‘wake-up’ call on the importance of establishing an effective emergency response system. In the wake of the earthquake, the government set up the Federal Relief Commission and a time-bound Earthquake Reconstruction and Rehabilitation Agency (ERRA)—both under the authority of the prime minister—to lead response efforts (Khan, 2006). Federal and provincial governments, the military and the humanitarian community worked closely together to deliver assistance (Cosgrove et al., 2010; World Bank GFDRR 2014). As part of the response, cash transfers were provided via cheques to families with damaged and destroyed houses for housing reconstruction. A livelihood support cash grant was also initiated to meet immediate needs, benefiting over 290,000 households (approximately 1.4 million people), with over a quarter of assisted families headed by women (Iqbal, nd; World Bank GFDRR 2014).

Key lessons were that there must be a full-time disaster management agency rather than ad hoc arrangements, with contingency plans in place for a quick and effective response; appropriate mechanisms were needed to track aid flows to ensure transparency; and clear strategies for

disaster preparedness were critical (Khan 2006). Cash transfers were identified as an effective tool for supporting livelihood and rehabilitation efforts. It was agreed that stronger vulnerability assessments were needed, along with technological innovations to enhance and speed the targeting processes (Iqba, nd; World Bank 2012; World Bank GFDRR 2014).

5.2.2 The 2009 Internally Displaced Persons crisis response

In 2009 military operations against Taliban groups in the Swat district of KP led to a sudden large-scale displacement of around 2 million people from the Swat valley, adding to the existing caseload of 1 million displaced from conflict zones in FATA. The crisis led to a national and international humanitarian response. A hybrid military-civil structure was created under the Prime Minister's Office and the KP government activated an Emergency Response Unit (Cosgrove et al., 2010). The emergency response was to provide every IDP with a cash grant of PKR 25,000 through ATM cards. Targeting was conducted in both camps and host communities (Cosgrove et al., 2010).

A real-time evaluation identified both strengths and weaknesses in the response. Rapid registration of the affected population—though resulting in both inclusion and exclusion errors on IDP status and need for assistance—was seen to be a huge achievement, especially given security and access constraints. The relatively fast validation of CNICs by NADRA decreased inclusion errors (through the removal of duplicates) but also contributed to exclusion errors (particularly of those with no CNIC, including many women). The creation of another ad hoc structure (similar to ERRA for the earthquake response) was seen as undermining the power and authority of the NDMA, and weaknesses were found in coordination of the humanitarian assistance structure. Overall lessons learned included recommendations for a greater use of cash where appropriate, and continued development of more vulnerability-based targeting processes (Cosgrove et al., 2010).

5.3 The Citizen's Damage Compensation Programme (CDCP)

The CDCP, designed as a response to the devastating floods of 2010, provides a vital case study for understanding the evolution of cash-based responses to emergencies in Pakistan, due both to the mammoth scale of the shock and subsequent response efforts and to the organisational synergies that enabled effective delivery of response efforts. Because it was conceived as a standalone emergency response programme and operated outside the social protection system per se, CDCP did not use Pakistan's existing social protection mechanisms as a vehicle for delivering the cash emergency response. Instead, the federal government worked closely with provincial governments and NADRA to initiate a separate programme (World Bank 2013b). Nevertheless, the programme benefited from experiences from BISP in setting up of a management information system (MIS) and payments through ATM debit cards (Malik 2011). It also built on lessons from the government's previous cash responses to emergencies. Highlighted below are key features and lessons learned.

5.3.1 Key features

The CDCP was initially designed to provide immediate relief to those affected through a one-time payment of PKR 20,000 (\$213), reaching 1.6 million families in 2010 and 2011. It was later extended to 2013, to support early recovery for 1 million of the 1.6 million families to help rebuild livelihoods, through two additional payments of PKR 20,000 (for a total of PKR 40,000, or \$426 per beneficiary). Payments were disbursed via debit cards (through the Watan card) through three private sector banks (Hunt et al., 2011; ERC 2012; World Bank 2013b).

In phase 1, a household targeting system was used in KP (assessing eligibility of individual households within an affected area according to the degree of housing damage) while a blanket

geographical targeting system was used in Punjab, Sindh and Balochistan (where entire communities were identified as eligible within affected areas, based on the level of damage to infrastructure and crops). Each had advantages and disadvantages: while the geographical targeting was quicker, it had higher levels of errors of both inclusion (of non-affected households within communities assessed as calamity-affected) and exclusion (of affected households in communities not assessed as sufficiently calamity-affected) (Hunt et al., 2011; World Bank, 2013a).

Some 19 different organisations were involved in programme implementation and oversight including a National Oversight Disaster Management Council (NDOMC), the NDMC and the Emergency Relief Cell of Cabinet Division. NDMA was responsible for coordinating and facilitating provincial level activities, whilst provincial PDMA's and Boards of Revenue were engaged in calamity notification, enrolment logistics and public information. A project office within NADRA served as CDCP's overall technical execution agency (Hunt et al., 2011; World Bank 2013b; Iqbal nd). The private sector was also actively involved through private banks (Box 2).

Box 2 Evolution of the banking sector in cash-based responses to emergencies

The private sector (specifically, the banking industry) was first involved in cash response to a disaster during the recovery phase subsequent to the 2005 earthquake. The government made it incumbent upon the earthquake-affected households to open formal bank accounts to be able to receive various forms of cash assistance. The banking industry responded to the newly created opportunity by opening new branches and employing mobile banking vans in the areas that were previously under-served by these services. With the advances in technology, as well as the proliferation of automation in bank transactions, issuance of debit cards became a norm in Pakistan. Private sector banks were viewed as an efficient vehicle for cash transfers and were used as providers of this service during various disaster responses since 2008. With the increased popularity of mobile banking and expansion in the coverage by ATMs, the role of banking industry is becoming increasingly significant for similar responses in future.

5.3.2 Lessons learned

The CDCP demonstrated that it is possible to leverage existing government organisations and public-private partnerships to implement large-scale cash transfer programmes to address both relief and recovery needs of affected populations following disaster. Key lessons that have been identified by stakeholders directly involved in the process are as follows:²⁰

- J Cash-based responses in emergencies can benefit from building on strong existing organisations and mechanisms, such as NADRA's civil registry and poverty / vulnerability databases such as those developed by BISP.
- J Effective and efficient establishment of such programmes in the aftermath of a disaster benefits from sufficient advance disaster preparedness and planning as well as relevant assessments and analyses post disaster to determine that markets are functioning and that cash is indeed a feasible and appropriate response modality for the context.
- J The capacity of organisational partners to deliver these programmes (surge capacity) needs to be pre-assessed, and adequate technical support and resources provided, particularly at sub-national levels.
- J Shared responsibility and ownership and overall organisational coordination between federal and provincial / local levels as well as between different partners is also critical.
- J Geographical targeting (which enables a rapid response but has high potential for errors of exclusion and inclusion) can usefully be combined with other criteria linked to poverty and

²⁰ Drawing from World Bank 2012 and 2013b and stakeholder consultations

vulnerability for a balance between reaching those most affected and those least able to cope, as it is important to take into consideration not only location, but different levels of vulnerability.

- J It is essential to incorporate robust communications and grievance / appeal systems into disaster relief and recovery programs to correct the targeting errors that will inevitably occur when trying to cover a large affected population. Independent third party verification also helps to reduce targeting errors.
- J A national-level computerised database allows a level of initial identification of beneficiaries, verification of payments and monitoring that is difficult to achieve through non-digital registries. Including biometric verification of identify has potential to enhance the robustness of the registration system.
- J A debit-card based payment system is an efficient way of delivering cash in the post-emergency setting, provided that: i) adequate guidance on how to use the cards / ATMs is provided (particularly for women who could also benefit from financial literacy training); ii) POS machines are readily accessible; iii) bank staff are adequately trained to guide beneficiaries through the process and help them with problems that may arise; and iv) adequate security is provided at the points of sale.
- J Strategic planning for all phases of programme implementation, from needs assessment and targeting to delivery of benefits, must take into consideration critical access issues in the wake of a large-scale disaster (destruction of roads and infrastructure—including banking infrastructure); and decreased mobility due to security concerns or other issues that may further limit mobility of specific groups such as women.

5.4 The Benazir Income Support Programme's experience in scaling up in emergencies

While BISP has been established as a social safety net for chronic poverty, under the previous government administration BISP also managed an emergency relief package—a budget envelope of PKR 10 million—and BISP was scaled up several times to meet needs arising from disasters. These, however, have not been documented and there are no reviews or evaluations of activities or impacts. Moreover, the practice of responding to shocks through BISP has not been continued under the present political administration—partly due to the political economy issues surrounding BISP and partly due to the devolution of disaster response functions to provincial governments.

Available information from our discussions with key BISP informants is provided in Box 3. Note that these examples can be said to fit the vertical, horizontal, piggybacking and refocusing typologies of OPM's typology for shock-responsive social protection (see also section 7).

Box 3 Experiences of scaling up BISP in response to covariate shocks

- J Earthquake in Balochistan—a cash top-up to BISP beneficiaries (PKR 1.5m) (vertical expansion)
- J Flooding (2010)—cash top-ups to BISP beneficiary families (PKR 1.9m) (vertical expansion)
- J Drought in Sindh: BISP provided a top-up to beneficiaries (vertical expansion)
- J Bomb blast in Balochistan—temporary enrolment of those affected into BISP, who received the regular BISP transfers each quarter (PKR 65m) (horizontal expansion)
- J Forced displacement in FATA—provision of cash assistance to the IDPs, by BISP (piggybacking)

Source: KII (BISP)

5.5 Provincial cash-based responses to emergencies

5.5.1 Examples from Punjab

The Government of Punjab has used early recovery cash transfers for floods in 2010, 2011, and 2014, operated through the PDMA to support immediate consumption needs (World Bank 2015a).

Arising from these experiences, it currently relies on two major cash-based interventions: a cash compensation programme for flood-affected people, or the Khadim-e-Punjab Imdadi Package (KPIP, chief minister's support package launched in response to the floods of 2014); and the recently launched Kissan Package (the prime minister's farmers support package). The former is the most important rehabilitation intervention and source of cash transfers for disaster-affected populations in the province. KPIP distributed PKR 18 billion (\$180 million) in 2014 and PKR 4 billion in 2015 (in the first phase of implementation). Although the Kissan Package is larger in terms of budget (with a target of PKR 26 billion (\$260 million) for the Punjab), it is a standalone intervention designed to respond to rice and cotton price distortions in the international and national markets (Villanueva 2016).

The KPIP is now institutionalised within the PDMA as a model for a temporary unconditional cash transfer as the main emergency response to disasters in the province, with implementation through PDMA. In its design and operations, it has drawn on lessons from the CDCP. Targeting takes place through a two-step process, beginning with geographic identification of calamity-affected districts or revenue states (assisted by use of a Geographic Information System, GIS, and satellite imagery) followed by household-level targeting to identify those eligible for compensation. After registration at centres set up in the province, payments are made through both branchless banking and pay orders, which are specially printed cheques.

The KPIP has had two phases: first, early response for immediate relief, and second, early recovery to support housing reconstruction and compensate for damaged crops (Villanueva, 2016). Livelihood damage compensation has been targeted to poor households identified through the BISP NSER database, but at a higher eligibility threshold. One issue that has arisen is the provincial government decision not to compensate households living in encroached riverbed areas, called Bait / Kacha, where settlements have been declared illegal: these households, therefore, did not benefit from phase 1 of the KPIP package, even though such households may be considered among the poorest and most vulnerable (Villanueva 2016). Stakeholders suggest that the grievance redressal mechanism was effective and strong, but there is so far little data on the caseload or rate of satisfactory grievance resolution.

5.5.2 Examples from Sindh

While Sindh has not developed its own cash relief programme in response to emergencies, cash grants for populations affected by floods in 2011 were managed directly by the provincial government and NADRA, with half of requisite funds provided by the federal government (ERC 2012). Small-scale cash compensation is given after disasters (e.g. shelter compensation, or for death of a family member) under the Relief Department of the Board of Revenue (delivered through cheques). In our field investigations, the Sindh PDMA reported that they are reluctant to set up a separate full cash-based relief channel themselves as this requires a specialised system and they worry that without this there will be an increased risk of fraud and leakage if correct checks and balances are not in place. This is why they recently approached BISP for collaboration.

Also in Sindh, a study is being undertaken in a collaboration between the Emergency Nutrition Network (ENN) and Action Against Hunger (ACF) to compare the nutritional status of children receiving standard nutrition interventions through the Women and Children/Infants Improved Nutrition in Sindh (WINS) programme with those receiving various forms of seasonal transfers (cash and vouchers) along with the WINS package (REFANI 2016). The study is part of the multi-country Research on Food Assistance for Nutrition Impact (REFANI) project that aims to strengthen the evidence base on the nutritional impact of cash transfer programmes and explores the use of cash transfers, especially unconditional cash and vouchers, to achieve nutrition

outcomes in emergency contexts.²¹ While the cash transfers in Sindh are not deployed through BISP, key informants note they have been developed to reflect BISP operational elements; these include considerations on the targeting strategy and transfer amounts.

5.5.3 Emergency recovery for temporarily displaced populations in the Federally Administered Tribal Areas (FATA)

Years of regional instability and military crises in FATA have accentuated poverty and vulnerability in the region; military action in 2014 created significant damage, with approximately 340,000 families displaced (World Bank 2015). The government has shifted most of its support for temporarily displaced person (TDPs) in FATA from in-kind to cash transfers. It is providing each registered family that is returning to FATA with a transport grant of PKR 10,000 (\$100) and an additional return cash grant of PKR 25,000 (\$250). By the end of 2016, an estimated \$105 million is due to have been disbursed to more than 300,000 families (NDMA and OCHA 2015).

In support of the government's strategy, a World Bank-supported emergency cash transfer project includes a one-off 'early recovery' grant of \$350 and an additional 'livelihood support' grant of \$160 in four monthly instalments for families who choose to return to FATA (World Bank 2015b). An additional pilot grant of \$75 will be provided to families in selected areas of FATA with young children 0-2 (regardless of whether they are returning TDPs or not); this is designed as a conditional grant intended to offset the opportunity costs of participating in health awareness and check-up visits. The project includes capacity-building support to different levels of government, particularly through NADRA which will help the government establish a robust system for cash transfers to beneficiary families, with adequate safeguards, fiduciary oversight, accountability, and transparency (World Bank 2015b).

Project design builds on lessons learned from previous experience with cash transfers which has highlighted, among other things, that cash transfers are the preferred option to support early livelihood recovery. It also builds on design features of flagship programmes, including BISP, which has highlighted the importance of i) unanimous buy-in from key stakeholders; ii) strong federal and FATA collaboration; iii) credible implementing organisations such as NADRA with prior experience in such projects; and v) extensive use of IT for registration (including biometric verification) and payment (through debit / ATM cards). NADRA is the overall implementing agency, while overall coordination is the responsibility of the Economic Affairs Division of the Ministry of Finance working with key FATA government agencies under a steering committee (World Bank 2015b).

In FATA, BISP quarterly transfers already serve as a regular safety net covering about 150,000 families out of 220,000 in the NSER. The registration of emergency cash transfer beneficiaries under the current project will facilitate registration of poor families into BISP as it expands coverage in FATA (World Bank 2015b).

5.6 Cash based assistance provided by NGOs and other humanitarian actors

NGOs and humanitarian agencies have been involved in cash-based emergency programmes, including unconditional grants to cover food and basic needs; conditional grants for women heads of households or enterprise rehabilitation; grants for shelter and agricultural rehabilitation through cash for work, and vouchers to cover basic needs or recover assets (CaLP 2011). Many of these have been undertaken within the framework of response networks such as the cluster groups of

²¹ REFANI is a multi-country 3-year research project funded by DFID HIEP and co-financed through ECHO, led by a consortium comprised of ACF, Concern Worldwide, ENN and University College London.

IASC (for the 2005 emergency response) or the ECHO-supported Pakistan Emergency Food Security Alliance (PEFSA) for the 2010 floods. These have contributed significantly to national relief and rehabilitation efforts in the aftermath of disasters and complex emergencies. A Cash Working Group (CWG) emerged under the food security cluster in 2012, co-led by WFP and the UN Food and Agriculture Organisation and co-chaired by ACF and ACTED, with provincial working groups established in Sindh, KP and FATA. The CWG has developed guidelines for cash and voucher interventions, provided a platform for multi-agency meetings and workshops, and conducted capacity-building exercises, including around the use of cash transfers in DRR²².

Challenges have been encountered around technical expertise and different levels of coordination (national, provincial, inter-agency) (CaLP 2011). The functioning of the humanitarian cluster system has been considered less than optimal in Pakistan and the PEFSA network was discontinued in 2014. Tensions have arisen between humanitarian NGOs and government in the context of responses to conflict and military actions leading to displacement, with issues of security and humanitarian access rising to the fore, and delays in obtaining 'no-objection certificates' for work in certain areas. A number of NGOs comment in general about an increasingly hostile environment for their work. Existing government systems generally do not enable vulnerable persons to be identified and registered rapidly enough in the aftermath of rapid onset crises. Overall questions of civil society representation in DRM governance structures at different levels, as stipulated in the National Disaster Management Act, have also been raised (NHN 2012; NHN 2015).

New NGO programming is arising around an emerging disaster resilience agenda and multi-year emergency programmes, including those funded by DFID. NGOs, civil society organisations and humanitarian actors have also been influential advocates for a focus on the post-emergency needs of vulnerable groups such as women and children, contributing to the work of the Gender and Child Cell within NDMA (see, for example, NHN, UN Women, CARE 2016). In KP, a number of NGOs have been active in developing an IDP vulnerability assessment profile, supported by DFID and by the European Union's humanitarian directorate (ECHO), while the World Food Programme (WFP) is working on vulnerability assessment mapping in FATA. Also in KP, NGOs and other humanitarian actors have been key partners in the consultative processes leading to the development of a provincial social protection policy and will be involved in implementation of pilot programming around the social protection floor. Several NGOs and civil society organisations see themselves as particularly effective at community level, including for community-based engagement in both DRM and social protection, and overall support for PDMA / DDMA. In Punjab, the International Rescue Committee (IRC) is supporting action-research in Punjab to consider how social protection mechanisms can become more shock-responsive through cash-preparedness planning (see section 7.3.1). The CWG is moving toward multi-sectoral membership, looking for improved coordination the government—including BISP, completing guiding principles for the harmonisation of programme design and continuing with a variety of capacity building exercises.

5.7 Lessons learned and key challenges

This review of Pakistan's experiences in cash-based responses for relief and early recovery after large-scale disasters has highlighted how government approaches have evolved over time, and become increasingly sophisticated as expertise has built up and robust operational and delivery

²² <http://www.cashlearning.org/coordination/pakistan-cwg>

systems have developed. Organisational configurations have also evolved, and there is growing consensus on the need for permanent organisational preparedness and oversight.

DFID (2014) notes, however, that the government has limited capacity for needs-based beneficiary selection in emergencies, and that this hampers the effectiveness of the use of cash transfers for humanitarian purposes; along with other humanitarian actors, it urges and supports a more inclusive approach to cash transfers and overall humanitarian responses, through support to relevant government organisations to improve identification of vulnerable groups, including through independent capacity for beneficiary vulnerability profiling already supported by DFID.

Participants in a national workshop on the experiences and potential for cash transfer programmes in emergencies convened by NDMA and OCHA in 2015 have reflected that cash transfers can contribute to cost effectiveness; help ensure quick delivery—particularly critical in the relief phase; and can be designed to foster transparency and accountability with relative ease. For maximum effectiveness, some argued in favour of technological innovation and the use of the banking system, as well as a comprehensive electronic population database. A strong redressal mechanism was also proposed as a key component to ensure the effectiveness of the system, while the importance of having pre-determined cash transfer mechanisms in place for efficient roll-out immediately after the onset of a disaster was also stressed (NDMA and OCHA 2015).

It is also increasingly seen that cash transfer mechanisms can be adopted as a useful tool during the complete DRM cycle:

-) preventing or mitigating disasters by reducing vulnerabilities and enhancing resilience
-) linking with insurance and risk financing mechanisms to improve preparedness
-) during disasters as a response instrument; and
-) for post-disaster recovery and reconstruction where transfers can also be used as an incentive for 'building back better', thereby facilitating DRR mainstreaming.

Table 4 synthesises some of the key outcomes of discussions reported from the above-mentioned NDMA / OCHA workshop. It also highlights a number of specific points on potential for stronger synergies in between social protection and DRM around shock-responsive cash transfers that will be explored and discussed further in section 7.

Table 4 Stakeholder views on cash in emergencies

Aspect	Stakeholder views
Strengths / enabling factors	<ul style="list-style-type: none">) Political will (government willingness to provide cash compensation)) Significant past experience) Growing government capacity and expertise (NDMA / PDMA / DDMA, NADRA....)) Development partner interest and technical expertise) Existing government social protection programmes and networks) Existence of BISP (NSER) and NADRA (CNIC) databases) Existence of a cash working group (CWG)) Strong market and banking structure (including branchless banking)) Available IT for delivery) Strong civil society organisations) Identification of disaster-prone areas and multivariate risk assessments) Established gender and vulnerability criteria in disasters (NDMA Gender and Child Cell)
Weaknesses	<ul style="list-style-type: none">) Lack of specific policy and coordinating organisational framework for cash-based responses in emergencies) Weak coordination on among government, private sector and humanitarian actors) Lack of standard operating procedures and MOUs for different stakeholders) Lack of harmonised vulnerability criteria in current data base (gender, disability, older people) and outdated NSER database) Lack of specific location details in CNIC) Gender-specific challenges for women (lack of civil registration; lack of familiarity with IT; lack of mobility)) Lack of access to some disaster-affected areas and difficulties in receiving no-objection certificates from local authorities for emergency response generally
Opportunities / recommendations	<p>Overarching:</p> <ul style="list-style-type: none">) Establish a forum / platform for dialogue between key stakeholders including government, private sector, and humanitarian partners) Develop national policy guidelines for the implementation of cash transfer programmes) Form a national technical taskforce / advisory board on cash transfer programming in emergencies <p>Specific:</p> <ul style="list-style-type: none">) Develop standard operating procedures for different scenarios, based on lessons learned nationally and internationally) Strengthen risk and vulnerability profiling (to identify hotspots for recurrent disasters)) Strengthen and adopt a unified database (including vulnerability criteria)) Expand existing CWG under government leadership) Ensure women's representation in response teams and service providers) Build capacity for emergency cash transfer programming among all stakeholders) Capitalise on experience of NADRA and support for civil registration) State Bank and NADRA to develop joint service provider policies

Source: Synthesised from discussions during national workshop on cash transfer programming in emergencies (NDMA and OCHA 2015)

6 Budget and financing

Key points

Overall, Pakistan's social protection spending is estimated at 1%–2% GDP, including general subsidies; leaving out the subsidies, the amount comes to less than 1% of GDP. But the classification of social protection functions within the government's public expenditure system is not always clear or complete, leading to lack of transparency and challenges in assessing total spend.

-) BISP as the main federal safety net programme is experiencing regular (and rising) funding levels by both government and donors. However, provinces hold that devolution of responsibility for social protection and DRM requires an accompanying increase in allocations to provincial budgets in order to support implementation and oversight for programmes and activities.
-) The government has mandated establishment of disaster management funds at federal and provincial levels. But so far, no funds have been set up or capitalised, and disasters are financed primarily through supplemental grants from the government.
-) Development of a disaster risk financing strategy within the framework of the overall DRM structure and mandate would help clarify the use of financial and budgetary instruments to finance post-disaster expenditures.
-) Donors have been providing additional finance for social protection and emergency response, but other more sustainable strategies would be to increase revenue generation through improved taxation, exploring options for disaster risk insurance, and re-prioritisation of expenditures away from inefficient / untargeted subsidies.

6.1 Financing system for social protection and disaster risk management

The federal and provincial financing system for social protection and disaster management is the same as that used for other sectors, i.e. the functions are financed by the government through its budget. However, in the case of DRM, the National Disaster Management Act of 2010 also provided for the establishment of federal and provincial disaster management funds (to include grants, aid and donations from national or international agencies and donations received from any other sources). The Act stipulates that the Funds would be maintained in one or more scheduled bank accounts in local or foreign currency and be operated by the respective disaster management authorities, i.e. NDMA and PDMA. The Funds can be used to meet expenses for emergency preparedness, response, mitigation, relief and reconstruction. This represents a giant leap from the existing situation, where no / little allocation is made in budgets for disaster management. However, these funds have not yet been established, so disaster response is currently dependent upon release of supplementary resources.

In the case of social protection, BISP as the main programme is getting regular—and rising—funding from the federal government. But it appears that there is little budgetary priority being given to social protection at the provincial level. In Punjab, the Khidmat Card seems to be the first major provincial social protection initiative being supported. Overall, Pakistan's social protection spending is estimated at 1%–2% GDP, including general subsidies (World Bank, Gov. of Punjab, DFID 2013). Leaving subsidies aside, this figure would be much lower. Limited fiscal space caused by a very low tax-to-GDP ratio in the country may contribute to low level of expenditure on social protection. By increasing revenue generation, federal and provincial governments could provide more resources for social protection. Alternatively, they could re-prioritise expenditure away from inefficient / untargeted subsidies towards more targeted social assistance programmes.

Grants from foreign aid development agencies and international organisations are another major source of funding for both social protection programmes like BISP as well as disaster response (see Table 3 for details on donor assistance for BISP). The most prominent partners assisting Pakistan on social protection are the World Bank, the Asian Development Bank, DFID and,

previously, USAID. International humanitarian assistance has also been important in the case of major disasters, such as the CDCP.

6.2 Budget allocation processes

Under current budget reform processes, the federal government has shifted to a medium term, top-down, policy-based system, with service delivery outputs defined in the budget. Provincial governments are, however, at different levels of reform: Punjab and Sindh, for example, are largely following annual, bottom-up, incremental system of budgeting. Full adoption of a medium term budgetary framework and output-based budgeting seems to be an elusive target for most provincial governments at the moment (see Annex H.1 for details on budget allocation processes).

6.2.1 Provincial allocations

The 7th NFC Award and the 18th constitutional amendment are important landmarks of fiscal federalism in Pakistan (UNDP 2015). The Award resulted in an increase of the share of provinces in federally collected taxes from 46% in 2009-10 to 57.5% from 2011-12 onwards. Considering the tax-to-GDP ratio in Pakistan in the period, this was an increase of approximately 1% of national GDP in the share of provinces, which was historic considering the previous awards. Subsequently, the 18th amendment resulted in devolution of many functions to provincial governments, including for social protection (see section 3.1 above). Provinces hold the view that devolution of responsibilities to the provincial level needs to be accompanied by greater resource allocations in the next NFC award. In the interim, the Council of Common Interest (a constitutional forum for resolution of inter-governmental issues) has stipulated that the federal government would continue to fund specific social protection functions / organisations such as the Employees Old-Age Benefit Institution (EOBI), Workers Welfare Fund, Zakat and PBM. BISP remains a federal programme.

6.2.2 Supplementary grants for unforeseen expenditures

Each year, there may be unforeseen expenses (e.g. in a disaster, or because of under-estimates of required resources for agreed functions) which are not reflected in the Schedule of Authorised Expenditure (SAE). While this should be rare, it is actually quite common within Pakistan's public financial management system (see Annex H.2 for the recent variance between budgets and actual expenditure). Supplementary grants may therefore be submitted for approval to federal government to cover additional expenditure either for purposes already sanctioned or for purposes not initially foreseen.

Additional expenditure for the first type is met by re-appropriation of savings in available allocations, with any balance provided through a supplementary grant approved by government. Expenditure for the second type can only be met through a supplementary grant. Until recently, the proposal would be reviewed by the Finance Department and the case submitted to the chief minister / prime minister in accordance with the rules of business of the respective governments at provincial and federal levels. However, since August 2016, the Supreme Court has ruled that only the Cabinet has legal authority to take fiscal decisions, including approval of supplementary grants. The new process, recently adopted in Punjab but not yet other provinces, is clearly increasing the transaction costs of an already time-consuming process of supplementary grant allocations and could potentially contribute to further delays, for example, in disasters. It is therefore important that budgeting and fund flow arrangements for disaster management are reviewed afresh to facilitate rapid response.

6.3 Budget classification for social protection and disaster risk management

Social protection is identified as one of 10 ‘major’ functions in the budget classification. Its ‘minor’ functions pertain to: i) sickness and disability; ii) old age; iii) survivors; iv) family and children; v) unemployment; vi) housing; and iv) administration. Among its ‘sub-detailed functions’ (within the ‘detailed function’ of ‘administration’) are aspects of what are normally considered disaster relief, including: relief measures, rehabilitation and settlement, refugee relief and flood control, which means that, in terms of budgetary classification, at least, DRM is considered a sub-set of social protection (see Annex H.3 for detail on the budget classifications for the social protection ‘function’).

The accounts also classify expenditure under different sub-detailed functions by departments / attached departments and cost centres (spending units). In practice, the budget for ‘social protection’ is not mapped properly at either federal or provincial levels but, rather, misclassified under other functions (e.g. under General Public Services in the case of the federal government). This practice distorts budgets / accounts, by under-reporting ‘social protection’ expenditure (including disaster management) and over-reporting expenditure for other functions. Further, it dents transparency of the budget / accounts.

6.4 Public expenditure trends for social protection and disaster risk management

Social protection and DRM spending stood at PKR 122 billion in FY 2015/16 (\$1.2 billion by today’s exchange rate) whereas it was PKR 150 billion in FY 2011/12 (\$1.4 billion by today’s exchange rate). Expenditure on BISP, PBM, and the PPAF are of a recurring nature and represent the main social protection initiatives, whereas the bulk of the remaining items represent expenditure for disasters and emergencies. During the period FY2011/12 – FY 2015/16, expenditure on BISP exhibited a compound annual growth rate (CAGR) of 22% and PBM showed a CAGR of 19%. However, expenditures on DRM reflect a decline from a high of PKR 52 billion in 2011-12 (\$490 million), made up primarily of flood and earthquake rehabilitation, to PKR 8 billion in 2015-16 (\$76 million), primarily on earthquake rehabilitation.

Precise information on overall trends in social protection and DRM expenditures at provincial level is not available. An example of the provincial government in Punjab shows a positive CGAR of 47% over the same period—from PKR 6 billion to PKR 30 billion (\$57 million to \$284 million)—with the bulk, however, devoted to disaster relief measures, and relatively low priority for social protection (H.2.2 H.2.2).

6.5 Analysis of budget system and trends

The budget analysis indicates that higher priority overall needs to be assigned to social protection. Fiscal space would need to be created through higher revenue generation and diversion of resource from untargeted subsidies. Budget allocations for social protection should also be made in accordance with the guidelines of New Accounting Model / Chart of Accounts to increase transparency. Unresolved issues related to the distribution of resources to the provinces that are holding back the benefits of devolution also need to be resolved. Ongoing incremental increases in government funding for BISP should also be continued.

The mandated disaster management funds for emergency preparedness, response, mitigation, relief and reconstruction at federal and provincial levels need to be established along with their standard operating procedures and be capitalised regularly to accumulate a buffer of resources to

deal effectively with disasters. One suggestion would be to capitalise the funds initially through a multilateral concessionary loan to facilitate the process. Based on international best practice which suggests a 5% budget allocation for contingencies, and taking into account resource constraints, federal and provincial governments should allocate at least 3% of their budgets to mitigate risks in availability of funding for disasters. In disaster-free years, the balance could be used to capitalise the disaster management funds.

A comprehensive national disaster risk financing strategy to accompany the overall disaster management plan and risk reduction policy in Pakistan would help clarify the use of financial and budgetary instruments to finance post-disaster expenditures; pre-disaster expenditures should also be taken into account. A fiscal disaster risk analysis conducted in 2015 offers a number of different options for the short-, medium- and long-term (World Bank GFDRR 2015). In a disaster risk financing strategy, the costs of vertical and horizontal expansion of existing cash-based social safety net programmes should be included for consideration. Governments (both federal and provincial) could consider risk insurance where possible to mitigate risks in case of disaster (as in the case of crop insurance currently being considered in Punjab). Pursuit of public / private partnerships through promotion of corporate social responsibility and potential tax incentives is also worth exploring.

7 Coordination, synergies and future scenarios for shock-responsive social protection

Key points

-) There are no specific coordination mechanisms or platforms linking the evolving social protection and DRM systems at federal or provincial level and these function—for the most part—in separate institutional siloes.
-) Experiences in disaster response remain primarily within the DRM sector or as standalone initiatives, and have not been considered to be ‘social protection’, even though the cash-based modality is common to both and they share some organisational affiliations (for example through NADRA).
-) In this context, it is a particular programme—BISP—and some of the mechanisms through which it operates, such as the NSER, which may present the greatest opportunity platforms for shock-responsive social protection, particularly through a piggybacking approach; vertical expansion through top-ups to existing beneficiaries in the aftermath of a disaster might also be possible, but would face a number of challenges.
-) A research action project has explored the potential to pre-position the NSER database for rapid identification of beneficiaries and delivery of benefits in the event of a disaster, providing a good example of piggybacking.
-) At provincial level, capacity building and enhanced collaboration between the DRM and social protection organisations is being explored in Punjab, informed by key findings from a diagnostic assessment of opportunities and challenges for shock-responsive social protection in the province.
-) Further reflection is needed on broader systemic linkages through the full DRM cycle from preparedness through recovery and reconstruction.

7.1 Synergies between social protection and emergency response systems

As we have seen in the previous chapters, internal coordination within the social protection and DRM / humanitarian sectors—both between different programmes or organisational actors and between federal and provincial levels—remains weak, although it is increasingly being strengthened as the two sectors are reinforced and adjustments to devolution are made. But coordination *between* social protection and DRM as sectors or systems remains largely absent. Our analysis and discussions with key stakeholders indicate that social protection and DRM function—for the most part—in separate organisational siloes. The rich heritage of experiences in disaster response has remained primarily within the DRM / humanitarian sector or as standalone operations and have generally not been considered to be ‘social protection’, even though the cash-based response we have focused on is a modality that is common to both.

7.1.1 Identification of constraints in coordination

Part of the problem of coordination arises around the conceptual definitions of social protection and DRM, and the contours they present or should take on, according to national stakeholders. Many stakeholders define the functions of social protection as quite different from DRM and feel they should remain so. Table 5 presents the perspectives of our respondents. Quite a number argue that with social protection itself in such an incipient state in Pakistan, and such important issues as chronic poverty, vulnerability and idiosyncratic shocks to contend with, actors should focus on consolidating the social protection system itself, and should not attempt to spread this too thinly to take on other, specialised, disaster response tasks which it is neither organisationally nor programmatically designed to address. Many focus on the organisational mandates which—for better or for worse—keep the two sectors apart. While the perspectives of different stakeholders may vary, depending on the particular technical or political position they occupy, they have here and in our other tables been organised instead in thematic fashion.

Table 5 Stakeholder views on the distinctness of social protection and disaster risk management

Feature	Social protection	DRM
Mandate	<ul style="list-style-type: none">) Social protection is for chronic poverty and idiosyncratic shocks and functions as a permanent safety net) Social protection is broader than DRM and should cater to everyday needs) We don't yet have a clear definition of social protection as a sector in Pakistan ('In Punjab they are distributing laptops to students and calling it social protection') 	<ul style="list-style-type: none">) DRM is for large-scale, multi-variate shocks and provides a temporary safety net; this is its role, function and mandate) Emergency response is not considered social protection) In DRM, 'we don't necessarily use the term social protection, but we are doing social protection'
Structures	<ul style="list-style-type: none">) There is no one federal body mandated for social protection outside of the Planning Commission which is responsible for development of the national social protection policy framework and liaison with provinces on provincial policies) Social protection structures are weak on the ground and provincial welfare departments are limited—they cannot handle mega disasters' 	<ul style="list-style-type: none">) The DRM structure is clearly defined, from the NDMC through NDMA, PDMAs and DDMA's. The Planning Commission and NDMA do not link on disasters) NDMA / PDMAs / DDMA's are in the process of strengthening their approaches to disaster response and hold the mandate for this. Through the board of revenue, they have a real presence on the ground) There has previously been some reluctance on the part of some actors to work with NDMA (history of military), but military connections / mindset also important in getting things done quickly in an emergency (N.B., NADRA also connected to military, though under civil management)
Systems and coordination	<ul style="list-style-type: none">) There is no real social protection system in place yet—it is not linked up but 'scattered all over in lots of bits and pieces') Social protection needs to focus and consolidate itself as a system first before dispersing its efforts to deal with shocks.) 'The social protection sector has enough difficulty coordinating internally amongst the various institutions—it is too much to ask it to coordinate with the DRM sector') The draft social protection framework includes disaster-affected populations among the target groups, but this has remained largely on paper 	<ul style="list-style-type: none">) The disaster response plan drawn up after CDCP foresaw linkages between DRM and social protection, but while approved, this was never really enacted
Expertise	<ul style="list-style-type: none">) Actors and organisations within the social protection sector do not have particular expertise or experience of dealing with disasters 	<ul style="list-style-type: none">) DRM is a specialised function which requires particular expertise, organisational development, and response mechanisms
The DRM continuum	<ul style="list-style-type: none">) Robust social protection systems in and of themselves will help build overall resilience to different forms of shocks and can thus fulfil the function of prevention / protection 	<ul style="list-style-type: none">) DRM is more directly concerned with response—though it, too, needs to build up its approach to preparedness and mitigation

Source: OPM, based on key informant interviews at national and provincial levels

7.1.2 Identification of opportunities for coordination

A small but significant minority of stakeholders feel that there is space for and potential benefits in achieving greater synergy and coordination between the two sectors in an evolution towards a more shock-responsive social protection approach (see Table 6). Amongst these, a few highlight the ever present threat of disaster as a key rationale for the need for all sectors—including social protection—to build in disaster preparedness and response capacities. They do not underestimate the challenges this would entail—including those arising from bureaucratic resistance, political economy considerations, and the prevailing structure of funding streams—but some suggest the benefits would outweigh the costs. Stakeholders at provincial level suggest that devolution offers an opportunity for pursuing coordinated approaches and point to specific examples where this is already occurring. A potential role is identified for influential partners and key donors to support moves towards greater synergy and coordination at all levels.

A broad range of stakeholders posit that social protection and DRM could come together around their similar holistic frameworks. In its widest sense, social protection entails prevention, protection, promotion and—hopefully—transformation, according to an influential conceptual framework developed for transformative social protection (Devereux and Sabates-Wheeler 2004), with each dimension seen as interlinked and mutually reinforcing as they contribute to overall resilience. In DRM, the full cycle involves prevention, mitigation, preparedness, response and recovery as a continuum, and must be treated as such. Within these shared wider agendas some stakeholders suggest the broadest scope for social protection and DRM to come together.

Table 6 Stakeholder recommendations and suggestions for moving towards shock-responsive social protection

Feature	Stakeholder perspectives
The importance of achieving greater synergies	<ul style="list-style-type: none">) 'It is not a matter of if a shock will occur, but when, so shock-responsiveness needs to be incorporated into all policies and programmes, including social protection') 'Our thinking is compartmentalised, but things on the ground are interconnected; sometimes these boxes we create for ourselves—humanitarian, DRM, social protection, development serve as barriers'
The challenges of coordination	<ul style="list-style-type: none">) It is OK to keep social protection and DRM as separate sectors, but we need some coordination structure to enhance synergies and collaboration) 'Maybe the transaction costs in linking DRM, humanitarian assistance and social protection are too high; maybe we just need to track who is getting what') It has to be a government decision to create synergies between different departments / sectors—it cannot just happen: 'There are always entrenched interests and fears of loss of power in institutional change processes'; there are also bottlenecks that can arise in the legality of new working relationships established or functions assumed, if there are no clear policy and organisational guidelines) 'We need to look at mandates, relationships, politics') 'The current operating environment keeps different sectors and agencies apart': it has disintegrated into individual programmes—which also has to do with funding streams and donors, who need to be sensitised to this. The World Bank and DFID especially should make linkages along the relief and development continuum, along with the UN) The ideal would be NDMA / PDMA linkages to all line departments through emergency desks / cells) Or, put all provincial social protection departments and PDMA's together: in normal times, social protection leads, and in disaster, PDMA leads
Advocating a holistic approach	<ul style="list-style-type: none">) The poor are most vulnerable to covariate shocks and have less resilience so they need additional protection and support) In a disaster, we need disaster response over and above social protection

Feature	Stakeholder perspectives
	<ul style="list-style-type: none"> <li data-bbox="384 230 1428 443">) Both emergency responses and chronic responses can be considered social protection, and internationally—under the banner of resilience—there is more and more convergence between DRM / humanitarian response and shock-responsive social protection. But in Pakistan, these areas are relatively new; cash transfers themselves are new, and the idea of cash transfers in emergencies even newer. How to mesh? We need to look at both the capacity and political economy of organisations, as well as the chronology of developments <li data-bbox="384 450 1428 510">) It is probably best to invest in something very flexible with a lot of instruments—cash, risk insurance, vouchers—and to use as resilience-building as well as response <li data-bbox="384 517 1428 636">) Cash-based responses are used in both social protection and DRM, but there is currently no linkage. It would be useful to link the emerging UN social protection working group with the CWG and develop an approach to cash-based responses within a broader disaster preparedness and response framework <li data-bbox="384 642 1428 703">) Equally important is pre-positioning the operational machinery for the quick dispersal of cash in emergencies. We can't wait until after the disaster strikes
The DRM continuum	<ul style="list-style-type: none"> <li data-bbox="384 719 1428 815">) We cannot do miracles just in response—we have to invest in preparedness, systems-building, etc.; this is of interest to both social protection and DRM. The government needs to invest more in preparedness <li data-bbox="384 822 1428 882">) Safety nets overall need to be designed to address the continuum from preparedness, to emergency and reconstruction <li data-bbox="384 889 1428 1008">) Pakistan is one of the countries most affected by climate change. We need to build both social protection and DRM into climate change adaptation and the resilience agenda; safety nets are important and must be embedded in the resilience agenda and running from prevention, protection to promotion
Building good practice at provincial level	<ul style="list-style-type: none"> <li data-bbox="384 1021 1428 1117">) In KP, we are trying to build a platform for social protection, drawing together different agencies including those dealing with disasters and refugees. It was hard at first and takes time to build up trust <li data-bbox="384 1124 1428 1243">) So far, social protection is not responding to disasters. There is no systematic approach. But reflection is beginning on this; see for example the shock-responsive social protection assessment in Punjab and the inclusion of disasters and refugees in the emerging KP social protection policy <li data-bbox="384 1249 1428 1310">) Maybe we need an incremental approach: shock-responsive social protection could start out as a pilot in the Indus River catchment area and see how it works in a flood

Source: OPM, based on key informant interviews at national and provincial levels

7.2 The Benazir Income Support Programme as a platform for shock-responsive social protection?

Beyond the potential for strategic synergies at sectoral systems level, our research probed the potential for synergies at the more operational level of specific social protection programmes, mechanisms, and administrative processes, focusing on BISP and its potential, as a programme and through its component parts, to contribute to disaster response. In fact, as we have seen in section 5, BISP as a programme has practical experiences in this domain.

While recognising the complexities involved, stakeholders offered several suggestions on how BISP could provide a platform for moving forward on shock-responsive social protection (Table 7). These include the potential for leveraging BISP as an existing programme, already reaching a high proportion of the population and with a likely overlap between its target population and those affected by disaster. The alternative suggestion, most commonly cited, was the potential to leverage the underlying systems on which BISP is based and exploiting these in some way in a disaster. These include the creative use of the NSER, to either pre-enroll vulnerable households for disaster assistance (which could be undertaken within BISP, or as a separate programme) or to form the basis of identifying households in post-disaster assessments. Others pointed to the

organisational synergies that could be built— for example, between BISP and those agencies responsible for DRM, and solidifying a central role for NADRA in disaster response.

Table 7 Stakeholder suggestions on opportunities around the Benazir Income Support Programme as a platform for shock-responsive social protection

Issue	Feature of BISP	Opportunities for shock-response
Coverage	BISP already reaches a large proportion of households, in locations vulnerable to disasters.	In the event of a disaster, current BISP beneficiaries could be reached with additional assistance relatively quickly and easily through BISP (noted for the previous top-ups to BISP beneficiaries listed above).
Targeting	BISP focuses on the poor.	Providing that the NSER data are up-to-date and accurate, then BISP reaches some of the poorest households, and the poorest are known to be some of the most vulnerable to and worst affected by disasters.
	The NSER on which BISP is based is the best household database nationally. It is about to be updated to serve as a more dynamic database, covering 90% of the population, and with GPS coordinates for households and additional indicators of climatic and livelihood vulnerability.	The NSER includes all surveyed households—the poor who are BISP beneficiaries, the poor who are not BISP beneficiaries, the near poor and the non-poor. This can provide a starting point for targeting humanitarian assistance: <ul style="list-style-type: none">) For example, allowing a contingency process of ‘pre-enrolment’ (whether through BISP or as a separate emergency cash transfer programme) in disaster-prone areas—where households with a poverty score higher than the eligibility threshold for BISP are registered and enrolled, so that assistance can be rapidly disbursed in case of a flood.) Or, the NSER data is used as an input to post-disaster needs assessments, for quick identification, but with further verification of needs and vulnerabilities.
Operational processes	BISP is progressively becoming stronger, with well established, and well-functioning, payment systems.	In the event of a disaster, BISP beneficiaries are already reached by this payment system so could be quickly and easily provided with cash top-ups.
		These same payment systems could be used by a separately managed emergency cash transfer programme to deliver payments to households (who could be BISP beneficiaries, or non-beneficiaries).
Organisational linkages and capacity	BISP has linked effectively with other actors and departments (e.g. with NADRA, and the Dept. for Education with the CCT Waseela-e-Taleem), and has provided ad hoc technical assistance on CTP to government departments.	Lessons learned and modalities developed from such intersectoral linkages could be applied to support disaster response, through establishing a closer relationship between BISP and NDMA / PDMA and imparting knowledge to provinces on setting up emergency safety nets.
		NADRA, as holders of the biometric civil registry, and with prior experience as an implementing partner in both emergency cash transfers and BISP, would be a strong, and critical, partner in any SRSP.

Source: OPM, based on key informant interviews at national and provincial levels

Stakeholders also offered a variety of views on the potential challenges of using BISP as a platform for shock-responsive social protection. These are detailed in Table 8.

Table 8 Stakeholder views on the constraining factors in the use of the Benazir Income Support Programme as a platform for shock-responsive social protection

Issue	Feature of BISP	Limitations for shock response
Targeting	BISP targets a cohort of vulnerable households—those who are identified as ‘poor’ within the NSER and who have a married / widowed / separated woman, and owning a CNIC.	Households enrolled as BISP beneficiaries can be expected to be some of the most vulnerable to a disaster but they are not the only households who will be affected. Using BISP beneficiary data for shock response will exclude others who are also in need of assistance, including: poor households who were not included in the NSER in 2011; poor households who do not have a married woman (or where women still do not have a CNIC); and non-poor households who are badly affected by the disaster.
	The underlying NSER is currently a static social registry, founded on PMT data that is based primarily on household assets and collected in 2011, although it is being updated.	Using data in the NSER for targeting assistance in disasters must bear in mind the age, and therefore the accuracy of the data. The NSER is about to be updated—but poverty scores will nevertheless become increasingly inaccurate and contact details risk becoming outdated over time. This can create errors and delays in targeting humanitarian assistance. However, there are efforts to make the new NSER more dynamic. Vulnerability in disasters is more nuanced—not based on solely assets. The new PMT will include some data on climatic vulnerability, but this may not be sensitive enough for targeting purposes. In complex emergencies, the data will not help to identify IDPs.
	No formalised processes for data sharing.	Accessing BISP or NSER data can be time consuming.
Devolution and political economy	BISP is a federal programme whereas social protection and DRM are provincial responsibilities.	Provincial politicians wish to invest in their own social protection and disaster response programmes rather than BISP, as they want to be seen by their constituencies to be shouldering their responsibilities.
	BISP is politicised.	The political ‘branding’ of BISP has been problematic and has acted as a barrier to using BISP for shock response at provincial level (for example, this has been the case in Sindh, where the provincial government were in favour of providing emergency cash top-ups to BISP beneficiaries, but where authorisation of this was blocked by BISP at the federal level).
Organisational arrangements and capacity	BISP is designed for long-term consumption-smoothing and poverty reduction, not for a role in DRM.	BISP has no mandate for these tasks, and there are no existing organisational linkages or coordination mechanisms between BISP and those responsible for disaster response, at national or sub-national levels.
	BISP has previously faced capacity challenges when taking on implementation of additional programmes.	It could therefore be a mistake for BISP to try to take on disaster response.
Programme operations	The operating systems for enrolment and payment are geared to implementation of long-term social assistance.	BISP’s operating systems were not designed for, or proven, for the requirements of emergency response (rapid response; regular monthly payments).

Source: OPM, based on key informant interviews at national and provincial levels

Perspectives include those from stakeholders who have tried to leverage BISP for shock-response in some form. Some point to its design features, including its poverty targeting and its consumption-smoothing objectives, stressing that ‘in large-scale disasters, everyone is affected,

not just the poor' and also that income and asset poverty is just one—and not the only—dimension of vulnerability, including in disasters. There are challenges noted with using either BISP or NSER data for targeting of humanitarian assistance, due to the incompleteness and accuracy of the data (whilst noting the fact that the NSER is about to be updated and improved), as well as problems with data sharing between agencies.

Stakeholders also highlight BISP's lack of organisational mandate for disaster response, as well as its position as a federal programme which sits uneasily within the devolved environment for both social protection and DRM, and brings to the fore political considerations at provincial level where politicians wish to present their own programmes to constituents.

Some caution about the potential for BISP to 'spread itself too thin' in taking on further functions, pointing to its recent decision to divest itself of most of the complementary programmes it had initially taken on, in order to focus more clearly on provision of its core role. Some also contended that, whilst BISP has now consolidated its operational procedures and administrative processes, these were not designed for rapid response and lack the required expertise and structures on the ground to enable this.

7.3 Promising analytical and planning initiatives

A number of analytical and planning initiatives underway in Pakistan offer useful insights on both potential ways forward and challenges for shock-responsive social protection. One is a research-action project that looks at the potential to 'pre-position' the NSER database for rapid identification of beneficiaries and delivery of benefits in the event of a disaster. This provides a good example of the positive potential for the piggybacking approach. The other initiative is planning for organisational capacity-building and enhanced collaboration between the DRM and social protection organisations in Punjab, informed by key findings from a broad-based assessment of the potential and challenges for shock-responsive social protection in the province commissioned by WFP.

7.3.1 An International Rescue Committee research action pilot for shock-responsive social protection in Sindh

From its experience in operating cash transfers in Pakistan, the IRC has identified beneficiary targeting, selection and registration as both the largest time driver for programme start-up in humanitarian situations and a significant cost-driver for programme delivery. Analysis from a previous IRC emergency cash transfer programme in Pakistan indicated that 43% of the IRC's project implementation time and 19% of its non-transfer costs went towards identifying and selecting beneficiaries, with an additional 37% of costs spent on support and coordination (IRC 2016).

IRC conducted a small pilot research project in Sindh province to explore methods of identifying and registering beneficiaries, with the aim of developing a scalable model for improving cost and time efficiency as well as user satisfaction and targeting accuracy. It compared community-based targeting (CBT) in some communities with the use of the NSER as a pre-positioned database (PPD) currently used to identify BISP beneficiaries in other communities (sample size 150 beneficiaries in five villages for each method). The pilot draws consciously on the OPM model for scaling up of an existing social protection system in the event of a covariate shock, drawing on the piggybacking option by using one administrative element of an existing programme—the NSER / BISP database—as an input into delivery of a separate emergency response programme (IRC 2016). Overall results suggest that the PPD approach results in a higher level of operational efficiency, with specific results as follows:

- J) **Time to deliver:** Delivery time was longer for the PPD approach (58 days) compared to the CBT approach (35 days). Moreover, if beneficiary information available from the NSER could be pre-positioned before an emergency, the piggybacking approach would be significantly more time efficient than community-based targeting. The PPD targeting approach could be administered in 16 days, more than twice as fast as CBT's 35 days. However, truly pre-positioning NSER beneficiary information would require advance partnership with both the national government to secure the data as well as with pre-identified local communities. This had not been the case in the pilot (IRC 2016).
- J) **Cost-efficiency:** The PPD approach was marginally cheaper than CBT, with a cost-transfer ratio of 1.78 for CBT and 1.71 for PPD. The administrative cost per household per month was \$51 for PPD and \$53 for CBT. The full cost calculations did not reveal a significant difference between the two methods (\$18,445 for CBT vs. \$17,708 for PPD). A portion of these costs were direct and support staff costs that the PPD approach incurred during the wait period for the data (approximately six out of the 10 weeks), which would be significantly lowered through true pre-positioning of the data (IRC 2016).
- J) **User experience:** Recipients of cash transfers for both approaches reported high levels of satisfaction (>95%) with all the various steps in the cash transfer process. As expected, the PPD approach consumed less community time. Using the reported average income in the pilot communities (approx. \$3.20/day), IRC estimates that the targeting process costs the community \$12.27 per beneficiary in lost income for the CBT approach as compared to \$4.20 per beneficiary for the pre-positioned database approach (IRC 2016).
- J) **Targeting accuracy:** The pilot did not find any differences between the methods. Both approaches selected approximately equal proportions of the poorest people (89% of beneficiaries for CBT vs 87% for the PPD). At the same time, results from a wealth index coupled with the individual vulnerability questionnaire administered during that pilot also found that about 85% of the sample population (recipients and non-recipients in both pilot communities) are in the lowest national wealth quintile, which makes a strong case for blanket (universal) targeting (IRC 2016).

Based on the findings above, IRC launched a third pilot incorporating the PPD targeting approach, digital data collection and beneficiary management platform to further reduce the cost and time to delivery for some 883 beneficiaries in 27 villages. Through this pilot, time to delivery was reduced even further to 19 days; beneficiaries expressed satisfaction with the system (though non-beneficiaries—among them those excluded from the project because they were not in the NSER database—expressed less satisfaction); and the burden on the community reduced to \$1.51 per beneficiary, suggesting that that the burden on the community per beneficiary declines with scale (IRC 2016).

IRC suggests that the third pilot demonstrates the benefits of piggybacking on an existing social protection mechanism combined with technology and the cost and time efficiency gains that may result from adopting this approach. Further plans to test the approach in the aftermath of a crisis (when other vulnerability criteria besides poverty need to be taken into account) were underway at the time of writing (IRC 2016).

7.3.2 Promoting linkages between emergency responses and social protection in Punjab

The PSPA is planning to test and promote systems for shock-responsive social protection, including cash transfers. While still in its early phase, PSPA has expressed interest in devising a pre-disaster mapping tool that could help quicken response time in a disaster. The PSPA hopes to conduct a pilot on a river belt in Punjab, with the aim to ease the burden on the government and to help identify individuals likely to be affected in a disaster, who could then be 'pre-registered' (with

an adapted Khidmat card and establishment of a bank account) for rapid transfers if disaster strikes. Coordination between social protection and disaster response would be strengthened through the decision of the Chief Minister that all emergency cash assistance—though dispersed through DRM mechanisms—must be approved by PSPA. This is in line with a World Bank supported disaster and climate resilience project in Punjab that includes development of a standard emergency cash transfer system in collaboration with the PDMA and PSPA (World Bank 2015a). The World Bank’s disaster and climate resilience project proposes that:

‘Moving forward, the PSPA may be supported to develop a standard system that can be used in collaboration with the PDMA for emergency cash transfers. The envisaged system will include: (a) beneficiary identification through the use of an objective and verifiable eligibility criteria that identifies poor and vulnerable using the National Socio-Economic Registry; (b) enrolment of beneficiaries through biometric verification; (c) payments using technological options for efficient delivery and reconciliation; (d) effective grievance management mechanisms to enhance credibility of programs and minimize exclusion errors; and (e) M&E, communications and beneficiary outreach.’ (World Bank 2015a, p. 30).

As plans move forward, key results of a recent WFP-funded assessment of shock-responsive social protection in Punjab will be important to consider (Villanueva, 2016):

- J **Institutionalisation of cash-based responses to emergencies is increasingly embedded in PDMA:** Both the WFP assessment and provincial stakeholders suggest that the PDMA remains the central implementing agency for disaster response in the province, and has been strengthening its capacity in this regard, with the greatest strides in post-disaster damage assessment and in the institutionalisation of a cash-based response through the KPIP. Within such an organisational context, the potential role of PSPA in shock-responsive social protection will need further discussion among partners at provincial level to more fully define roles and responsibilities.
- J **Complexities persist in potential link-up with BISP for shock-responsiveness:** Aside from political considerations for BISP in Punjab, the provincial government’s strategy for scaling up cash-based interventions during emergencies, based on the model above,

‘clearly leaves BISP out of the picture. In other words, right now it seems like there is no space left for piggybacking. ...Likewise, BISP does not seem to have taken any steps towards improving their outreach and administrative capacity to scale up in times of crisis in Punjab. (Villanueva, 2016, pp 15-16).

Delivery modes also differ significantly: while BISP provides its transfers through a special debit card, the PDMA, in its emergency cash assistance has switched from visa cards to branchless banking and payment orders / cheques. The latter has been found to be faster to issue for the banks, easier to cash out by the recipients, and to have lower administrative costs. ‘Hitherto, this seems to be the preferred system by the Punjab government, as both Kissan and KPIP compensation grants are being made through cheques’ (Villanueva, 2016, p.vi).

- J **But the updating of the NSER opens new possibilities:** Specific districts in Punjab are represented in the current pilot updating of the NSER, with the addition of indicators linked to agro-climatic zones as a proxy for climate-related vulnerability. Eventual piggybacking on the updated NSER at times of provincial disasters, used in conjunction with established damage assessment processes, could eventually strengthen efforts to ensure that the most vulnerable populations in affected areas—i.e. those least able to respond—would be covered by any post disaster cash assistance. Such a suggestion would be in line with the recommendation from WFP’s shock-responsive social protection review, as follows:

'The review of the existing cash transfers programmes in Punjab suggests that a more effective selection of beneficiaries would need to involve three main components: (i) a geographical selection of the most disaster-prone areas preparedness stage and most affected areas early response stage; (ii) the selection of the poorest and/or most affected households within these communities; (iii) community involvement in the validation of the beneficiaries' selection process community-based targeting' (Villanueva 2016, pg vi).

Box 4 summarises key recommendations from WFP's assessment of shock-responsive social protection in Punjab.

Box 4 Key recommendations for shock-responsive social protection in Punjab

-) **Technical support to PSPA** for i) developing an assessment system for the spatial identification of poverty at the lowest possible administrative level (poverty maps for rural and urban areas, considering migration patterns, which could be used for targeting); ii) identification of food insecure and hunger-prone households particularly amongst the bottom 40%; iii) selection of the most suitable modality to address the food insecurity e.g. through conditional and/or unconditional support and the use of the most appropriate support modality.
-) **Further analytical work on preparedness and mitigation** to identify links between social protection, humanitarian assistance and DRM within the provincial social protection policy and strategy including i) preparation activities for the roll out of cash transfers (KPIP) in provincial Disaster Management Plans; ii) cost simulations for different cash-based setups during emergencies in order to update the emergency response plans; calculation of the size of the transfer accompanied by rules for its revision based on the objective, local market prices and living standards; and iv) market assessments and price monitoring system to calculate and revise the living allowances.
-) **More integrated social protection / social assistance approaches:** social protection programmes should enhance people's capacities to cope with financial shocks, natural and man-made disasters and should aim at poverty prevention as well as support for the already poor. Complementary micro-insurance schemes could, for example, be useful in mitigating the impact of variable weather patterns and related disasters affecting crops, dairy farms and small-scale businesses. The Punjab Rural Support Programme might play an important role.
-) **Greater streamlining, complementarity and synergies with BISP and other social protection programmes.** Considerable obstacles need to be overcome to align social protection programmes with BISP for more effective impacts and potential for scaling up in times of emergencies. The updating of the NSER offers an opportunity for further collaboration and potential strengthening of shock responses in Punjab. Other programmes such as PBM and Zakat could be revamped to have a stronger emergency response focus as well as better targeting and delivery mechanisms.
-) **Capacity building of PDMA and DDMAs:** This should include (i) design of a long-term organisational development plan to strengthen PDMA's systems and human resources; ii) elaboration and review of the existing operation manuals, guidelines and procedures for emergency cash transfer programmes; iii) technical assistance, training, and hardware / software specifically for the PDMA; iv) design of efficient and effective targeting systems by building capacity among the district coordination officers; technical support to their data collection, grievance processes and grievance resolution efforts.

Source: Villanueva (2016)

7.4 Expanding, piggybacking, shadow alignment or refocusing?

The conceptual framework for our research invites us to consider five possibilities for adapting or scaling up social protection systems in response to covariate shocks. As depicted in the framework (Figure 1 in section 1), potential options are:

-) **Vertical expansion** (increasing the value or duration of a benefit for existing social protection beneficiaries);
-) **Horizontal expansion** (temporarily increasing the number of social protection beneficiaries in the event of a crisis);

- J **Piggybacking** (using an existing social programme's infrastructure to deliver a separate humanitarian response);
- J **Shadow alignment** (providing humanitarian assistance, parallel to and aligned with features of the social protection programme, but in such a way as informs the design of social protection); and
- J **Refocusing** (reprioritising existing resources on a social protection programme).

Based on our analysis of the enabling factors and constraints outlined above, and taking into account stakeholder feedback, the following are our findings for Pakistan.

7.4.1 Vertical expansion

There is some potential to top up transfers to existing BISP beneficiaries so that they could receive additional financial support in the aftermath of a disaster. The rationale is premised on the conceptual understanding that the poor (i.e. BISP's target group) are some of the least resilient in the face of disaster and likely to be in need of this additional support. Vertical expansion would leverage the existing systems of BISP, all of which function well (though currently, there has not been an assessment of the resilience of BISP systems in times of crisis, which would be a critical aspect to consider and 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 to be taken as an option in times of crisis, this would remove the need to establish parallel processes for targeting, enrolment or delivery of cash.

Three limitations or challenges to bear in mind, however, are the following:

- J **Alignment of the target population on emergency programmes with those on BISP:** BISP seeks to target the poorest households. The limitation, of course, is that BISP does not reach all poor households, whilst disasters affect others than the poorest so such an expansion would not fulfil all humanitarian needs. Furthermore, BISP targeting is based on household poverty data in the NSER which, though being updated, is now over six years old so no longer accurately represents the poor.
- J **Communication:** Any such top-ups would need to be carefully communicated to beneficiaries so they were aware of the additional funds. The lack of communication with beneficiaries in the previous vertical expansion of BISP during the flood response in Sindh reportedly increased opportunity for leakage.
- J **Political barriers to scaling up:** The politicised nature of BISP, and the challenges this creates at federal and provincial levels can create barriers preventing these top-ups from taking place. This has been the case in 2016 in Sindh, for example, when the provincial Government of Sindh wished to, and had the funding to, provide top-ups to BISP beneficiaries for shock response in the areas affected by the drought and malnutrition but the initiative was not approved at the federal level. Moreover, with PDMA's increasingly enacting their own cash-based responses to emergencies, and with BISP still functioning as a federal programme, political economy considerations might rule this out as an optimal solution.

7.4.2 Horizontal expansion

The enrolment of additional, vulnerable households into social assistance programmes on a temporary basis at times of disaster takes advantage of the existing systems of social protection programmes and has proven to be an efficient and effective measure for dealing with cyclical drought crises in Ethiopia. A similar approach is being piloted in Kenya. A possible benefit of such an expansion of BISP at times of disaster is that the programme could then include a wider cross

section of those affected by the disaster. Nevertheless, stakeholders agreed that horizontal expansion would be difficult in practice for a variety of reasons.

- J **Operational difficulties:** There would be the challenge of finding and enrolling non-BISP beneficiaries, especially in contexts of high migration, or displacement after a disaster. The existence of, and planned improvements to, the NSER could overcome some of this challenge, whilst there is also the possibility of 'pre-enrolling' vulnerable households as part of contingency planning as has been done as part of the Hunger Safety Net Programme in Kenya.
- J **Political obstacles:** At present BISP is designed for a clear purpose, and has clear targeting criteria associated with this²³. Earlier experiences in expanding either vertically or horizontally in the aftermath of specific shocks have not been carried forward. Stakeholders felt that horizontal expansion of BISP for the temporary inclusion of new caseloads during disaster times, which would require changes to the programme objective and targeting criteria, risked reducing the clarity of the objectives of the BISP programme, whilst it could also raise expectations of long-term support and subsequent disappointment among the temporary caseload. For these reasons, as well as the political economy factors outlined for vertical scale up, stakeholders felt that such an option would not generate political support.

7.4.3 Piggybacking

The most common suggestion put forward by stakeholders was the piggybacking model, i.e. the potential of leveraging some of BISP's administrative systems and processes to support shock-response, but through a separate emergency programme, independent of BISP. This is seen as a promising way forward since it would avoid the creation of parallel systems, taking advantage of the systems of BISP whilst maintaining the integrity and core focus of BISP as a long-term development programme. For example, the NSER database (despite its limitations) is still the strongest household data that exists in the country. The relationships with NADRA (for enrolment) and with the financial service providers (for payment) are strong and could be built upon. There are also the technical knowledge and procedures developed within BISP as an organisation. Such a model could be targeted beyond BISP beneficiaries to other disaster affected households included in the NSER. Attempts to do this, albeit in an ad hoc and informal manner, are already occurring in Pakistan.

To move forward with such a model, stakeholders explained that it would be important to determine the specific ways in which such systems would be used to support shock response, as well as to understand the limiting factors:

- J **Use of the NSER:** Stakeholders highlighted the NSER and the planned improvements to this social registry which could have greatest potential, supporting shock-responsive targeting. There are various ways in which the NSER could be used for targeting of a shock response, for example: i) the poverty scores could be utilised to 'pre-identify' a list of vulnerable households for support following a disaster; ii) the GPS coordinates of households, if overlain with the hazard vulnerability maps produced by the NDMA / PDMA maps could pre-identify vulnerable locations that will be a priority for shock response; or the NSER could be the source of the initial household list (both poor and non-poor) in an affected location, for further verification of disaster-specific vulnerabilities. These options could be used alone or in combination. Each has advantages and constraints, taking into account factors such as the partial but incomplete overlap of poverty and disaster risk, limitations of the NSER (exclusions from the database,

²³ It is worth pointing out that in the cases of the programmes in Kenya and Ethiopia, these have been explicitly designed with this dual objective of addressing vulnerability due to poverty and covariate shock.

data becoming outdated over time) and the lack of coordination between BISP and NDMA / PDMA.

- J) **Use of the payment system:** It will be important to consider how the payment system can be effectively used by non-BISP beneficiaries in disaster responses, taking into account factors such as the time required to enrol new caseloads, potential to pre-enrol caseloads, the requirement that a person will have to personally visit the ATM to get the payment, and the potential failure rate of the biometric technology.
- J) **Organisational coordination, mandates and political economy:** Whilst the systems upon which BISP is based offer potential for supporting shock response, BISP as an organisation does not have the mandate for DRM. Implementation of an emergency cash transfer programme that piggybacks on these systems does not need to rely on BISP as implementer of such a programme. Successful adoption of the piggybacking model requires clear clarification of roles and responsibilities for BISP, NADRA, NDMA / PDMA, non-governmental actors, and financial service providers, and establishment of effective coordination mechanisms including procedures for the two-way sharing of data.

Whilst BISP are supportive of leveraging their systems to support piggybacking, they note that political economy factors will again play a part here. The trend to establish the NSER as an independent entity outside of BISP may remove some of these political barriers to the broader utilisation of the NSER federally and provincially. The national social protection policy framework aims, among other things, to establish a national unified socio-economic registry with mechanisms for unified targeting and registration, validation, recertification, and updating, with requirements for all beneficiaries to have a CNIC. This could strengthen such piggybacking approaches.

7.4.4 Shadow alignment

Shadow alignment refers to a situation when, in the absence of strong government leadership, a separate humanitarian intervention is designed to have some of the characteristics of a long-term social protection intervention, mostly in order to facilitate subsequent integration at a future date. It is therefore not an appropriate option for shock-responsive social protection in Pakistan, given the presence of an existing social protection programme that is already mature enough to facilitate piggybacking, vertical or horizontal expansion.

7.4.5 Refocusing

Globally, this approach has been used primarily in the context of macroeconomic shocks and is more of a progressive austerity measure. During the Triple F Crisis, for example, many governments chose to ring-fence public expenditures on social assistance to ensure that the most vulnerable were not disproportionately affected. In the case of Pakistan, however, from the perspective of shock-responsive social protection, this model would not be applicable, as the government would not, for example, want to pull resources from BISP payments in one locality to give more to another locality affected by a disaster. Therefore, this would not be a suitable option and is not included in Table 9, which summarises the opportunities and challenges for the other shock-responsive social protection options.

It may be that different options could be used in different combinations or in different provinces; this was not fully explored in our discussions with stakeholders.

Table 9 Shock-responsive social protection options in Pakistan

Option	Opportunities	Challenges
Vertical expansion	<ul style="list-style-type: none">) Quick access to a pre-defined caseload) Uses existing BISP administrative systems and processes) Clear lines of coordination—all operations stay within the parameters of the existing BISP) Builds on existing implementation capacity within BISP 	<ul style="list-style-type: none">) BISP does not include all the poor (excludes those that are missing from the NSER; those who are poor but without married women and CNIC; and any household that has become poor since 2011)) There is not complete overlap between the poor and those affected by disasters – BISP doesn't include those who are non-poor but vulnerable to these shocks) Political economy and organisational coordination factors can also present real barriers to the effective execution of this) Requires effective communication with BISP beneficiary households) Requires additional financial resources
Horizontal expansion	<ul style="list-style-type: none">) Builds on existing BISP administrative systems and processes) Reaches a broader spectrum of the disaster-affected households than vertical expansion alone 	<ul style="list-style-type: none">) Difficulties in rapidly targeting a new caseload—requires communicating with, locating, verifying and enrolling non-BISP beneficiary households. Some of these constraints could possibly be reduced through pre-enrolling vulnerable households as part of contingency planning) Requires establishing criteria guiding the temporary inclusion of new caseloads into BISP during disaster times and their subsequent exit) Could risk reducing the clarity of (and therefore the legitimacy of) the objectives of the BISP programme) Could face challenges when it comes to exiting the temporary caseload from the programme) For the above reasons, lack of political support) Would also require additional resources and implementation capacity, depending on how broad the expansion
Piggybacking	<ul style="list-style-type: none">) Leverages BISP's existing administrative systems to reach affected caseloads (BISP beneficiary, or non-beneficiary) but as a parallel programme, avoiding difficulties associated with horizontal or vertical expansion. 	<ul style="list-style-type: none">) Limitations of using NSER data for targeting assistance: the registry does not include every household; poverty status will become out dated over time; contact details (and GPS) also risk becoming out of date especially in areas with high levels of migration. Need to consider precisely how this data will be made use of for targeting emergency assistance) Political economy factors and lack of organisational processes may present barriers to effective data sharing

Source: OPM

7.4.6 Achieving broader systemic synergies

The potential for greater coordination between emergency cash-based responses and the BISP lies mainly in the fact that both make use of many of the same operational mechanisms or organisations (NADRA, for example, for its CNIC database and registration capacity; banking structures for delivery, etc.). There is potential for lessons learned and innovations within the DRM sector to feed into the design and operations of cash-based social assistance. However, to date, lessons from emergency cash transfer programmes do not appear to have informed or been fed

into BISP. Also left out of the picture are the other social protection programmes (such as Zakat and PBM) which do not use these same structures.

For optimal effectiveness, Pakistan would need stronger coordination mechanisms, both internally (within the social protection and DRM sectors) and between the two sectors so that the required positive synergies could be achieved. Stronger inter-sectoral coordination would, in particular, be needed to foster joint planning exercises, share lessons learned on design and implementation features, and build joint capacity for key actors in the social protection and DRM sectors.

Beyond a move towards more links and synergies through specific social protection programmes and their delivery systems, there is the question of overall coordination and/or synergising that would be required between the DRM and social protection sectors and organisations. Significant potential exists to enhance coordination between these sectors, not only during response but throughout the DRM cycle. Many existing activities of DRM actors are very relevant to the requirements for shock-responsive social protection, while social protection itself in its fullest form includes dimensions of prevention, protection, and promotion in line with the DRM cycle.

However, our analysis suggests (and most stakeholders contend) that the sectors continue to operate more or less in siloes, and that some sort of overarching coordination mechanism and defined ways of working would be needed to more fully achieve these positive synergies. Table 10 highlights some potential convergences.

Table 10 Potential synergies between DRM and social protection

DRM cycle phases	DRM activities	Relevance to shock-responsive social protection
Preparedness	<ul style="list-style-type: none">) Hazard mapping, risk and vulnerability assessments) Contingency planning, pre-positioning of information and communication tools) Prepositioning supplies and developing contingency funds) Development of implementation procedures in advance of a disaster) Investment in early warning systems 	<ul style="list-style-type: none">) Bringing a disaster vulnerability lens to inform the NSER, and/or application of the NSER data for shock-responsive social protection) Developing communication materials on the planned shock-responsive social protection component (e.g. explaining the top-up in the case of vertical expansion). Information could be distributed to communities through DDMA's.) Actions to pre-position contingency finance for use in shock-responsive social protection) Developing procedures for implementing responses through the social protection system as part of preparedness) Establishing events and thresholds for activation of the 'preparatory stages' needed to mobilise shock-responsive social protection
Response	<ul style="list-style-type: none">) Investment in early warning systems to aid in response) Post disaster needs assessments) Development of standard implementation procedures 	<ul style="list-style-type: none">) Establishing trigger indicators for implementation of shock-responsive social protection) Using results of the assessments to inform targeting of shock-responsive social protection) Standardising procedures for response through the social protection system or programmes
Recovery / reconstruction	<ul style="list-style-type: none">) Livelihood and development support 	<ul style="list-style-type: none">) Providing livelihood grants and other 'promotional' measures to most vulnerable affected households through social protection) Coordinating between DRM, social protection and development stakeholders on reconstruction programmes and resilience-building initiatives

Source: Authors

Some stakeholders suggest that the Council of Common Interests (CCI)—the constitutionally-mandated the body dealing with issues common to both federal and provincial governments—may be a potential platform for coordination between social protection and disaster management at the highest levels. Others feel that the NDMC, as the apex forum for DRM, would be a more pragmatic body for this purpose. Key NDMC decision-makers meet twice a year to review the DRM situation and the state of preparedness, with the agenda usually set by NDMA; social protection issues and shock-responsive social protection matters could therefore usefully be included and discussed within such a forum.

8 Conclusions and recommendations

8.1 Key contextual findings

8.1.1 High vulnerability to shocks and multidimensional poverty

We have seen that households in Pakistan—as everywhere—are vulnerable to varied shocks, both idiosyncratic and covariate. The risk of covariate shocks is particularly high as the country is prone to natural hazards, the degree of exposure and vulnerability to which varies by province / district and is exacerbated by population growth, rapid urbanisation, environmental degradation and shifting climatic patterns. On average, about 3 million people a year (out of a population of 180 million) are affected by natural catastrophes. While income-based poverty dropped from an estimated 64% to 30% of the population between 2000/01 and 2013/14, multidimensional poverty as measured by deprivation in education, health, and standard of living affects well over a third (39%) of the population (2014/15). Both measures of poverty are characterised by significant disparities across locations.

8.1.2 Current efforts to strengthen and consolidate the social protection system

The crucial observation regarding governance arrangements is that in Pakistan's devolved system of governance (since 2010), both social protection and DRM are primarily the responsibility of provincial governments. Social protection as a sector remains, for the most part, poorly defined and coordinated, characterised by discrete programmes with much overlap and dispersal of effort. With the exception of BISP, there is a lack of clarity or consistency in administrative procedures. At national level, the Planning Commission has developed a draft policy framework aimed at strengthening social protection as a system and clarifying responsibilities between federal and provincial levels. Both programme implementation and system consolidation face varying levels of capacity gaps in many provinces.

Social assistance provided through Zakat and PBM, the two largest programmes before the initiation of BISP, have weak targeting of the poor, low coverage and low benefit levels. Social insurance mechanisms reach formal sector workers only, leaving vast numbers of informal workers uncovered and health insurance has lagged behind other initiatives.

The national policy framework currently being reviewed for formal adoption and some emerging provincial policies recognise a role for social protection in disaster response and protection against covariate risks; however, aside from a few pilot initiatives, there has been limited movement forward on this. The current focus on establishment of more effective implementation processes and a more integrated social protection systems to respond to issues of chronic poverty, vulnerability and idiosyncratic shocks will allow social protection in Pakistan to mature to the extent that it can begin to develop more standardised operating procedures to contribute to responses to covariate shocks. In the current environment, and with the strengthening DRM sector, the social protections sector per se (under the coordination by the Planning Commission) would probably not be in a position to take a lead, though BISP as an individual programme with mature and solid operating procedures offers significant scope for adaptation.

8.1.3 Solidification and expansion of the Benazir Income Support Programme as the flagship social safety net

While BISP, which is a federal programme, has faced some political and bureaucratic resistance in line with the devolution of authority for social protection to the provinces, it has nevertheless evolved rapidly into the largest single cash transfer programme in Pakistan's history. Between

2009 and 2016, beneficiaries have increased from 1.7 million to around 5.3 million. The poverty scorecard targeting through NSER is considered to be the first objective targeting mechanism in the country and evaluations show that operational systems are strong. The planned update of the NSER and prospective inclusion of additional geographic-based vulnerability indicators in the PMT, could strengthen its effectiveness. While the e-payment system through the debit card is the most common delivery mechanism, plans to replace this with cardless biometric payments will have an impact, potentially reducing fraud but also risking limiting access to cash for beneficiaries that are unable to reach the pay point. The risk of limited access for particular groups (e.g. persons with disabilities) can be mitigated by adopting a policy of caregivers or nominees who can withdraw cash transfers on behalf of the beneficiary. However, these should be exceptions based on verification of inability to reach the pay point.

8.1.4 Reinforcement and consolidation of the disaster risk management system

The DRM sector is being reinforced and consolidated. The earthquake of 2005 highlighted the need to come up with a comprehensive legal and policy framework for addressing the whole spectrum of DRM. An Act of Parliament (2010) provides for the mainstreaming of DRM in development plans, policies and initiatives. Significant capacity gaps remain at national, provincial and district levels, and the bulk of attention and resource allocation is on post-disaster response. Nevertheless, considerable technical and coordination capacity has been built during the last decade owing to exposure to a number of disasters. The DRM system is supported by a vibrant network of civil society and NGOs, though both national and international NGOs report restricted space for humanitarian operations, particularly in areas marked by conflict and displacement. UN OCHA has a permanent presence and the humanitarian clusters have responded on a number of occasions in response to large scale disasters.

8.1.5 Significant experience in cash-based responses in emergencies

We noted in section 5 Pakistan's rich history of cash transfers in emergency relief and recovery operations since 2005, and particularly from the CDCP after the 2010 floods. In the context of devolution, the provincial Government of Punjab has developed its own cash-based flood response programme, the KPIP, and other cash transfer programmes supporting those displaced due to conflict in 2009. NADRA has served a critical function in a number these programmes, including as direct programme implementer. NGOs and humanitarian agencies have also been involved. government approaches have become increasingly sophisticated and robust operational and delivery systems have developed. There is growing consensus on the need for permanent organisational preparedness and oversight but no guidelines or policy frameworks to support such initiatives nationally.

8.1.6 Absence of coordination structures between social protection and disaster risk management

There are no specific coordination mechanisms linking the social protection and DRM systems at federal or provincial level, and these function largely in separate organisational siloes. Experiences in disaster response remain primarily within the DRM sector and have not been considered to be 'social protection', even though the cash-based modality is common to both and DRM is classified as a subset of social protection in the government budget.

8.1.7 Low priority for social protection and disaster risk management in the government budget

The budget analysis indicates a need for expanding fiscal space and increasing budget allocations for both social protection and DRM, though support for BISP from both government and donors

has been risking. Unresolved issues related to the distribution of resources to the provinces that are holding back the benefits of devolution also need to be resolved. The mandated disaster management funds for emergency preparedness, response, mitigation, relief and reconstruction at federal and provincial levels have not yet been established or capitalised regularly to accumulate a buffer of resources to deal effectively with disasters at all phases of the DRM cycle. A comprehensive national disaster risk financing strategy to accompany the overall disaster management plan and risk reduction policy in Pakistan would also help clarify the use of financial and budgetary instruments to finance post-disaster expenditures.

8.2 Findings and recommendations on the Benazir Income Support Programme as a platform for shock-responsive social protection

The social protection system is evolving, and continues to operate within a dispersed organisational framework, both informal networks and formal institutions. Formal mechanisms include programmes by federal and, since devolution, also provincial governments for social assistance or safety nets (cash transfers, educational or medical stipends, and food support), along with other *ad hoc* and small scale programmes and policies for social insurance and social care services. Within this context, it is BISP (and, specifically, the operational and organisational systems and processes through which BISP operates) which presents the greatest opportunities for shock-responsive social protection in Pakistan.

Features of BISP that could facilitate response to disasters include:

-) national coverage and a large existing caseload of some (but not all) of the poorest households in the country, who can also be considered some (but not all) of those who are vulnerable to disasters;
-) the NSER—a database of the majority of households in the country, ranked by poverty, for rapid identification of caseloads (soon to be updated and to take into account hazard vulnerability);
-) an effective e-payment system; and
-) strong linkages with other organisations—both NADRA and the payment service providers—that could be leveraged to support a shock response.

Taking into account the findings of this research and the views of all stakeholders, we conclude that it is the piggybacking model, through which the underlying systems of BISP are leveraged to help deliver a separate emergency response programme, rather than modifications to the BISP cash transfer programme, which offers greatest potential for supporting shock response.

Nevertheless, considerations for shock-responsive social protection will need to take into account the issues and challenges identified in this research, some of which may prove insuperable in certain circumstances. As with all types of cash-based assistance in emergencies, any shock response linked to BISP or BISP platforms must be based on the necessary assessments and analyses to verify that markets are functioning and that it is indeed a feasible and appropriate response. Future assessments should specifically focus on the resilience of BISP's core systems in times of crisis and, if needed, suggest measures to further strengthen their resilience.

The remainder of this section highlights some of the key issues to consider. Developing shock-responsive social protection in Pakistan may be an appropriate response option to consider, but it will not remove the need for standalone humanitarian assistance. Rather, it should be considered as one of several options.

8.2.1 Issues with programme design and implementation

Targeting

Building on existing national mechanisms for targeting, through use of the NSER, is sensible. However, the precise way—or ways—in which the NSER can support targeting, and the limitations of using the NSER for this purpose, must be acknowledged and addressed in any strategy. Using the NSER as a basis for shock response must take into account that the database does not include records for every household. If the poverty scores included in the registry are to inform the targeting of a shock response (i.e. based on the conceptual understanding that the poor, or near-poor, will be adversely affected by a disaster) it must be remembered that the PMT as an instrument may generate inclusion and exclusion errors, and that this data will become increasingly inaccurate as years go by (even taking into account efforts to make the registry more dynamic), as poverty is dynamic and marked by significant churning and fluctuation.

One promising approach that should be further explored is the possibility of overlaying GPS coordinates for households, collected as part of the forthcoming household survey for the new NSER, with the hazard vulnerability maps of the PDMAs. Recording such information in the NSER and (ideally) assigning households a hazard vulnerability score on this basis, would be a huge help for preparedness planning for future disasters. It could make it possible to pre-register households in the most vulnerable areas for assistance. 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 NSER records identify households for further assessment of their vulnerability. The NSER survey implementation is due to begin in May 2017 and the new NSER will be finalised by March 2018. Therefore, there is a window of opportunity to develop this idea with the relevant stakeholders and to seek approval. This will require coordination between BISP, NDMA, PDMA and donors supporting the NSER update and institutionalisation.

Since the NSER does not include every household, it will be necessary to develop contingency plans, to support those who are excluded from the list through other means. Any data sharing agreements should also be based on the two-way sharing of data, to maintain the accuracy and relevance of the NSER.

Payment delivery

Thought must be given to how well the electronic payment systems used for BISP will function post disaster, the capacity of the financial service providers to deliver at the scale and frequency required, and whether affected communities will have access to ATMs post disaster. Ascertaining interest from and discussing these issues with financial service providers, with a view to developing framework agreements and contingency measures as part of preparedness, would be useful.

Setting the transfer value

If an emergency cash transfer programme linked to BISP or its underlying mechanisms is to be developed and institutionalised (especially one that is to enable immediate scale up based on triggers) it will be necessary to define which humanitarian needs such a programme will aim to meet. For example, cash assistance is commonly used to meet food and basic needs following a disaster, but is also increasingly being used to address other needs such as shelter, or livelihoods recovery. This will require engagement with the clusters responsible (both from the government and the HCT side), and with the CWG. Whilst precise transfer values will depend on the scale of the disaster and needs to be met, it may be prudent to also consider this as part of preparedness planning so that values can easily be computed post-disaster. One decision will be whether or not such values should be harmonised between provinces.

8.2.2 Issues with political economy and organisational coordination

Political economy

The politicised nature of BISP has created previous barriers to the vertical scaling up of BISP at the provincial level, and to the sharing and utilisation of the NSER. Furthermore, some provinces are developing their own cash transfer programmes for disaster response for the same reason, and may also be reluctant to use BISP's processes and systems. It will be important for plans to be carefully articulated as being independent from BISP as a programme or an institution, and without political branding. Establishing the NSER as an independent entity outside BISP will help.

Organisational coordination

Any plans, by government or non-governmental actors, to design and implement a cash-based response programme building on the NSER or on BISP's payment procedures would require that roles and responsibilities are clearly delineated and clear mechanisms to ensure coordination between BISP, BISP's partners, PDMAs and the wider humanitarian system. There is currently no coordination structure that brings these parties together effectively. Taking into account the federalised structure in Pakistan, perhaps the most relevant organisation for establishing such a coordination mechanism would be the PDMAs (under the direction of NDMA and ultimately governed by the NDMC), however the option for INGOs and UN agencies to leverage these systems directly should also be considered.

Defining the ways in which BISP, as an organisation, can best support development of shock-responsive social protection that is implemented by DRM and humanitarian organisations, will be important. Stakeholders identified three ways in which BISP could be positioned to support shock response:

-)] As a service provider platform, providing access to systems such as the NSER, or channelling humanitarian funds through the BISP payment channels (and perhaps levying a fee to the implementing agency accordingly).
-)] As a technical adviser, providing advice and recommendations to provincial governments and humanitarian agencies on setting up and implementing emergency safety nets. This could be developed as a dedicated knowledge sharing function of BISP, with associated procedures for cost recovery.
-)] As facilitator, or convenor, supporting the institutionalisation of data sharing protocols, or introductions to financial service providers for developing independent contracts.

8.3 Findings and recommendations on enhanced synergies and stronger coordination for social protection, disaster risk management and humanitarian systems

Our analysis has shown that intersectoral coordination remains one of the key challenges for shock-responsive social protection in Pakistan. Coordination structures within the social protection and DRM sectors are weak—particularly in the context of devolution where responsibilities are increasingly attributed to the provinces and coordination between federal and provincial levels needs to be strengthened. Intersectoral coordination mechanisms seem virtually non-existent, but the potential for achieving greater synergies and coordination exists on different levels.

8.3.1 Policy level

Both the emerging national social protection policy framework and provincial frameworks recognise disaster-affected populations as a target group for social protection, and the budget classification

system actually identifies DRM as a sub-function of social protection. 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 and promotion / protection. 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 could be developed to strengthen specific synergies and collaboration (for example, around the use of the NSER database by other actors) or to guide organisational actors at provincial levels.

8.3.2 Organisational level

Organisational mandates for social protection and DRM involve a variety of actors and partnership frameworks, some stronger or more effective than others, but all evolving. While much work is still needed to strengthen internal coordination within each sector, stakeholders have suggested the need to create an overarching coordination structure to link the two. This could start—for pragmatic reasons—around cash-based responses in emergencies, as considerable experience exists and an (as yet unimplemented) action plan for early recovery in future disasters through cash transfers offers useful guidance to organisational actors that could be reviewed and adapted. Joint workshops, planning exercises, and consultations could be convened to draw organisational actors together with partners; partnership networks themselves could be strengthened around shock-responsive social protection as a specific concern within both social protection and DRM.

8.3.3 Operational level

As seen above, at the operational level of programme design and implementation there is clear potential to strengthen synergies between social protection and DRM in order to achieve greater impact in disaster response (see section 7). Of the different approaches examined (vertical or horizontal expansion; piggybacking, shadow alignment or refocusing), piggybacking seems to be the most promising way forward, as it avoids many of the political economy and programme design constraints that have been outlined. Current pilot studies exploring various ways this could be done (for example in repositioning the NSER database) provide considerable substance for reflection on the way forward; such experiences should be replicated in different forms and at different levels. However, optimisation of such an approach would require stronger intersectoral coordination to foster joint planning exercises, share lessons learned on design and implementation features, and build joint capacity for key actors in the social protection and DRM / humanitarian sectors.

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Annex B Detailed methodology

B.1 Approach to the research

The overall research combines both quantitative and qualitative data gathered through a combination of desk-based research (literature review and interviews) and six country case studies, three in-depth and three light ones (document review, consultations with key informants and stakeholders). In-depth case studies provide detailed information gathered over at least three in-country research periods, accompanied by regular consultations and interactions with key stakeholders in-between the missions. The light case studies analyse information relevant to the main research questions, but during just one in-country research period and focusing on specific aspects particularly interesting to examine (such as an effective DRM system, a successful experience in piggybacking, or multiple regional initiatives aimed to deliver effective shock responses). The research has three main components: normative, diagnostic and explanatory:

1. **Normative:** this component ensured key terminology and concepts were clarified leading to consistency across the project e.g. on the objectives of social protection and key enabling factors and constraints as identified by the literature. Some of this was completed during the literature review and inception phase consultations. The aim was to identify what qualifies as a shock-responsive social protection policy and system, their properties and the links to humanitarian interventions.
2. **Diagnostic:** this component mapped out social protection policies and systems and considered their (actual and potential) degree of responsiveness in the context of different shocks. It also provided descriptive analysis of broader processes that influence that effectiveness, such as political considerations, the budget process and the legislative framework.
3. **Explanatory:** this component addressed the question 'why'? It examined the factors underlying the patterns and results highlighted at the diagnostic stage. Its objective was to provide information on the reasons why policy and systems have evolved and performed as outlined. Factors considered include: policy design and implementation details, administrative / operational capacity, political economy variables and financing sources and arrangements. The analysis was applied to both social protection policies, systems and to the coordination or integration (and/or lack thereof) between social protection and humanitarian shock response.

B.2 Analytical tools

Answering the research questions required the application of a broad set of analytical tools covering different themes and pursuing different objectives. These are:

1. **Mapping and analysis of stakeholders, power relations and governance:** This set of tools analyses the people and organisations who are—or might be—involved in contributing to a shock-responsive social protection system; their mandates, interest and influence, the way they organise themselves and their capacities. It consists of stakeholder analysis, institutional analysis and organisational capacity assessments.
2. **Vulnerability / poverty analysis:** This involved creating a 'risk and vulnerability profile' for each country, drawing on secondary quantitative and qualitative data from a range of reputable sources.
3. **Mapping and analysis of policies and systems for social protection, humanitarian assistance and DRM:** This involved reviewing and updating existing mappings and collecting information relating to the design of relevant policies and systems and the features of policy delivery. Following the mapping exercises, policy analysis was conducted to review explanatory factors.
4. **Budget / financial analysis:** This involved review of the macroeconomic environment and medium term outlook of key economic indicators; review of budgetary processes and rules for allocation of budgets, their use and reallocation within and across sectors or administrative entities; analysis of sources and levels of expenditure allocated to social protection, DRM, humanitarian response, and (if relevant) climate change; and financial analysis of specific social protection, DRR / DRM, or humanitarian response programmes or interventions.

Our approach paid attention to issues of conflict and fragility and their impact on the development and implementation of policies and systems that can respond to shocks. This has been linked to the questions explored under analytical tools such as the vulnerability analysis and financial analysis, since conflict and fragility may have a bearing on topics such as the assessment and mitigation of risk and issues surrounding funding cycles.

B.3 Overview of stakeholder consultations in Pakistan

Our team conducted interviews with 85 key informants during three missions to Pakistan (Table 11). We also had a national stakeholder workshop drawing together 24 key stakeholders.

Table 11 Summary of key informant interviews

Type	No. interviewed	Internat.	Organisations	
			National	Provincial
Government (except BISP)	18		<ul style="list-style-type: none"> ✓ CDCP unit (former member) ✓ NADRA ✓ NDMA ✓ Planning Commission (8 total)	Punjab <ul style="list-style-type: none"> ✓ PDMA and PSPA Sindh <ul style="list-style-type: none"> ✓ PDMA ✓ Planning & Dev. Dept. ✓ Social Welfare Dept (10 total)
BISP	7		5	<ul style="list-style-type: none"> ✓ Punjab ✓ Sindh (2 total)
Multilateral development partners	28		<ul style="list-style-type: none"> ✓ Asian Development Bank ✓ ECHO ✓ ILO ✓ OCHA ✓ UNICEF ✓ UNDP ✓ WFP ✓ World Bank (24 total)	<ul style="list-style-type: none"> ✓ UNICEF Punjab ✓ WFP Punjab (4 total)
Bilateral	7		<ul style="list-style-type: none"> ✓ DFID ✓ GIZ (7 total)	
NGO / civil society organisation	17	<ul style="list-style-type: none"> ✓ IRC (2 total)	<ul style="list-style-type: none"> ✓ Action Against Hunger ✓ CARE ✓ Doaba Foundation ✓ Health and Nutrition Dev. Soc ✓ IRC ✓ National Humanitarian Network ✓ Oxfam ✓ Paiman ✓ Pakistan Humanitarian Forum ✓ Save the Children ✓ Strengthening Particip. Org. (15 total)	
Private sector	2		<ul style="list-style-type: none"> ✓ Bank Alfalah, Islamabad ✓ Petroleum company 	
Policy / research organisations	7	<ul style="list-style-type: none"> ✓ OPM (1 total)	<ul style="list-style-type: none"> ✓ OPM (3 total)	<ul style="list-style-type: none"> ✓ OPM Punjab ✓ Collective for Social Science Research, Sindh (3 total)
Total	86	3	63	19

Annex C Characteristics of key natural hazards in Pakistan

Type of disaster	Current Status
Floods	<p>Occur normally due to tropical monsoon depression systems that originate from the Bay of Bengal during the monsoon season from July to September</p> <p><u>Riverine floods</u> are concentrated in the Indus River basin and inundate floodplains along major rivers. They are most severe in Punjab and Sindh provinces, where have recently caused serious damages almost yearly</p> <p><u>Flash floods</u> prevail in Baluchistan, KPK, and the Northern areas and are caused by localized convective rainfall or cloudbursts over small to medium basins in hilly terrains and along the foot of mountains and hills. They can severely damage farmlands and livestock and impact urban centres along the foot of mountains and hills</p> <p><u>Coastal Floods</u> harm low lying areas along coasts by cyclones, storm surges and local downpours</p>
Cyclone with Storm Surge	Hit Pakistan once every 4-5 years causing coastal floods. Sindh and Balochistan are particularly vulnerable
Earthquake and Tsunami	<p>The tectonic fault line between the Eurasia and Indian Plate runs vertically, straight through the centre of Pakistan. Areas in Pakistan most at risk for earthquakes are the Northern provinces and west of the River Indus in central-western Pakistan</p> <p>The most recent devastating earthquake took place in 2005. Small and frequent earthquakes also cause considerable damage due to the low quality and weak quake resilience of buildings (e.g., mud houses)</p>
Drought	<p>Pakistan is characterised by low rainfall, extreme temperature variations and as much as 60 per cent of the country is classified as semi-arid to arid (particularly in Balochistan, Sindh and the southern part of Punjab). The most susceptible regions experience a drought lasting over 2 or 3 years from each decade</p> <p>The last most severe drought lasted from end of 1999 to 2003 and affected more than 3.3 million people in the Baluchistan and Sindh provinces</p>

Source: NDMA (2012a) and Larsen et al (2014)

Annex D Social protection policy and institutional context

D.1 Selected elements of the National Social Protection Framework (NSPF) under adoption in Pakistan

Vision: The Government of Pakistan envisages a society that guarantees a good quality life for all, where each able-bodied individual is fully empowered and able to contribute to his personal, social and economic development as well as for the nation.

Mission: The mission of instituting social protection is to ensure that by year 2025, all Pakistanis have a livelihood that enables them to enjoy quality life free from insecurity and vulnerability, and where needed, suitable social protection interventions protect them from falling below a socially acceptable living standard.

Goal: The goal of the NSPF is to provide guidance to all public and private sector actors involved in funding, planning and/or providing social protection services in Pakistan. It aims to enhance the coordination of social protection interventions for ensuring effective implementation and impact of these initiatives.

Definition of social protection

Social protection is the set of provisions in terms of policies, interventions, systems, benefits and guarantees that aim at ensuring a minimum and stable living standard for the poor and vulnerable as a right. It prioritises those most in need, enabling them to cope with the risks while building their capacity to participate and benefit from available opportunities to exit poverty, mitigate vulnerability or aim at preventing the vulnerable from falling into poverty.

Objectives of social protection

-) Enabling the poor to exit poverty;
-) Preventing the vulnerable from falling into poverty in face of income / consumption decline due to shocks;
-) Building capacity and adaptability to ensure better quality of life;
-) Expanding opportunities for income expansion in the long term; and
-) Sustaining minimum standard of living in spite of exposure to risks

Objectives of the NSPF

-) Specify roles of various tiers of government (federal, provincial, Special Areas and district governments) and create partnership with non-government providers
-) Integrate social protection initiatives to reduce fragmentation, avoid duplication, build synergies and address gaps
-) Prioritise target groups through legislation, policy and financing
-) Establish institutions where required, specify roles and areas of responsibility
-) Establish a national unified socio-economic registry with mechanisms for validation, recertification, and updating
-) Establish monitoring and reporting system for ensuring transparency and effective implementation

Pillars of the NSPF

-) Minimum living standard
-) Set of vulnerabilities that may lead to poverty
-) A national database registry of the vulnerable
-) The legal, regulatory and institutional arrangement
-) Targeting mechanism
-) Grievance redressal arrangement
-) Inclusion criteria and graduation
-) Integrated results based monitoring and evaluation framework
-) Financing and resource allocation

Vulnerable (target) groups

-) The poor, living below a minimum household consumption threshold or assets
-) Children and orphans below the age of 14 years, belonging to poor households
-) Homeless children
-) Children up to the age of 14 in labour force

-] The disabled (as defined in the policy for the disabled)
-] Poor, elderly women having no means of permanent income
-] Unemployed men and women belonging to poor household looking for a job
-] The chronically poor, especially women-headed households
-] Women belonging to poor and vulnerable households
-] Retired and senior citizens
-] Bonded labour
-] Transgender persons
-] Religious minorities
-] Victims of disasters, internal conflicts and internally displaced persons
-] Rural poor
-] Informal sector workers
-] Indigenous people

Types of SP initiatives

(i) Social Assistance

-] Safety nets for the vulnerable and those most at risk for food security and basic needs
-] Targeted subsidies provided to the poor and vulnerable
-] Provision of facilities for the poor and vulnerable such as crisis centres, *dar-ul-amans* (shelter homes for women), orphanages, etc.

(ii) Social Security

-] Pensions and retirement funds
-] Adopting life cycle approach for provision of support services and facilities for health education, growth monitoring, education and skill development, health care and other necessary support for the vulnerable
-] Unemployment benefits
-] Insurance schemes for the poor
-] Leave benefits for pregnant mothers, expectant fathers and medical leave

(iii) Labour Market Interventions

-] Promote employability through provision of skills / vocational / other training, job placement, counselling etc.
-] Productive asset transfers for the poor such as livestock, land, equipment and tool kits for enterprises
-] Graduation programmes aimed at assisting the poor from transiting out of poverty
-] Targeted access to subsidised finance.
-] Public works programmes for employment generation targeted at the poor
-] Measures to protect the extremely vulnerable from harm such as bonded labour, child labourers, orphans, etc.

(iv) Natural & other disasters

-] Support for mitigating the impact of events such as natural disasters such as floods, earthquake, drought, etc.
-] Support provided to those who are internally displaced as a result of security and other issues
-] Assistance provided to poor households to build their resilience to climate change and mitigate environmental risks

(v) Basic services for the poor

-] Provision of basic services of education and health to the poorest who are otherwise unable to afford these services
-] Expenditure on those types of infrastructure schemes especially targeted at assisting the poorest and most vulnerable such as water, sanitation, etc.
-] Low cost housing

(vi) Transformative Measures

-] Laws, policies and other measures to uphold and protect women and girls from gender based violence, protection of children from early marriage, ensuring that right to education and health care is properly supported through a legal framework
-] Measures to protect the extremely vulnerable from harm such as bonded labour, child labour, orphans, etc.
-] Legal measures to protect land rights, inheritance rights, water rights, etc., and have a supportive and enabling environment to protect the basic rights of people

Source: Planning Commission (2016)

D.2 Details on social protection programmes, by type

Programme	Institutional setting	Key domains	Target populations	Characteristics
Social assistance (safety nets)				
BISP (2008)	Acts as Federal Autonomous Authority under the Prime Minister's Secretariat. Vertical Programme through an organisational infrastructure down to sub-district (Tehsil) level	Monthly unconditional cash transfers (currently PKR 4,700 per quarter per beneficiary) with one co-responsibility / conditional programme Waseela e Taleem linked to education	PMT targeting through NSER and poverty score card. Currently (2016) 5.3 million beneficiaries, with annual disbursement of PKR 102 billion in FY 2016 (Pak Ec. Survey 2015/15)	National non-contributory social assistance programme established under an Act of Parliament, setting up a social platform for the poor and vulnerable through the concept of 'targeted subsidies'
Zakat (1980)	Zakat Council formerly under Ministry of Religious Affairs, Zakat and Ushr; now devolved to provinces; though still may be federally financed. Coordinated by provincial Zakat committees, and locally implemented through district and local Zakat committees	Grants to social welfare organisations (25%) and individuals (75%); the latter mainly cash to poor households (<i>Guzara</i> monthly allowance of PKR 500 for up to six months); educational stipends to poor students; health care support for poor patients, marriage and Eid grants; Zakat is also used to help the needy in disasters	Needy Sunni Muslims targeted by local zakat committees (up to 40,000 in Pakistan) based on 'local knowledge' of poor population groups. Target beneficiaries include widows, orphans, people with disabilities and people living in extreme poverty (FY2008: 607,000 beneficiaries)	Based on the Islamic injunction for Muslims who can afford it to pay 2.5 % of financial assets. Previously mandatory. Voluntary since 1999, leading to a dramatic fall in contributions
PBM (1992)	Created as a semi-autonomous organisation within the Ministry of Social Welfare and formerly federally administered and financed (through central Zakat fund and federal government). Responsibility currently devolved. Coordinated through 5 regional offices, and implemented / targeted through 144 district field offices, with a total work force of 2,200	Child support programme (education stipends of 300 PKR/month per child); individual financial assistance (for medical treatment and higher education); child labour rehabilitation; 'Sweet Homes' for orphans; vocational training centres; two pilot 'Great Homes' for older people; support for NGO service providers. Has also provided in-kind support to flood victims PBM's main cash intervention, the Food Support Programme was discontinued in 2008/09 following the launch of BISP, along with the Tawana Pakistan initiative, aimed	Support to the destitute—widows, orphans, the elderly, the disabled and particularly those ineligible for Zakat support (e.g. minorities)	Between July 2015 and March 2016, PBM disbursed PKR 3.1 billion to its core projects (Pak Ec Survey 2015/16) Undergoing reforms from primarily cash transfers to social care services

Programme	Institutional setting	Key domains	Target populations	Characteristics
		at providing cooked meals to school children		
Diverse social welfare initiatives	Formerly through federal ministry of social welfare and special education, now devolved to provincial departments	Initiatives, depending on the province, include community development; medical services to poor patients; income-generation training for women; social work programmes and child welfare; special education; rehabilitation of disabled people; support for flood or disaster-affected	The poor / indigent, women, children (including orphans); people with disabilities; older people	A full listing and enumeration of such programmes is needed at provincial level
Social insurance				
Workers Welfare Fund Scheme (1971)	Formerly federal Ministry of Labor, Manpower and Overseas Pakistanis, now mostly devolved to provinces	Cash (education, marriage, death); housing and in-kind support through contributions made by both employers and employees. Some support for disasters	Formal sector workers in industrial establishments employing 50 or more workers (70,403 in 2009/10)	Financed through 2% levy by Board of Revenue from employers; and a surplus amount from the Workers' Participation Fund (equivalent to 5% of the profit of a company)
Employee Old Age Benefits (1976)	EOBI Institution (autonomous organisation formerly under the federal Ministry of Labour, and Manpower) through collection by Federal Board of Revenue (devolution planned by EOBI assets retained by federal government for some time)	Old age, invalidity and survivors pensions as well as an old age grant	Formal sector workers in establishments employing 10 or more workers (registered 2.7 million workers from 56,632 industries and establishments)	Contributions of 5% of minimum wage by employers and 1% of minimum wage by employees. Monthly pensions range from PKR 5,250 to PKR 6,560. From July 2015 to March 2016 PKR 16.7 billion was disbursed to 378,615 beneficiaries (Pak Ec. Survey 2015-16)
Government Servants Pension Fund (1954)	Finance Division	Provident fund and old age pension	Permanently employed public servants; employees of the armed forces; and the police	The government does not contribute any money to this fund; employees deposit a percentage of their salary in a General Provident. Fund that is repaid on retirement with a relatively higher interest rate paid by the government
Provincial Employees Social Security	Provincial Departments of Labor	Range of health services and cash benefits; protection against contingencies in the event of sickness, maternity, work-related	Workers from commercial and other industrial establishments having five or more employees (a million workers employed in	Contribution paid by employers at 7% of the wages of paid workers who earn up to PKR 5000 per month

Programme	Institutional setting	Key domains	Target populations	Characteristics
Institutions (1967)		injury, invalidity and death	41,498 establishments)	
Labour market programmes				
People's works programme	Formerly Ministry of Local Government and Rural Development and now devolved to provinces	Small development schemes for the provision of electricity, gas, farm to market roads, telephone, education, health, water supply	Rural population: estimated beneficiaries of the Peoples' Works Programme in 2009-2010 are about 96,000	The programme serves the dual purpose of providing employment and improving infrastructure. The Public Sector Development Program provides financing for public works
Other (variably considered social protection)				
Micro-finance initiatives	Based on the National Financial Inclusion Strategy, with services provided as a package by micro-finance banks and organisations, Rural Support Programmes, commercial financial organisations and NGOs	Includes micro-credit; micro savings; and micro-insurance	Poor and marginalised individuals, including a focus on women and outreach to rural areas	In 2015/16: 3.8 micro-credit beneficiaries (PKR 93 billion); 13.9 million micro-savings beneficiaries (total PKR 64.7 billion); and 4.6 million micro-insurance holders (Pak Ec Survey 2015/16)
PPAF	Established as a governmental non-profit organisation for community-driven development	Loans and transfers of productive assets; skills training; social infrastructure development (health, water, education); drought mitigation, and emergency response	Poor and marginalised communities and individuals (with a key focus on women)	From 2000-2016, PPAF disbursed PKR 181.35 billion to 134 partner organisations in 130 districts; loans to 8 million beneficiaries (60% women) (Pak Ec Survey 2015/16)
Subsidies	Federal and provincial governments	Historically widespread use of subsidies (for wheat, gas, sugar, fertilizer); federal wheat subsidy has been declining since 2010; among the provinces, Punjab has been allocating the most for wheat subsidies	Most subsidies have been universal (untargeted); but some have been targeted to the poor (for example the Sasti Roti cheap bread scheme in Punjab between 2007-2010)	

Sources: OPM, compiled from sources including: Jamal 2010; Malik 2011; Channa 2012; ADB 2012; World Bank 2013 ; Khan 2014; MPDR Pakistan Economic Survey 2015-16; and UNDP [website](#)

Annex E Disaster risk management organisational context

E.1 Organisational structure of the National Disaster Management Authority

NDMA is headed by a chairperson, who is a senior government servant and can be from either the civilian cadre or from the armed forces. S/he is supported by three members heading wings for i) disaster risk reduction; ii) operations and iii) support services. The Emergency Relief Cell (ERC)—previously operated through the Cabinet Division of the Prime Minister—has since 2016 been made part of the NDMA: it maintains two large warehouses of relief supplies in Islamabad and Karachi, releasing them to the provinces according to need.

E.2 Organisational structure of the Provincial Disaster Management Authorities

At provincial level, the chief ministers chair the PDMCs, while the PDMA act as their executive entities²⁴. The law prescribes that PDMA are headed by a director general (DG), assisted by three directors, but different provinces have developed their own province-specific structures.

In Punjab, the DG PDMA has been put under the administrative control of the Senior Member Board of Revenue / Relief Commissioner, to ensure that the staff of the Revenue Department who have experiences in response work with the PDMA, especially in post disaster needs assessment.

In Sindh, responsibility for providing emergency relief lies with the Member Board of Revenue / Relief Commissioner but has created a new 'Rehabilitation Department', headed by a Secretary for Rehabilitation to oversee the PDMA. This department has been mandated with promoting DRR and implementing and coordinating post disaster early recovery and rehabilitation.

²⁴ <http://www.ndma.gov.pk/pdmc.php>

Annex F Trends in branchless banking and e-payments

Our interview with a staff member from a bank working on social protection issues highlighted some current trends in branchless banking and e-payments.

Much of the population in Pakistan remains unbanked in the traditional sense. In 2015, bank accounts served just 33 million out of a population of 180 million—in other words just 15% of the market is being served with conventional bank accounts.

However, the exponential growth in the market of mobile phones is such that there are now 120 million adult mobile phone customers and 100 million of these are unique users. This illustrates the real potential for improving access to financial services through mobile banking. In Pakistan, the mobile banking sector has been developing for eight years, since the first set of mobile banking regulations came in in 2008. In 2009 Telenor launched the first mobile money product, Easy Paisa. There are now five companies, each providing mobile money transfer products.

The government has been receptive to the needs of the market, and over the years the regulations governing the sector have been gradually relaxed, creating the conditions for widespread growth and adoption. A major significant event was in 2014, when the Pakistan Telecom Authority ran a drive to biometrically verify all mobile phone connections. This means most SIM cards are now linked to a CNIC, and this has been a great help for expansion of mobile money in the country. It meant the State Bank could allow mobile network operators to simplify the administrative processes required to fulfil 'Know Your Customer' requirements during account opening²⁵.

Mobile money accounts can now be easily set up through a phone and this led to a big jump in the number of mobile money accounts, from 3 million in 2012 to over 15 million accounts in 2015. Another change in 2015 was when the mobile banking regulations were revised to allow higher transaction limits²⁶.

In Pakistan, mobile money customers are mainly using mobile money to transfer funds and to cash out. It is possible to pay some bills, but person to business services (using mobile money to pay for goods and services) are not yet well developed. This is something being actively worked on by the banks and mobile network operators in collaboration with the regulators.

Cardless payment systems based on biometric technology are now beginning to develop in Pakistan. This is getting off the ground with a small number of ATMs being equipped with biometric readers. For example, in Sindh Islamic Bank now has 300 ATM machines operating on biometric in Sindh. These readers are also widely available through the telecoms agent network, due to the abovementioned initiative to link phone numbers to biometrics.

²⁵ All that is required to open a mobile money account is the CNIC, name, date of birth, address and mother's maiden name. This information is all available with NADRA. Linking a mobile phone number to a person's biometrics (also stored with NADRA) means it is possible to bypass much of this process.

²⁶ The limit used to be 15 000 PKR per day on a basic account; it is now 25 000 PKR per day and 40,000 PKR per month (50,000 PKR when account is linked to a CNIC).

Annex G Historical overview of government architecture for post-disaster response

'At the federal level the Emergency Relief Cell in Cabinet Division (ERC), the Earthquake Reconstruction and Rehabilitation Authority (ERRA) and the National Disaster Management Authority (NDMA) have played roles.

The ERC has a history dating back to cyclone response in East Pakistan in 1971 and a mandate to prevent supplement provincial resources in the event of major disasters, as per 1973 Rules of Business. It has led in recent cash responses to conflict related displacement in 2009, landslides and floods in 2010 and 2011, because at the time NDMA was not yet legally established, but was functioning under an Ordinance. The Cabinet Division has acted mainly as coordinating body and money conduit from the government to the provinces, rather than an implementing body. The current Phase 2 of the CDCP is the first time that cash transfers are being managed directly by the Cabinet Division with the support of the small programme implementation unit in house. The Cabinet Division acts as the secretariat of the Council of Common Interest (CCI) which is a coordinated body headed by the Prime Minister and including five Chief Ministers, mainly designed to resolve matters pertaining to common interest between the federal level and the provinces.

The ERRA was established following the 2005 earthquake and managed an unconditional livelihood cash grant as an early recovery tool and a conditional housing cash grant as a rehabilitation tool following the earthquake. Though initially conceived as a time-bound institution of 3-5 years to cover the early recovery and rehabilitation of earthquake affected areas. It was recently established as a permanent presence under the ERRA Act 2010, currently outside the structure of the new Ministry of Disaster response. Apart from the following through with the earthquake reconstruction, ERRA is currently also engaged in DRR planning and awareness with communities.

The NDMA was established in 2001, initially by an ordinance to coordinate disaster risk reduction, disaster planning and mitigation. Its role was finally formally established in 2010 by the NDM Act. Its role is currently focused on providing technical guidance to national and provincial stakeholders on the formulation of plans, strategies and programmes for DRM. NDMA had now also been the authority to procure directly. However, in past disasters, in particular the 2011 flood, NDMA has also played a role in rescue and relief.

The National Disaster Management Framework provides for the replication of this structure at the provincial and district levels, with PDCMs, headed by the Chief Ministers established at the provincial level and establishment of Provincial and District Disaster Management Authorities as its executive and implementing arms at the Provincial and District level. PDMA and provincial authorities have been established but with weak vertical links with the NDMA.

In all previous responses, the provincial relief commissions and district administration officers have also played key roles. After the 18th Amendment, the provinces have been wide ranging responsibilities in future disaster response, with the PDMA as key implementers in future disasters. At the district level, DDMA have been / are the in the process of being established as key first responders at this level in future disasters.

The Planning Commission currently oversees and monitors the standards according to which public / government buildings are being built. They have also played a role in overseeing and approving the rehabilitation of public buildings after the recent disasters.'

Source: ERC 2012

Annex H Budget and financing

H.1 Budget allocation processes

Pakistan's Constitution (1973) provides the basis for the budget process of the federal government (Articles 78 to 87) and provincial governments (Articles 118 to 124). Under current budget reform processes, the federal government has shifted to a medium term, top-down, policy-based system, with service delivery outputs defined in the budget. Provincial governments are, however, at different levels of reform: Punjab and Sindh, for example, are largely following annual, bottom up, incremental system of budgeting. Full adoption of a medium-term budgetary framework (MTBF) and output-based budgeting seems to be an elusive target for most provincial governments at the moment.

Annual budget preparations take place between October to June for the July–June financial year. The process begins in October with the issuance of the Budget Call Circular by the Ministry of Finance (federal level) and the Finance Department (provincial level). Issued to all ministries, divisions and departments, the circular explains the procedure for preparation of Budget estimates along with the timelines for different steps. At the federal level, a budget strategy paper is prepared and budget ceilings are issued to ministries at the front end of the budget cycle. No such ceilings are issued at the provincial level. The line departments / ministries are then requested to submit permanent expenditure on the current budget; proposal for development projects; proposals for new expenditures.

At federal level, budget ceilings are divided among different spending units in light of strategic ministerial priorities; the spending units prepare and propose their budget estimates / proposals within the indicated resources, with proposals consolidated at the level of ministries. After consolidation and review, the proposals are submitted to the Finance Ministry (responsible for consolidating the current budget) and the Ministry of Planning (responsible for consolidating the development budget). After respective reviews at the federal level, the two budgets are submitted to a priorities committee and the National Economic Council before being shared with the political leadership / Cabinet, after which it is submitted to Parliament for approval.

At provincial level, the current budget proposals are prepared by spending units and submitted to line departments. Since this is done in the absence of a budget ceiling, the budget balancing exercise takes place later when budget proposals are consolidated by the Finance Department. The provincial development budget is proposed by line departments to the Planning and Development Department which consolidates, reviews, and sends it to the Finance department for submission to the Chief Minister / Cabinet before approval by the provincial assembly.

After approval by Parliament / provincial assembly a Schedule of Authorised Expenditure (SAE) is signed by the Prime Minister (federal government) and Chief Minister (provincial government). Table 12 outlines the steps in the process of preparation of annual development programmes.

Table 12 Schedule for preparation of annual development programme 2016/17 (Medium-Term Development Framework 2015-18)

DATE	ACTION
January	Circulation of ADP guidelines
1 Feb-15 Mar	Submission of scheme-wise first draft ADP to the Planning & Development by the departments <i>duly cleared by Minister In-charge</i>
16-25 Mar	Scrutiny of draft ADP by the Members P&D and submission to Coordination Wing of P&D Department
26 Mar-7 Apr	Departmental meetings / briefing with Chairman, P&D to discuss draft ADP
10 April	Submission of 2 nd draft ADP to P&D by the Departments
Up till 15 May	Approval of new schemes proposed for inclusion in ADP by the competent forum
28 May	Submission of draft ADP to Finance Department
Mid-June	Discussion and approval by Provincial Assembly

H.2 Budgeted and actual expenditure on social protection and disaster risk management (2011-16)

H.2.1 At federal level

Note the large variation between budgeted and actual expenditure each year. Public expenditure on social protection and DRM has fluctuated over the last five years, the highest being some PKR 150 billion in 2011-12 and the lowest being PKR 93 billion in 2013-14.

Table 13 Actual expenditure at federal level, 2011/12-2015/16, by organisation

Function / Grant	Expenditure				
	2011/12	2012/13	2013/14	2014/15	2015/16
10—Social Protection	43,310	15,627	4,762	4,068	3,902
107—Administration	42,932	15,255	4,141	3,586	3,325
SOCIAL WELFARE AND SPECIAL EDUCATION	1	-	-	-	-
CABINET DIVISION	3	3	7	4	4
EMERGENCY RELIEF AND REPATRIATION	35,665	324	604	1,594	861
OTHER DEVELOPMENT EXPENDITURE OF CABINET	3,758	11,781	2,154	16	-
OTHER EXPENDITURE OF CABINET DIVISION	97	-	-	-	-
CAPITAL ADMINISTRATION AND DEVELOPMENT	31	26	30	29	33
CLIMATE CHANGE DIVISION	258	2,010	-	21	236
OTHER EXPENDITURE OF ESTABLISHMENT	72	78	88	104	132
OTHER EXPENDITURE OF KASHMIR AFFAIRS AND GILGIT BALTISTAN	2	2	2	2	3
CLIMATE CHANGE DIVISION	-	160	153	166	489
OTHER EXPENDITURE OF CABINET DIVISION	2,000	-	-	-	-
OTHER EXPENDITURE OF SCIENTIFIC AND	128	139	167	196	228
AFGHAN REFUGEES	351	372	368	557	374
DEVELOPMENT EXPENDITURE OF WATER AND	567	360	568	898	965
108— Others	378	372	621	481	577
DEVELOPMENT EXPENDITURE OF SOCIAL	-	-	-	-	-
SOCIAL WELFARE AND SPECIAL EDUCATION	-	-	-	-	-
WOMEN DEVELOPMENT DIVISION	-	-	-	-	-
YOUTH AFFAIRS DIVISION	-	-	-	-	-
CAPITAL ADMINISTRATION AND DEVELOPMENT	273	289	494	402	437
DEVELOPMENT EXPENDITURE OF CAPITAL	42	14	57	-	46
ESTABLISHMENT DIVISION	-	-	-	-	-
OTHER EXPENDITURE OF ESTABLISHMENT	-	-	-	-	-
FEDERALLY ADMINISTERED TRIBAL AREAS	31	34	38	41	49
DEVELOPMENT EXPENDITURE OF POPULATION	-	-	-	-	-
OTHER EXPENDITURE OF RELIGIOUS AFFAIRS	32	34	32	38	45
Others—Total	107,012	89,587	88,179	107,367	118,153
Others—Social Protection	54,518	61,527	78,753	100,438	110,304
Income Support (BISP)	46,381	50,097	69,617	91,654	101,999
Bait al Maal	2,000	2,782	1,994	2,000	4,000
Poverty Alleviation Fund	6,137	8,649	7,141	6,784	4,305
Disaster Management	52,451	28,051	9,426	6,928	7,849
Attabad Lake Relief	502	11	141	190	-
Earthquake Rehabilitation	11,357	9,044	6,901	6,383	7,789
Famine	-	1,000	-	-	-
Floods Rehabilitation	40,591	17,996	2,384	356	60
Drought Relief	42	8	0	-	-

Source: Civil Accounts 2011-16, Ministry of Finance, Government of Pakistan. Notes: (1) Figures are in PKR million. (2) The allocations of a number of organisations may not be reflected.

Table 14 Budgeted and actual expenditure at federal level, 2011/12-2015/16, by functional classification (PKR million)

Functional Classification	2011/12		2012/13		2013/14		2014/15		2015/16	
	Budget	Expend	Budget	Expend	Budget	Expend	Budget	Expend	Budget	Expend
10—Social Protection	2,100	43,424	12,254	15,726	2,863	4,846	2,691	4,139	2,886	3,900
107—Administration	1,722	42,932	11,882	15,255	2,242	4,141	2,210	3,586	2,309	3,325
108—Others	378	492	372	471	621	706	481	552	577	575
Others Total	62,536	107,012	96,477	89,587	103,166	88,179	112,619	107,367	115,748	118,153
Others—Social Protection	52,012	54,518	74,785	61,527	91,995	78,753	106,813	100,438	108,300	110,304
Income Support (BISP)	50,000	46,381	60,000	50,097	75,000	69,617	97,150	91,654	102,000	101,999
Bait-al-Maal	2,000	2,000	2,000	2,782	2,000	1,994	2,000	2,000	2,000	4,000
Poverty Alleviation Fund	12	6,137	12,785	8,649	14,995	7,141	7,663	6,784	4,300	4,305
Disaster Management	10,405	52,451	21,690	28,051	11,171	9,426	5,806	6,928	7,448	7,849
Attabad Lake Relief	150	502	200	11	143	141	190	190	-	-
Earthquake Rehabilitation	10,246	11,357	10,270	9,044	10,279	6,901	5,277	6,383	7,298	7,789
Famine	-	-	-	1,000	-	-	-	-	-	-
Floods Rehabilitation	9	40,591	11,220	17,996	750	2,384	340	356	150	60
Drought Relief	119	42	2	8	0	0	-	-	-	-

Source: Civil Accounts 2011-16, Ministry of Finance, Government of Pakistan

H.2.2 At provincial level (Punjab)

Table 15 Budgeted and actual expenditure in Punjab, 2011/12-2015/16, by functional classification (PKR million)

Functional Classification	2011/12		2012/13		2013/14		2014/15		2015/16	
	Budget	Expend	Budget	Expend	Budget	Expend	Budget	Expend	Budget	Expend
10—Social Protection	4,666	6,454	3,392	7,574	3,596	8,999	7,068	24,786	30,706	29,849
107101—Relief measures	66	1,869	287	3,665	55	1,246	387	18,550	22,101	22,081
107102—Rehabilitation and resettlement	32	34	44	42	48	44	48	42	27	28
107104—Administration	52	53	62	59	66	65	74	69	71	71
107105—Flood Control	3,332	3,872	1,931	3,044	1,974	6,194	4,274	4,354	6,485	5,768
108101—Social Welfare Measures	743	450	844	523	777	781	1,254	736	1,012	892
108104—Zakat and Ushr	442	159	224	228	675	670	1,032	1,035	1,010	1,010
107106—Drought Emergency Relief Assistance	-	17	-	13	-	-	-	-	-	-

Source: Civil Accounts 2011-16, Finance Department, Government of the Punjab

H.3 Functional budget classifications for the social protection function

Table 16 Functional budget classifications for the social protection function

Minor Function		Detailed Function		Sub-Detailed Function	
101	Sickness and Disability	1011	Sickness and Disability	101101	Sickness and Disability
102	Old Age	1021	Old Age	102101	Old Age Benefit
103	Survivors	1031	Survivors		
104	Family and Children	1041	Family and Children	104101	Shelter for the Homeless (<i>Daar ul Aman</i>)
105	Unemployment	1051	Unemployment	105101	
106	Housing	1061	Housing	106101	
107	Administration	1071	Administration	107101	Relief Measures
				107102	Rehabilitation & Settlement
				107103	Refugee Relief
				107104	Administration
				107105	Flood Control
				107120	Others
108	Others	1081	Others	108101	Social Welfare Measures
				108102	Welfare of Pakistani abroad
				108103	
				108104	Zakat & Usher
				108120	Others (Distribution of winter clothes)

Source: Chart of Accounts (<http://www.pifra.gov.pk/nam.html>)



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