care

Funded by European Union Humanitarian Aid

EXECUTIVE SUMMARY

Linking Forecast-based Action to Social Safety Net Programmes in Bangladesh

Options for Linking Forecast-based Action and Social-Safety Net Programmes in Bangladesh

June 2023

CONCERN worldwide

RIMES

Oxford Policy Management

BACKGROUND AND FRAMING

This option paper forms part of the technical support provided by Oxford Policy Management to the Scaling up Flood Forecast-based Action and Learning (SUFAL) in Bangladesh project funded by European Union Civil Protection and Humanitarian Aid Operations (ECHO), managed by CARE Deutschland e.V. and implemented by CARE Bangladesh with Concern Worldwide Bangladesh and the Regional Integrated Multi-Hazard Early Warning System for Africa and Asia (RIMES). The study documents the analysis of five existing government-led Social Safety Net programmes (SSNPs) to assess the barriers and enabling factors that can favour the use of these programmes to provide emergency assistance by implementing a forecast-based action (FbA) through Forecast-based-Financing (FbF).

The SUFAL initiative has plans to pilot the implementation of a shock-responsive social protection initiative linking with FbA in collaboration with the government during the 2023 Monsoon season (should the need arise), in the target flood prone districts of Kurigram and Gaibandha. To this purpose, a process of institutional dialogue was initiated in the first quarter of 2022, with district consultation workshops centred on the assessment of different SSNPs based on a series of criteria for integration, followed by a national-level workshop to share the findings and further elaborate them into concrete programmatic options. A total of five government schemes were shortlisted to be considered for a pilot. These are:

- The Old Age Allowance (OAA)
- The Allowance for Widows, Deserted and Destitute Women or Widows Allowance (WA)
- The Allowances for the Financially Insolvent Disabled or Disability Allowance (DA)
- The Employment Generation Programme for Poorest (EGPP)
- The Cash-based Gratuitous Relief programme (GR)

Objective of the study

- To define the critical steps for designing pilot programmes that can generate evidence regarding the best practices and potential barriers to integrating FbA and SSNPs within the Bangladesh context (short term).
- Propose and document a set of options for permanently integrating FbA within one or more SSNPs, highlighting the necessary phases and steps for achieving it in the medium to long term.
- To assess the pilot concept note presented by the SUFAL II consortium and provide guidance on the key actions required for its implementation.

ENABLING FACTORS AND BARRIERS FOR INTEGRETION OF EXISTING SSNPs

The integration of Forecast-based Financing and Action within existing institutionalized, government programmes can be activated in several different ways. It may partially take place through leveraging of data sharing of different SSNP beneficiary lists, and it can ultimately culminate with a refocusing of a SSNP to ensure complete anticipated action in response to a shock.

From a rapid analysis of the five schemes, the consultant could draw a series of enabling factors and barriers that can come into play when scoping for options for integrating them with forecast-based shock responses. These are:

ENABLING FACTORS
• The legal and regulatory environment in Bangladesh is conducive to making steps forward in the design of increasingly effective and integrated responses to the numerous shocks affecting the country. A

technical Taskforce mandated to define FbF/FbA strategies, guidelines, and plans was established in 2021.

- A 2021-2025 National Plan for Disaster Management commits to investing into *"implementing disaster risk reduction integrated/inclusive social safety net programmes"* through 10 SSNP implemented by different ministries. It also envisages the creation of a team within the Department of Disaster Management (DDM) to coordinate the mainstreaming of social protection in DRM.
- The government is planning to convert the Old Age Allowance and Allowance for Widows, Deserted and Destitute Women into universal schemes by 2024. The DA scheme will be expanded to other categories by 2023.
- The digitization of data management systems and payments within DDM in planned to take place, respectively, by 2023 and 2025.
- In the current set up, all five schemes are funded through government annual funding allocations. The pandemic forced the government to commit 27 percent and 17 percent more budget for the SSNP during the budget years 2019/2020 and 2020/2021 than in previous years. Most of the response budget was funded through government budget reallocations.
- The digitalised payment system in place in four out of five schemes (GR excluded) offers opportunities for expansion of possible access points. The Memoranda of Understanding (MoUs) between the Department of Social Services (DSS) or DDM and the Payment Service Provider (PSPs) have the flexibility to support horizontal or vertical expansion of the cash allowances in the event of a shock.
- The DSS led schemes all have a mandate for disaster response and budget allocations. As ongoing schemes, they benefit from Implementation flexibility (except on targeting criteria) and the existence of software-based registries and Management of Information Systems (MIS).
- The EGPP has a mandate for disaster response and pre-allocated funding at district level, a strong focus on resilience building and assets restauration, and an electronic record of enrolled and eligible households across programme cycles. An ongoing pilot (EGPP+) relaxes the programme conditionalities and strict schedules to respond any type of shock requiring extensive food or cash support.
- The GR programme has a flexible targeting approach and relies on a bottom-up identification process.

BARRIERS

- While several relevant government strategies, plans and documents outline the importance of making the social protection system and programmes shock responsive, they mostly refer to the response activated during and after a shock rather than to an early action.
- The general level of coordination remains weak due to inadequate human resources within the ministries and the key national committees tasked with implementing the disaster management and social protection plans. Limited capacity and resources at union and ward level to face additional responsibilities could be a major obstacle to scale-up activities. Coordination is also affected by the lack of specific guidance on shock-responsive social protection for the five schemes (except very outdate guidance on GR and the limited scope of EGPP).
- Adequate financing for disaster risks using appropriate instruments is a major bottleneck for the DRM system in Bangladesh. The lack of specific Disaster Risk Financing or FbF strategies is a major barrier to the allocation of funding ahead of a shock
- The application process for four out of five schemes can be a barrier to their use in emergencies if not through additional caseload identification.

- The electronic payment system presents efficiency challenges and barriers to the quick enrolment of new recipients.
- The DSS led schemes have no targeting flexibility with respect to other climate-vulnerable groups affected by floods. No extensive vulnerability data at union level hampers the capacity for a quick horizontal expansion of the schemes. Decentralised targeting and enrolment systems are at risk of bias and corruption but offer opportunities for frequent data verification and update, with sufficient capacity provided.
- Outreach and grievance management services are rather weak across all five schemes.
- The EGPP in its ordinary design shows little schedule flexibility and a reliance on a strong workfare approach, which may hamper an effective shock response. The programme conditionalities (work) can be a barrier to the activation of the programme in the case of an emergency, unless the work activities are relevant to the FbA action plan and unless the transfer amount is fixed (i.e., not based on a work-hour rationale). The programme's geographic targeting approach based on poverty maps takes in little consideration climate vulnerabilities.
- The GR programme shows great reliance on the food instrument, which may affect the allocation of sufficient resources for a forecast-based flood GR-cash response. The programme also relies on paper-based database and shows little capitalization of information used during each activation.

Based on the rapid analysis, all five SSNPs show some potential for hosting FbA activations as part of their core mandate and operational framework, based on different design features or operational features.

- **The OAA and WA and DA**, being continuous, scalable programmes supported by digital systems, are the best candidates for vertical and horizontal expansions as a government pilot and permanent integration option. **In the short-term, their beneficiary lists can be shared externally** to encourage a harmonization of targeting approaches with external humanitarian responses including FbAs. **Government pilots can be activated in the medium-term using the available pre-allocated funding**, based on a plan including the definition of FbA targeting protocols and transfer values, and the adaptation of the programmes' operational structure to accommodate an expanded caseload, the in case of horizontal expansions. **A permanent refocusing of these programmes' mandate and operational platform** can be considered in the long term, due to the existing policy backing and universal targeting plans (for OAA and WA). This option requires a careful review of the operational systems and protocols underpinning the delivery of all three schemes to identify any further barrier to an FbA activation.

- **The EGPP**, as currently implemented across most districts in Bangladesh, utilising an articulated workfare design which makes it unsuitable for emergency scale-ups without **substantial design changes** (such a complete revision of its implementation schedule), **a temporary waiving of its conditionalities or by extending the workfare feature to include anticipated action** that can be completed within a few days ahead of a flood. However, the programme has been piloting a more flexible shock-responsive model (the EGPP+, funded and supported by the World Bank), whose **lessons gathered during its two-year implementation can be used to re-design the EGPP to be more shock-responsive in the future.**

- **The GR** is a completely flexible instrument that can be used to design a separate, government owned flood cash based FbA response mechanism to be regularly triggered in anticipation to floods. **In its current form, the instrument is not fit for a quality response** due to its largely manual operational platform. However, its decentralized funding structure and management at district level provides leveraging opportunities, if supported by policies allowing a localized response to be triggered. **However, the instrument requires**

extensive systems strengthening work, which can only be pursued with political and economic buy-in from Ministry of Disaster Management and Relief (MoDMR), and with technical assistance from the FbF/FbA Taskforce and participating actors.

PROPOSED PHASED APPROACH FOR INTEGRETION

Phase 1 (2023-2024) – Systems strengthening of routine social protection systems and evidence generation

This phase represents the status quo in terms of development of a FbF/FbA Strategy, structure, and operations within the five SSNPs and funding availability (from government as well as donors). This phase is primarily dedicated to generating the necessary evidence to feed into the strategy and to encourage government ownership in the next phases. Systems strengthening activities are already ongoing within DSS and DDM (e.g., the digitalization of data management and payment systems).

Phase 2 (2025-2026) – Systems strengthening and government pilots

In this phase progress has been made by the FbF/FbA taskforce in defining key parameters such as a governance structure for FbF/FbA, a targeting strategy for flood FbAs, transfer values and funding sources. Also, a team tasked with the mainstreaming of social protection in all disaster risk reduction plans has been created at the DDM. A FbF/FbA strategy is not yet in place, but dialogue between the government and non-governmental invested partners has taken place to lay down the foundations for one or more large-scale, partly government-funded pilots. Additional systems enhancement projects must be prioritized, such as a modernization of case/grievance management, better outreach services, financial literacy as well as an update of all implementation structure and protocols with related documentation.

Phase 3 (2027-2028) - FbA institutionalization and permanent integration solutions

This final phase takes place after the finalization and endorsement of a FbF/FbA Strategy, including options for integration with SSNPs. The key strategic objectives are institutionalised via policy revision and the issuance of specific addenda to existing guidelines. The programmes all have strong, shock-responsive systems and protocols in place that enable the design of permanent integration solutions using the most suitable schemes.

RECOMMENDATIONS FOR NEXT STEP

1. **Geographic targeting and linkage with early warning system** - Identify districts/upazilas/unions at risk of floods based on early warning data from the national meteorological agency and historical data. Cross reference the data on flood vulnerability with the socio-economic profiles of those areas and the level of coverage of the five shortlisted schemes.

2. **Prioritize the definition of a targeting strategy for FbA** – As part of the FbA/FbF Taskforce mandate, the definition of a targeting strategy for flood FbAs should be prioritized. Following its endorsement by key ministries and departments, the strategy must be operationalised through existing programmes as well as DRM and local development plans at all levels.

3. **Identify government funds able to finance or co-finance the pilot** – the DSS 10 per cent emergency allocations are a starting point for attracting additional resources form MoDRM and interested donors. The government contribution should reach 60 per cent of the total budget and should include additional human and logistic resources for a quality delivery of all programme activities.

4. **Assess each programme's emergency funding release and cash-transfer processes** – The entire funding flow, which is where delays can mostly occur, must be adequately assessed to identify any possible bottleneck to the advance disbursement of cash. Any misalignment with the country's fiscal year must be addressed via appropriate means – e.g., buffer funds or multi-year allocations. Barrier must be addressed via system strengthening and shock-responsiveness measures.

5. **Define data management, protection and sharing protocols** – the protocols should include, at a minimum, information on the type of personal information that is processed by the social protection teams and systems and the purpose for such information; how long the information is retained; who has access to the information and how. Data on eligible beneficiaries who did not make it to enrolment or were exited should also be treated according to an appropriate protocol. Finally, the procedures should critically include a data sharing agreement template for shock-responsive social protection programmes, including FbA.

6. **Systems and processes enhancement** – The systems for beneficiary identification and application, data management, case, and grievance management; and payment must be thoroughly assessed from an equity, efficiency, sustainability, and shock-responsiveness perspective; they should be strengthened and, where possible, digitalized, and integrated.

7. **Pursue the harmonize the payment system for DSS programmes** - To ensure the same level of service of all OAA, WA and DA beneficiaries across districts in Bangladesh and to offer a variety of cash-out options through a fully interoperable infrastructure, a harmonization of the current payment modalities (bank and MFS-based) should be considered. All beneficiaries at risk of floods or other recurrent shocks should be able to access agent-based cash-out services in their village.

8. **Define resource needs during scale-ups** – An accurate assessment of the resources needed to successfully scale-up the five shortlisted schemes ahead of a shock should be prioritized. Plans to increase the administrative capacity at all levels of programme implementation and oversight must be drawn based on the assessment's findings. DDM and DSS should consider the temporary allocation of resources for a separate pilot programme management unit.

9. **Definition of a sound Monitoring and Evaluation (M&E) strategy, including a Value-for-Money (VfM) component, for the pilots** - The M&E framework and plan should include both quantitative and qualitative analysis through process monitoring and evaluation, and through and post-distribution monitoring.

10. **Initiate a participative process for the design of the pilots** – Using the FbF/FbA Taskforce forum or creating new better-suited interdepartmental coordination structures, a participative process of pilot design can leverage the knowledge and experience of key government and international actors that have worked with the FbA model before.

RECOMMENDATIONS FOR THE SUFAL II PROGRAMME TEAM

The SUFAL II project is proposing to make use of the GR and EGPP schemes for piloting and testing integration of forecast based action in 2023 Monsoon. The consortium intends to design a tool will to identify most vulnerable people from the existing beneficiary database, using its in-house expertise with "*adaptive capacity, inundation and settlement mapping and analysis*" to identify the best targeted wards and distribution beneficiaries for cash grant.

The proposed key activities for the pilot are:

I. beneficiary pre-selection using the beneficiary identification tool in consultation with upazila-level administration.

II. linking the SSNPs to appropriate triggers in the Early Action Matrix.

III. linking the SSNPs to union-level disaster management plans.

In line with the analysis and phased approach presented in this document, the operational options available to the SUFAL II team are:

Option 1 – Design a pilot FbA GR-cash for the flood response, supporting with beneficiary identification but relying on the existing GR delivery platform. In fact, the historical beneficiary record of the GR programme is not up to date nor digitalized, therefore a fresh identification will have to take place based on impact maps generated by the SUFAL II programme. The consortium may want to provide additional resources and support in the areas of outreach, case management and M&E. This option would generate valuable evidence on the suitability of the current GR model for FbA initiatives. However, setting-up the pilot may require several months.

Option 2 – Temporarily waive key design features of the EGPP (conditionalities and programme schedule) to make use of its operational platform – beneficiary lists, payment, and case management system – to deliver anticipated cash to the flood-vulnerable households already enrolled into the programme. Through a robust M&E system, this option could provide evidence on the outcomes at household and community level, on the efficiency of programme operational systems, and it could point to the design changes required to permanently integrate an FbA component as part of the programme's strategy.

Option 3 -Should neither of the two proposed options receive favourable feedback from the MoDMR, the programme may resort to engaging with the MoSW and DSS to support a vertical expansion of any of its three shortlisted schemes. Through a robust M&E system, this option could equally provide evidence on the outcomes at household and community level, on the efficiency of programme operational systems, and it could point to all design changes required to permanently integrate an FbA component as part of the department's strategy. It could also generate a demand by the very SSNP beneficiaries for similar scale-ups to take place every year, therefore encouraging the permanent allocation of resources and the integration of an FbA strategy within the local flood response plans.

A final choice between the three available options may ultimately have to be made based on the available design and programme set-up time. In fact, should none of the three options appear feasible for implementation during the upcoming Monsoon season, the SUFAL programme should consider the activation of a standalone FbA response. In such a scenario, existing government beneficiary lists, appropriately verified, could be included as part of the final caseload (option 4). This final option could generate a demand for more integration within government SSNPs in the years to come and in line with the proposed phased approach.

Linking Forecast-based Action to Social Safety Net Programmes in Bangladesh

Options for linking Forecast-based Action and Social Safety Net Programmes in Bangladesh

Author
Lucilla Bertolli, Oxford Policy Management (OPM)

Contributor
Kaiser Rejve, CARE Bangladesh
Kazi Rabeya Ame, CARE Bangladesh
Atika Khan, CARE Bangladesh
Utkalita Rahman, CARE Bangladesh
Palash Kanti Haldar, Concern Worldwide
Laura Phelps, Oxford Policy Management (OPM)
Solaiman Muhit, Oxford Policy Management (OPM)

Photo by
Asafuzzaman, CARE Bangladesh
Jannatul Mawa