

# SOCIAL SAFETY NETS IN NEPAL: A REVIEW



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## Suggested citation

Adhikari, M., Kishore, A., Koirala, P., Rashid, S., and Chand, I. 2024. Social Safety Nets in Nepal: A Review. The Cereal Systems Initiative for South Asia (CSISA) and Transforming Agrifood Systems in South Asia (TAFSSA). Kathmandu, Nepal.

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This work is supported by the USAID/Nepal-funded Cereal Systems Initiative for South Asia (CSISA) 'Building food system resilience to global supply chain and climate shocks in Nepal' Activity and the CSISA Phase III project supported by USAID-Washington. CSISA's work in Nepal is also strategically aligned with the One CGIAR Regional Integrated Initiative Transforming Agrifood Systems in South Asia (TAFSSA). The project is led by CIMMYT and implemented jointly with IFPRI, IRRI, and IWMI. International Development Enterprises (iDE) is another key partner of CSISA in Nepal and Bangladesh.

# 1

## INTRODUCTION

Governments across the world have established social protection systems where they implement programs to eradicate extreme poverty, address rising inequality, foster inclusive growth, and provide crucial assistance to the most vulnerable segments of society. These programs involve in-kind or cash transfers through a system (World Bank, 2012), or public employment at guaranteed wages (Rahman and Pingali, 2024). Additionally, social protection programs provide poor communities, households, and individuals support to increase their resilience to economic risks and catastrophic events.

Social protection programs can be classified into three broad categories based on their objectives and the risks they cover:

- Social security programs include contributory programs that offer workers in formal and informal sectors of the economy and their dependents pensions, gratuities, health insurance and related support during employment and after retirement.
- Labor market programs focus on individuals' skill building in the job market through vocational training programs, connecting them to potential employers through employment service centers and employment management information systems, and providing financial and logistical support for foreign employment.
- Non-contributory social assistance programs, or social safety net (hereafter, SSN) programs, often (but not always) support for poor and vulnerable individuals, households, and communities. These programs are in various forms including cash transfers or vouchers, in-kind transfers, school feeding and other targeted food assistance programs, labor-intensive public work programs, scholarships, and humanitarian and disaster relief programs.

Nepal is the poorest country in South Asia (USAID, nd). Article 43 of The Nepal's Constitution recognizes the right to social protection as a fundamental right for "citizens who are economically poor, infirm and helpless, single women, people with disabilities and children, unable to take care of themselves, and belonging to endangered ethnicities" (Nepal Law Commission, 2015). Thus, Government of Nepal is bound to extend social protection coverage to 60 percent of the population by 2025 (NPC, 2020). This commitment has been reflected in the implementation of 87 different social protection programs (NPC, 2023) and supported by a total budget allocation of NPR 203.34 billion in 2022-23. This amount stands approximately 3.7 percent of its Gross Domestic Product (GDP) and 11.3 percent of the government's budget (UNICEF, 2023). Nepal government additionally introduced some new social protection programs (e.g., the President Women Upliftment Program launched in 2017 and the Prime Minister Employment Program or PMP launched in 2019) and increased coverage and generosity of some of the existing ones and invested in technological advancements, data and information systems, and governance reforms to make these programs more effective and efficient.

This report presents a brief review of the social safety net landscape of Nepal with the focus on the non-contributory social assistance programs. The review draws upon the rich and growing literature on SSNs in Nepal. It encompasses policy documents published by the National Planning Commission (NPC), analytical

reports and data briefs published by United Nations Children's Fund (UNICEF), United Nation's Development Program (UNDP), the World Bank, and other national and international agencies, such as Human Rights Watch and International Labor Organization (ILO). Additionally, it analyzes financial allocations to social protection programs in Nepal over the past 5 years, using data from the Red Book published by the Ministry of Finance (MoF, 2023).

We supplement the review of published documents and budget allocations with the analysis of household level data from three-year Nepal Household Risk and Vulnerability Panel Survey (HRVS) which collected data on households' exposure to different shocks, coping mechanisms used by them, including access to and use of 20 different social protection programs, and the impact of these shocks on household welfare from a random sample of 6000 households across 400 non-metropolitan communities from 2016 to 2018. HRVS data helps us assess the coverage of different SSN programs, the total value and the frequency of SSN benefits received by households, and procedural and logistical challenges beneficiaries face in securing their entitlements.

We also use data from two rounds Cereal Systems Initiative for South Asia (CSISA) primary surveys of 763 rural households in nine districts in the United States Aid for International Development (USAID) Feed the Future (FTF) zone of influence<sup>1</sup> and the proposed zone of influence<sup>2</sup> carried out in August-September 2023 and December 2023 for a more up-to-date information on the coverage of SSNs and households' ownership of bank accounts and national identity documents needed to receive SSN transfers.

This review focuses on SSNs. Contributory social security and insurance programs account for nearly 40 percent of the total federal budget for social protection in Nepal, but it does not cover them in this review because they benefit the well-off formal sector workers and their immediate families. The review also leaves out the labor market programs focusing on vocational or job training and facilitating or supporting international immigration for employment.

Federal Government is responsible for most of the social protection programs in Nepal while provincial and local governments have limited budgets and capacities to finance and implement them. They focus on rehabilitation and relief programs. Our review does not cover welfare programs funded by provincial and local governments. An analysis of the heterogeneity in the quality of implementation of SSNs across different provinces is also not covered in this review.

## Outline of the review

Section 2 of the report presents some evidence on the nature of poverty and vulnerability to shocks in Nepal and household responses to these shocks. Section 3 briefly reviews the legal framework and the constitutional provisions for safety nets in Nepal. We discuss five major SSN programs in Section 4 of the paper while Section 5 presents survey data on coverage of SSN programs, hassles households face in accessing them, and their progressiveness. Section 6 raises issues of fiscal constraints to expanding social safety nets in the country while Section 7 concludes the review with eight recommendations on areas of improvement in the design and the implementation of SSNs in the country.

<sup>1</sup> Kailali & Dadeldhura from Sudur Pashchim province, Surkhet and Salyan from Karnali province, Banke and Palpa from Lumbini province and Kavrepalanchowk from Bagmati Province

<sup>2</sup> Sarlahi from Madhesh provinces

# 2

## POVERTY, VULNERABILITY, AND HOUSEHOLD RESPONSE TO ECONOMICS SHOCKS IN NEPAL

### 2.1. Poverty

Despite modest economic growth, Nepal has achieved remarkable success in lifting millions of its citizens out of extreme poverty over the past thirty years. In 1995, 41.8 percent of Nepal's population lived below the national poverty line (NPL). This ratio, commonly known as the head count ratio (HCR), decreased to 30.9 percent in 2003, 12.5 percent in 2011 (World Bank, 2020), and 3.6 percent in 2023 (NSO, 2024).

Government of Nepal raised the NPL by 35 percent in 2010 to reflect the improved standards of living in the country. After this upward revision, the headcount ratio in 2010 doubled from 12.5 percent to 25.2 percent (World Bank, 2020). For similar reasons, the poverty line was raised again in 2023 by 70 percent. 20.3 percent of Nepal's population lives below the newly revised poverty line (compared to 3.6 percent if 2011 poverty line is used). As poverty declined, inequality, as measured by the Gini index, also came down from 32.2 in 1995 to 32.8 in 2010 (World Bank, 2010), and 30.0 in 2022-23 (NSO, 2024).

However, there are large inter-regional and inter-generational differences in the incidence of poverty in the country. Poverty is more common in rural areas (24.7 percent) compared to urban areas (18.3 percent) of the country. In 2022-23, 30.5 percent of Nepal's total population and 37.1 percent of its poor lived in rural areas. Among different provinces, the HCR is the highest in Sudurpaschim (34.2 percent) and the lowest in Gandaki (11.9 percent). The HCR is higher than the national average of 20.3 percent in Madhesh (22.5 percent), Lumbini (24.4 percent), Karnali (26.7 percent), and Sudurpaschim (34.2 percent).

The 2010-11 data show that children (0-14 years) were twice as likely to be poor compared to adults (15-64 years) and seniors (65 years or more). The head count ratio was 11 percent for children compared to 6 percent for adults and seniors. Interestingly, the incidence of poverty was only marginally higher among women than men (9 percent vs. 8 percent) (World Bank, 2023). Individual level poverty estimates are yet to be released for 2022-23.

Alternate measures of people's wellbeing, such as the Multidimensional Poverty Index (MPI), are increasingly being used to assess changes in the quality of life. The MPI measures deprivations in health, education and living standards, assigning equal weightage to these three dimensions. Health includes nutrition and child and adolescent mortality; education includes years of schooling and school attendance; and standard of living includes cooking fuel, sanitation, drinking water, electricity, housing, assets, and bank accounts. The index is designed to estimate the percentage of the population facing multiple deprivations. Two rounds of UNDP surveys show that MPI in Nepal declined from 30.1 percent in 2014 to 17.4 percent in 2019, indicating that 3.1 million people were lifted out of multidimensional poverty in just 5 years. Despite having the lowest per capita GDP in South Asia, Nepal boasted MPI value of 0.074 in 2019, which was lower than the MPI values for all South Asian countries except the Maldives (GoN, 2021; NPC, 2021).

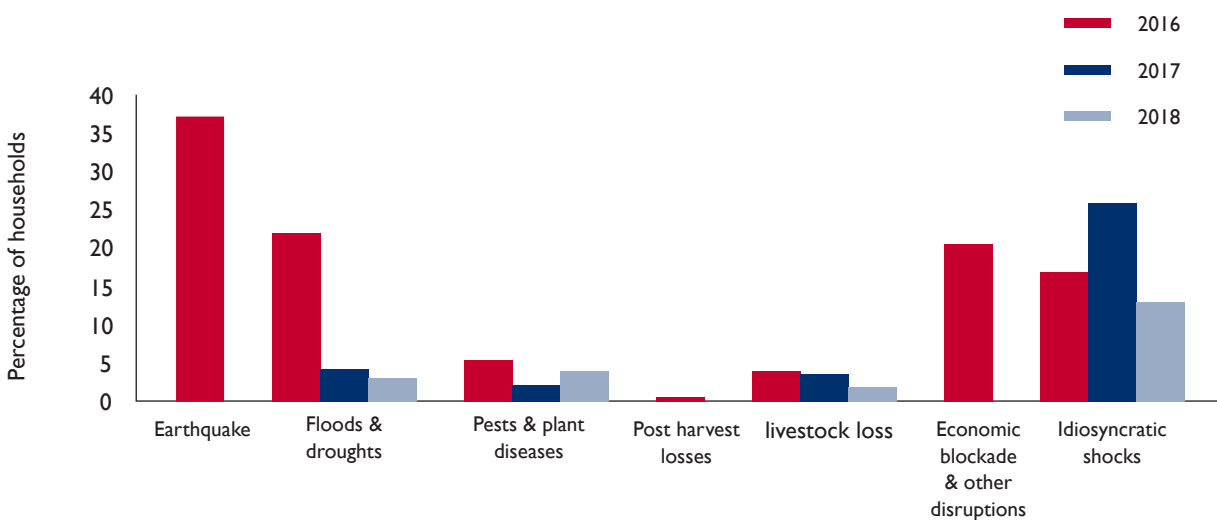
The MPI data from 2019 shows patterns consistent to income poverty in 2010-11: Multidimensional poverty is higher in rural areas (28 percent) compared to urban areas (12.3 percent), and it is more common among children (21.8 percent) than the adult population (15.1 percent). The MPI data show that deficits in years of education and nutritional deprivations contribute most to the ongoing multidimensional poverty in Nepal (GoN, 2021; NPC, 2021).

## 2.2. Vulnerability

While there was a sharp decline in the incidence of extreme poverty in Nepal between 1995 and 2010, a large proportion of this population was barely out of poverty and perilously vulnerable to shocks. Extreme poverty declined, but the share of population living above the poverty line but below USD 3/day jumped from 28 percent in 1995- 96 to 45 percent in 2010-11 (Roser, 2021). Tiwari, Sidiq, and Balcazar (2016) show that even as 26 percent of the population escaped poverty between 1995/1996 and 2010-11, 17 percent fell into poverty during this period. Likewise, between 2003-04 and 2010-1, 29 percent moved out of poverty while 14 percent fell back into poverty. Thus, for every two Nepalese who got out of poverty between 1995-96 to 2002-03 and between 2003- 04 to 2010-11, one slid back. A similar analysis by Diwakar (2018) also shows that transitory poverty escapes were a significant phenomenon in both rural and urban Nepal. Between 1995-96 and 2010-11, around 25 percent of rural households either escaped poverty only to fall back into poverty or became newly impoverished. Slipping back into poverty was even more common in urban areas.

High vulnerability is a critical dimension of the fight against poverty and economic insecurity in Nepal. The HRVS panel data collected from a representative sample of Nepalese households between 2016 and 2018 shows that every year, 45 percent of households faced at least one shock. Many families were affected by several shocks at once. The earthquake was the biggest shock reported in 2016. The economic blockade imposed by India and the resulting spike in prices and the loss of economic opportunities also affected many households in 2016. Disease and death of a family member make up over a quarter of observed shocks over the three years, while other natural disasters such as drought, hail, pests, and floods comprise another quarter (Figure 1). Thus, Nepalese households are highly vulnerable to both idiosyncratic (household-level) and correlated (area or community-wide) shocks from environmental and geopolitical events, health episodes, and macroeconomic cycles. Nepal's vulnerability to natural disasters, and the resulting negative impacts on people's welfare, is likely to increase with the increase in the frequency and the intensity of extreme weather events due to climate change (National Planning Commission, 2018). SSNs need to be designed to address poverty and vulnerability in the future also.

Figure 1. Percentage of households reporting exposure to different types of shocks in the past 12 months (2016 to 2018).



Source: Authors' calculation using HRVS data (2016-2018).

### 2.3. How do households cope with shocks?

45 percent of the households in the HRVS sample faced at least one shock in any given year between 2015-2018. 20 percent of them (9 percent of all households in the sample) had to reduce consumption after the shock. Spending cuts were more common when households were exposed to more severe shocks. More than 75 percent of households relied on their own savings to maintain their consumption levels following a shock; another 15 percent borrowed from friends and families to cope with the shocks, while very few households reported borrowing money from formal a private or a government bank. Their own savings, support from friends and family, and borrowing from money lenders helped poor households cope with economic shocks but these informal mechanisms provided only incomplete insurance.

Nearly half of all households in the HRVS sample reported that at least one member of their family was working elsewhere as a migrant, and 32-38 percent of the households reported receiving remittances from their family members across the 3 years. Households receiving remittance were less likely to borrow money from others and more likely to rely on their own savings after a shock.

Government and non-government organizations (NGOs) played a big role in supporting the victims of the 2015 earthquake. 14.3 percent of households reported receiving financial assistance from the government after the earthquake and 9.6 percent of households received financial support from NGOs and religious institutions. However, there was little institutional support after other types of shocks. Less than 1 percent of households that suffered from other shocks reported receiving any financial aid from government organizations or NGOs.

To sum up, Nepal achieved considerable success in pulling millions of its citizens out of extreme poverty between 1995 and 2010 and improving standards of living (as measured by MPI) in more recent years. However, a large share of Nepal's population, "the precariat," live barely above the poverty line and is highly vulnerable to economic shocks. Children in Nepal are more likely to be poor than adults and senior citizens. Next, we discuss the legal and the policy framework of social safety net programs in Nepal and review their design, coverage, and delivery mechanisms.



## LEGAL FRAMEWORKS AND GOVERNANCE OF SOCIAL SAFETY NETS IN NEPAL

Legal frameworks and governance arrangements for social safety nets in Nepal evolving rapidly. The Parliament of Nepal has passed new Acts to expand coverage of safety nets and delineate the role of three tiers of government and new committee has been constituted to revise the unbundling of functions and roles of the three tiers of government in the country. Meanwhile, Provincial and Local Governments are also launching new initiatives (see Dahal 2024 for some examples). A critical review of key legal frameworks at this may help identify some of the policy recommendations to strengthen social safety nets in Nepal and make them more effective and cost effective.

### 3.1. Rapid expansion after a late start

Social safety net programs for the general population were first launched only in the 1990s (NPC, 2020). After a late start, there was a rapid expansion in the scope and focus of SSNs in Nepal in 1990s and 2000s. The Social Welfare Act, 1992, the Nepal Health Service Act, 1997, and the Social Security and Protection of Senior Citizens Act, 2006 are a few examples of laws enacted by Government of Nepal to support vulnerable sections of country's population during this period. Similar expansion in SSN occurred in many other developing countries after 1990 (Fiszbein, et al., 2013).

The new Constitution of Nepal, adopted in 2015, enshrined right to social security as a fundamental right (Article 43). Articles 33 to 42 of the Constitution guarantee all Nepalese citizens fundamental right to food, housing, education, health, employment, and labor and added special provisions to secure special rights and welfare for the marginalized sections of the society including women, children, senior citizens, Dalits, and citizens with disability of the country (Nepal Law Commission, 2015).

The Social Security Act, 2018 was enacted with a primary focus on safeguarding the fundamental right to social security for marginalized citizens, including indigent individuals, incapacitated persons, helpless single women, citizens with disabilities, children, and those constitutionally guaranteed protection in Nepal. The Act delineates the criteria for identifying beneficiaries eligible for social security allowances, elucidates the procedural aspects involved in claiming social security benefits, designates the responsibility to the local level for record maintenance, and incorporates provisions to prevent the duplication or overlapping of social security allowances from provincial and local government sources. The 2018 Act also outlines a monitoring and reporting mechanism to ensure the effective implementation and oversight of social security allowances. Upholding the integrity of social security provisions and ensuring accountability within the system were major objectives of this Act (Nepal Law Commission, 2018).

The Parliament of Nepal also passed the Right to Food and Food Sovereignty Act in 2018 to ensure fundamental rights of all citizens to food, food security, and food sovereignty (Nepal Law Commission, 2018). This Act sought to guarantee a) regular access to adequate, nutritious, and quality food for all; b) ensure freedom from hunger, starvation, and food insecurity. This Act requires the Government of Nepal, and provincial and local governments to work together to prevent and control starvation through a) identifying and maintaining records of individuals, families, and communities that are vulnerable to starvation; b) maintain adequate stock

of food to control and reduce vulnerability to starvation; c) establish food distribution system to address hunger and starvation and adopt measures to prevent and control starvation. The Act provides a strong legal basis to achieve SDGs 1–2. However, legal provisions were not backed by concrete action plans and resource allocation to improve food availability or evolve strategies and capacity to deal with natural catastrophes or other emergency situations.

### **3.2. Federalization and Safety Nets**

Implementing social safety nets is not the sole responsibility of the federal government. The Constitution states that social security and poverty alleviation are the sole responsibilities of the federal government, but it also says that all three levels of government will share these responsibilities (Nepal Law Commission, 2015; World Bank, 2019). The division of roles between these levels of government is delineated in the Unbundling Report (GoN, 2016). According to the report, all tiers have the authority to create and execute programs related to social protection and poverty alleviation within their respective areas of authority. While the Federal Government finances most SSN programs in the country, provincial and local governments have also formulated and executed social security policies and programs of their own (UNICEF, 2023; Dahal, 2024).

Even after the publication of the Unbundling Report, there is a lack of clarity in Nepal about the responsibilities of different levels of government in providing social protection. Different Acts of the Constitution, policy documents, and program guidelines often have conflicting information leading to confusion and tension between the different tiers of government and inconsistencies in implementation by practitioners (NITI Foundation, 2019; UNICEF 2023). Government of Nepal constituted a committee on July 1, 2023, to recommend reforms to the unbundling report to address some of these issues related to the functions of different federal units. An assessment of social safety net programs by UNICEF recommends harmonization of all communication materials and preparation of a “comprehensive ‘one-stop reference guide’” for the administration of social security allowances (UNICEF 2023).

The Constitution of Nepal enshrined a number of rights to all its citizens and included special provisions for marginalized sections of the society. This rights-based approach in the Constitution has provided a framework for the formulation of a battery of new laws and implementation of new social safety net programs and/or a sharp increase in the coverage of the existing ones. We discuss 5 major new and old SSN programs in Nepal in the next section to show how they have evolved over the past few years.

# 4

## MAJOR SOCIAL SAFETY NET PROGRAMS IN NEPAL

Currently, 11 different ministries in the Government of Nepal implement 87 different social protection programs as listed in Annex 1. The Nepal Planning Commission (NPC) classifies these programs into 5 broad groups: 51 social assistance programs (social safety net programs in our terminology), 17 social insurance programs, 11 contributory social security programs, 7 labor market and employment related program, and 1 program on legal assistance to migrant workers (NPC, 2023). We briefly describe key features of 5 large social safety net programs in Nepal in this section including three unconditional cash transfer programs targeting vulnerable sections of the society (old people, single women, and children), a school feeding program, and a cash-for-work program.

### 4.1. Old age pension

Old age pension, launched in 1995, was the first large social safety net program in Nepal and the first universal pension scheme in Asia (Help Age International, 2009). The scheme provided a monthly stipend of NPR 100 to people aged 75 and above and allowances to poor widows who were 60 years or older. Over the years, the government has reduced the threshold age and increased the nominal value of the stipend. The threshold age was reduced from 75 to 70 years in 2008-09, and then to 68 years in 2022-23 while the value of stipend was raised from NPR 100 in 1995 to NPR 500 in 2008-9, NPR 1000 in 2016-17, NPR 2000 in 2019-20, and to NPR 4000 in 2021-22 (UNICEF, 2023). Beneficiaries receive transfers three times a year. Dalits from all over Nepal and citizens from five districts of Karnali Province (Dolpa, Humla, Jumla, Kalikot and Mugu) receive NPR 2660 once they reach 60 years of age (MoHA, 2023). Old age pension is the most prevalent form of social protection in Nepal, and it accounts for the largest share of the social safety budget.

### 4.2. Single women's allowance

The Single Woman Allowance Program in Nepal started in 1996-97 to support widowed women aged 60 and above (National Planning Commission, 2012). The age restriction was removed in 2008-09 to extend the support to all widows; women who are divorced or legally separated; women whose husbands are missing; survivors of gender-based violence; and unmarried women aged 60 or above. Single women who are not widows are eligible for SWA only if they earn less than the minimum wage and they do not have a family member who can provide nurture or care, or their family member(s) are themselves indigent.

The monthly allowance for beneficiary women increased from NPR 500 (USD 3.76) in 2012-13 to NPR 2660 (USD 20) in 2021-22 (Niroula, 2018; MoF, 2022; MoHA, 2023). In consistent with the old-age pension, the cash is disbursed three times a year. Approximately 10 percent of all social safety beneficiaries in Nepal are single women, and the transfers to them accounts for 10 (= 9.91) percent of the total social security expenditure in the country (MoHA, 2023).

### 4.3. Child grants

Children in Nepal are poorer than adult or old women and men. Nepal's Child Grant program was introduced in 2009 to improve the nutrition of children under five (UNICEF, 2016). The program is targeted at children

from Dalit families of all over Nepal and those living in 25 selected districts<sup>3</sup>. All children in these 25 districts are eligible. The program provides an unconditional cash transfer of NPR 532 per child each month, with a restriction of two children per mother. The allowance is paid three times a year, covering 28 percent of children under age 5, and 9.5 percent of all children in the country (Human Rights watch, 2023). Beneficiaries of Child Grant account for nearly one-third (31.6 percent) of the total number of SSN beneficiaries in Nepal, but the budget allocation for the program is only about 6 percent of total social security expenditure (MoHA, 2023). Data from a periodic UNICEF survey of 6410 households that covers 80 percent of all Palikas in Nepal shows that 74 percent of the recipients of the child grant “agreed that it was insufficient to meet the nutritional needs of the child.” According to an estimate by the ILO, the monthly benefit of the scheme can cover only 4.6 days of a child’s minimal consumption needs (ILO, 2023).

Despite the modest value of transfers and other problems in accessing Child Grant, an earlier UNICEF study shows that Child Grant has led to several positive outcomes including increase in birth registrations, reduction in the incidence of child labor, and support to families to acquire more nutritious food items and other necessities (UNICEF, 2016). Another study by the World Bank also shows that transfers under this program help to increase dietary diversity in beneficiary households. Specifically, it led to an increase in the number of meals and the average portion sizes consumed by the children (World Bank Group, 2021). Families need birth certificates of their children to receive a child grant. 70 percent of the respondents in the UNICEF survey said that not having the right documents was a challenge in receiving birth certificates. Only 31 percent of the respondents registered their child's birth within the first 35 days of birth (UNICEF, 2019).

#### **4.4. Midday meal program**

Nepal’s Ministry of Education, Science and Technology (MEST) in the Government launched ‘Diwa Khaja Karyakram’ or mid-day meal program in 2008-09 in five districts<sup>4</sup>, covering 250,000 children. Today, the program provides nutritious school meals to 3.3 million children from pre-school to Grade 5 in 29,000 public schools across all 77 districts of the country. Nearly 100,000 students are supported by WFP in three remote districts of Sudur Paschim province (Sharma, 2023). In a second smaller variant of the program, called Food for Education Program (or Shiksha ko Lagi Khadhya Karyakram), food is distributed directly to the schools to feed the students. The first one provides cash to schools to cook or outsource food items.

GoN’s budget allocation to this program has increased by 5 times in the five years from 2017 to 2022. MMP accounts for 6 percent of the total national education budget of Nepal in 2023-24—the second largest allocation in the education sector after the budget for teachers’ salaries.

The program provides regular and fortified school meals to ensure that children get at least 30 percent of their daily calorie intake at school. Students receive a different meal every day. The budget allocation is NPR 20/meal for the 5 districts of Karnali while it is NPR 15/meal for the other 72 districts of the country. Cash assistance is provided directly to the families of children from 10 endangered nationalities and 13 marginalized communities.

#### **4.5. Prime Minister employment program**

The Constitution of Nepal in Article 33 ensures the right to employment as a fundamental right. The Right to Employment Act, 2075 (2018) guarantees at least one hundred days of employment for each registered unemployed person between 18 and 59 years of age. The Prime Minister Employment Program (PMEP) is a

<sup>3</sup> Districts listed in Annex 5 of Social Security Allowance Distribution Guidelines 2020 are Humla, Jumla, Dolpa, Mugu, Kalikot, Achham, Bajhang, Rautahat, Mahotari, Sarlahi, Siraha, Doti, Bajura, Jajarkot, Saptari, Bara, Dhanusa, Rasuwa, Rukhum East, Rukhum West, Rolpa, Kapilvastu, Baitadi, Salyan, and Dailekh.

<sup>4</sup> Achham, Bajura, Doti, Dailekh and Jajarkot.

national flagship program, launched in 2019, to deliver the guaranteed minimum employment. The Ministry of Labor, Employment, and Social Security (MoLESS) is responsible for implementing the program in coordination with local government bodies. It has set up 753 Employment Service Centers (ESC)--one per Palika to register unemployed persons, identify employment opportunities, disseminate information, and notify employers regarding the availability of labor. In addition, Palikas also implement various Cash for Work (CfW) projects with financial and technical support from MoLESS.

The PMEP provides conditional grants to Palikas to plan and implement employment activities through community-based Cash for Work projects for economically and socially disadvantaged registered unemployed people. Workers employed in a PMEP project are entitled to get daily wage of NPR 577. The program also provides accidental insurance to 200 thousand workers to be employed in projects listed in the PMEP employment management information system.

PMEP was implemented by 706 of the 753 Palikas of Nepal in 2021-22, with a total expenditure of NPR 8.02 billion (against the budget allocation of NPR 12.03 billion). More than 0.7 million workers are registered with the management information system of PMEP and 0.16 million were employed for an average of 75 days (MoLESS, 2023).

#### **4.6. Some common themes and implications**

- Nepal's large safety net programs rely mostly on cash transfers to beneficiaries.
- Means testing (also called income or poverty targeting) is uncommon for selection of beneficiaries. Instead, major SSN programs use unconditional cash transfers for specific vulnerable groups and/or poor, remote areas.
- Some of the largest SSN programs in Nepal have become more inclusive recent years.
- This increase in inclusiveness has been accompanied by an increase in the value of benefits. All benefits doubled in 2016, increased by another NPR 1000 in 2019, followed by another significant increase in 2021-22 (see figure 3 in UNICEF, (2020) and figure 4 in UNICEF (2023). Erosion in the purchasing power of due to rising inflation is a common concern of beneficiaries of cash transfer programs (Khera, 2013). In Nepal, the value of cash transfers has increased faster than inflation.

The increase in the number of programs, their beneficiaries, and the benefit levels have led to concerns about the fiscal sustainability of social protection programs in Nepal even as the 15th National Development Plan's target to extend the coverage of social protection to 60 percent of the country's population by fiscal year 2023-24 is far from achieved (ILO, 2023). We discuss the coverage of social safety net programs and their budget allocations in the next two sections.

# 5

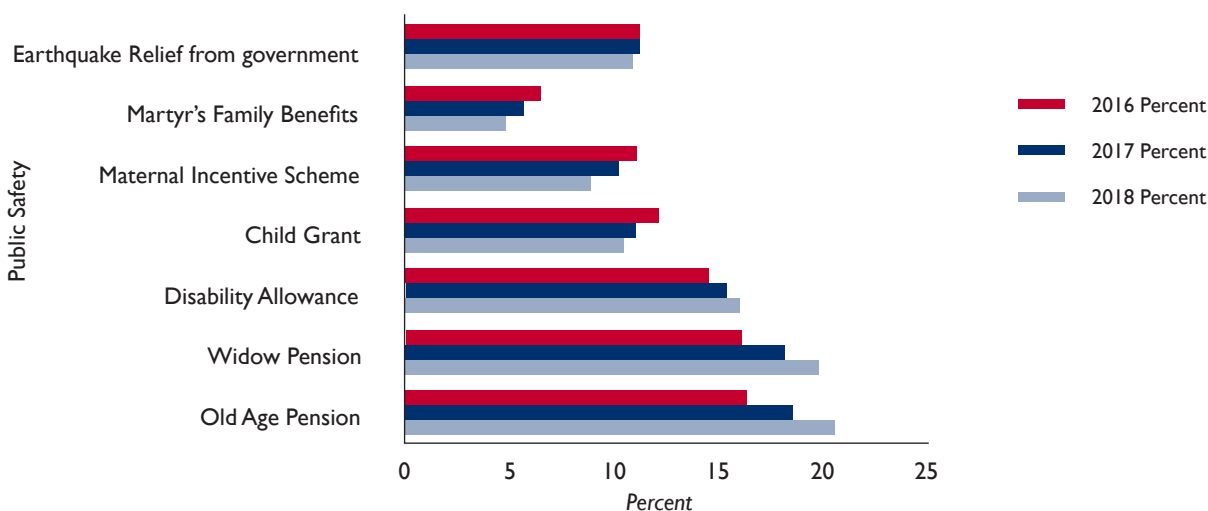
## COVERAGE OF SOCIAL SAFETY NET PROGRAMS IN NEPAL

### 5.1. Coverage

The total number of beneficiaries of social safety nets in Nepal has increased from 3.06 million in 2019-20 to 3.63 million in 2022-23 while the total expenditure increased from 66.1 billion NPR to 105.7 billion NPR (UNICEF, 2023). 10.2 percent of Nepal's population is 60 years or older, but people in this age

group comprise more than half (53.5 percent) of all the beneficiaries of cash transfer programs in the country. More than 60 percent of the recipients of the universal social pensions for seniors are women (ILO, 2023). Children under 5 years of age (13 percent of the country's population) comprise another 30.5 percent of the beneficiaries.

Figure 2: Percentage of households who received any support from seven schemes with the largest coverage.



Source: Authors' calculation using HRVS data (2016-2018).

Unconditional cash allowances, even if transferred to one member of a household for a specific purpose like giving them more nutritious food, may indirectly benefit the whole family by making more money available for other household needs. Therefore, it may be useful to know how many households in Nepal are covered by at least one social safety-net program. However, this data is not available from government program implementation records. We use data from household surveys for this information.

The HRVS collected data on 20 different cash transfer, in-kind transfer, and public work programs in Nepal. Only one-in-five (21 percent) of households reported receiving any social safety net transfers between 2016 and 2018. Only 7 cash transfer programs (old age pension, pension for widows, disability allowance, child grant, maternal incentive scheme, earthquake relief fund, and benefits for martyr's families) covered more than 5 percent of the sample households. Among them, the coverage of old age pension, widow pension, and disability allowance went down over the three years while that of the other four programs increased (Figure 2).

The HRVS did not collect data on the coverage of the PMEP and the Mid-day Meal Program. Moreover, there has been a significant expansion in the coverage of SSN programs and public expenditure on them since 2018-19 when the last round of surveys was conducted. IFPRI and IIDS conducted a primary survey of a random sample of 812 rural households across 9 districts in 4 provinces in the FtF zone of influence in August-

September 2023. 32 percent of rural households in this survey reported receiving benefits from at least one SSN program and 7 percent of them reported getting at least some employment under the PMEP—the flagship cash-for-work program of Government of Nepal (Figure 2).

**Table 1. Average value (NPR) and frequency of cash assistance received by households in the years 2016-18 from major social safety net schemes.**

Public safety nets (cash)	2016			2017			2018			(iv)	Total number
	(i)	(ii)	(iii)	(i)	(ii)	(iii)	(i)	(ii)	(iii)		
Old Age Pension	3677.3	10978.2	2.9	8939.8	24068.7	2.8	9042.8	26837.8	2.9	55080.9	1.6
Widow Pension	2213.6	6719.3	2.9	4126.5	11506.2	2.7	4081.0	11982.4	2.9	54340.3	1.5
Disability Allowance	2861.9	8184.1	2.4	3720.1	10173.7	2.4	5098.6	14653.5	3.0	53998.0	1.3
Child Grant	1909.6	3062.5	1.7	1840.9	4633.2	2.2	1737.5	5006.7	2.7	51073.9	1.4
Maternal Incentives	482.5	1011	1.0	479.2	1064.9	1.0	472	1199.3	1.0	45362.0	1.2
Martyr's Family Benefits	0.0	100000	1.0	-	-	-	-	-	-	48046.1	1.2
Earthquake Relief	1043.5	25516.1	2.1	13745.0	62406.4	1.1	96428.6	146292.1	1.2	79389.2	1.6

Note: (i) Assistance received in last 4 months; (ii) Assistance received in last 12 months; (iii) Number of assistances received in last 12 months; (iv) total value of assistance received in the last 36 months (about 3 years)

Source: Authors' calculation using HRVS data 2016-2018

Table 1 shows the total value of transfers and number of installments of payments households received under 7 different cash transfer programs that covered more than 5 percent of the sample households--over a period of 4 months and 12 months leading to the surveys in 2016-17, 2017-18, and 2018-19. Column (iv) of the table reports the total value of transfers received over the past 3 years under each of these schemes. There was a big jump from 2016-17 to 2017-18 in the average value of transfers received for 6 out of 7 schemes. This followed the doubling in the value of transfer across all schemes by the GoN in 2016-17. Columns (iii) confirm that beneficiaries get their allowance in 2 to 3 instalments per year. Payment of monthly allowances every 4 months saves transaction costs for the government and the beneficiaries.

**Table 2. Coverage ratio and average value (NPR) of cash assistance received under 5 large social safety net programs by rural households in 2023 in the Feed the Future Zone of Nepal.**

Scheme	Number of eligible beneficiaries in the sample	%eligible beneficiaries who received allowances	Average value of assistance received (NPR/ beneficiary/month)
Child grant	75	52.0	485.00
Disability allowance	63	38.1	2884.00
Mid-day meal	54	83.3	NA
Old age allowances	182	92.3	3981.00
Single women allowance	109	66.1	2337.00

Source: CSISA, Household Survey Wave II, 2023

Table 2 shows the more recent data on the coverage and the average values of transfers rural households in the FtF zone received from 5 major SSN programs in 2023. The coverage is the highest for old age allowances, including those for Dalit women and men and old widows. More than 80 percent of eligible primary students in the government schools received midday meals. Three out of five (62 percent) Nepalese with disability did not receive any allowance in 2023 while nearly half of all the young kids were excluded from child grants. An assessment by UNICEF found that lack of awareness to be the primary reason for exclusion of eligible

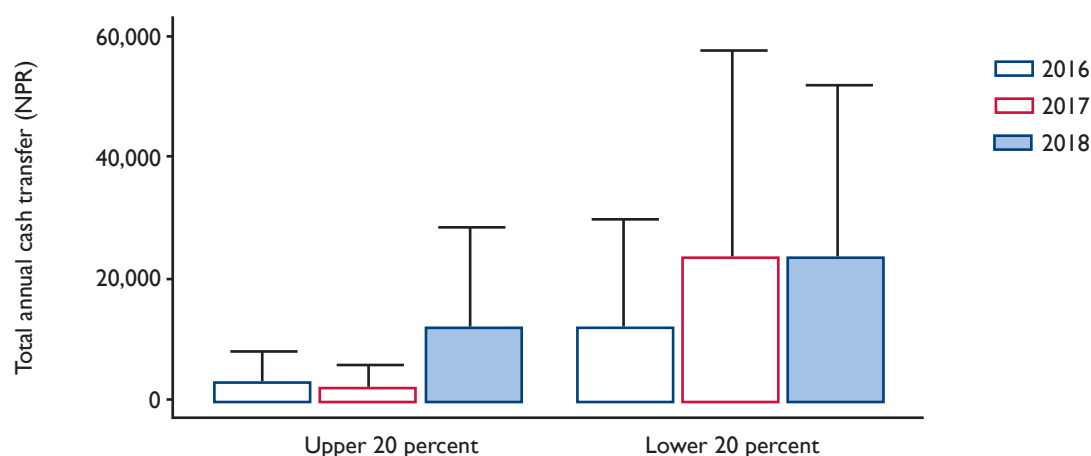
households from different SSA schemes (See Figure 2 in UNICEF, 2023). Many eligible beneficiaries perceive themselves ineligible for schemes because of an inadequate understanding of the eligibility criteria for the scheme.

Almost all cash assistance programs in Nepal offer the option of transferring the allowance to the beneficiary's bank accounts or handing them cash in hand. Only 13 out of the 258 households collected cash; 95 percent of them received transfers in their bank accounts.

## 5.2. Are social safety net programs progressive?

Well-functioning SSN systems help reduce poverty and inequality by providing those who are poorer with more generous benefits than those who are less poor (Muralidharan, 2024). Most SSN programs in Nepal do not use poverty targeting. Figure 3 shows the average annual transfer/household from the 20 programs for which HRVS collected data for the households in the bottom and top quintiles of monthly per capita consumption expenditure (MPCE). The average total value of transfers from these 20 programs was significantly higher for the households in the bottom quintile across all three years. This shows that the social safety net transfers in Nepal are progressive even when most of the SSN programs do not target poor families.

Figure 3: Distribution of total annual cash transfer to households through 2016-18.



Source: Authors' calculation using HRVS data (2016-2018), excludes outside values.

As discussed earlier, the nominal value of all benefits doubled in 2016-17 and increased by NPR 1000 again in 2019. We see a big jump in the average value of total transfers to both poor and non-poor households from 2017 to 2018. However, there was a greater increase in the average value of transfers for households in the top quintile of MPCE. So, the difference in the average value of SSN transfers between the top and bottom quintiles became smaller and the SSN in Nepal became less redistributive or progressive over this period.

## 5.3. Hassles in accessing social safety nets

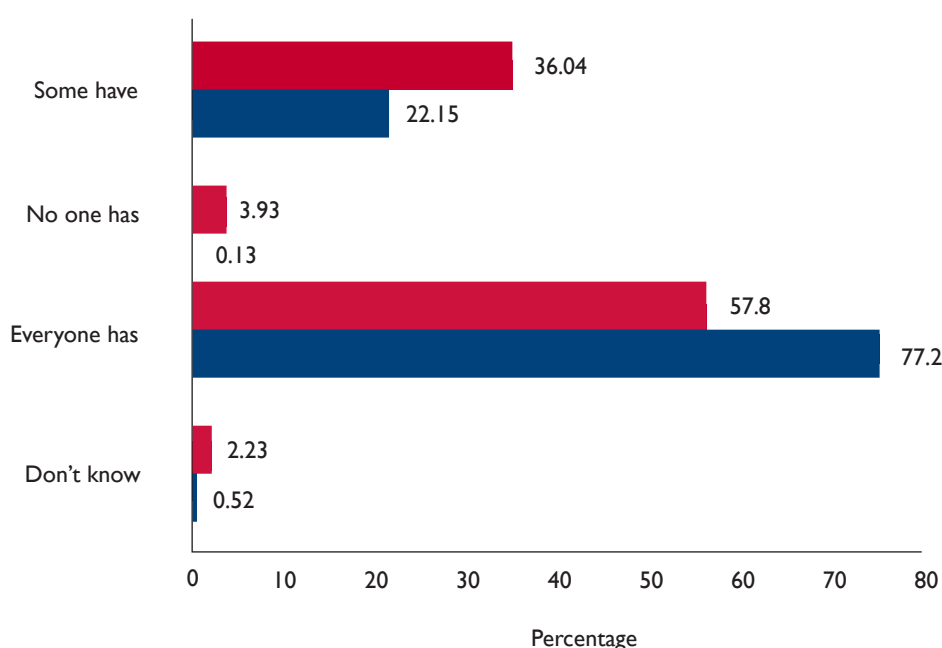
The Social Security Regulation Act of 2018 clearly stipulates the necessity of a citizenship certificate for eligibility in most social security programs (Nepal Law Commission, 2018). The 2018 Act also underscores that the social security allowances will be transferred directly to the beneficiaries' bank accounts. Therefore, possession of a citizenship certificate and having an account with a bank are prerequisites to receive SSN benefits in Nepal.

About 78 percent of households in the IIDS-IFPRI survey in the FtF region possess a citizenship certificate for all eligible family members, whereas 22 percent of households have at least one eligible member who does not have the required document. Very few households (<1.0 percent) have no members with citizenship certificates.

In 2018, the Nepalese government launched the National Identity Card (NID)-a digital card that assigns each person a unique identity number based on their biometric and demographic data to integrate The NID will be used for national identity, personal identity, as a voter ID card, and as a Social Security card. However, laws have not been amended to make the card mandatory to obtain benefits from various SSN programs. All members in the family had the NID in 58.0 percent of the households while some family members have it in 36 percent of the households. Very few respondents reported that no one in their family had the NID or that they did not know about NID ownership in their family.

About 93 percent of the respondents in the IIDS-IFPRI survey reported that at least one member in the household had a bank account. However, cash can be transferred only to the beneficiary’s bank account and not to any other member of the household. According to Nepal Rastra Bank, only two-thirds (67.3 percent) of Nepali citizens had a bank account in 2021. Furthermore, bank account ownership is less common among women, especially, rural women.

Figure 4: Status of Citizenship and National ID.



Source: Authors' calculation using household survey of IFPRI/IIDS (2023).

All households in this survey had at least a few members who had one of the two identification documents (Figure 4) and there is near universal access to bank accounts too. However, challenges remain in the transaction costs in receiving the transfers, especially, in remote areas where the nearest bank branch is not easy to reach for senior citizens, single women, or people with disability.



## BUDGET CONSTRAINTS FOR SOCIAL SAFETY NETS IN NEPAL

Over the past few years, Government of Nepal has launched several new social safety net programs, expanded the coverage of the old ones, and rapidly increased the value of benefits. The rapid proliferation in the number of schemes, increase in the number of beneficiaries, and the benefit levels have given rise to concerns about the fiscal sustainability of social protection programs in Nepal.

The nominal expenditure on social protection programs increased from NPR 25 billion in 2009-10 to NPR 219 billion in 2023-24 while the budget share increased from 8.7 to 12.5 percent (UNICEF, 2023). Today, the expenditure on SSPs accounts for 3.7 percent of its GDP in 2023 (UNICEF, 2023). The budget allocation for the non-contributory social safety nets, the focus of this review, increased from NPR 66 billion in 2019-20 to NPR 106 billion in 2022-23. This is more than half (55 percent) of the total social protection budget and close to 2 percent of Nepal's GDP. Two-thirds of this expenditure is for the elderly women and men who comprise 44 percent of all SSA beneficiaries. In contrast, children account for one-third of all beneficiaries but receive only 7 percent of the total SSN budget (UNICEF, 2023). Nepal spends a higher proportion of its GDP (1.3 percent) on social assistance as compared to the average of South Asian countries (0.9 percent) (Bloch, 2020), however, challenges regarding imbalance in coverage, adequacy of transfers, especially, to children, and their impact persist.

3.6 million people (or 12 percent of the country's estimated population) benefited directly from SSA programs while one-third (32.9 percent) of the population was covered by at least one social protection program in 2020-21 (ILO, 2023). Nepal's 15th National Development Plan has set the target to extend the coverage of social protection to 60 percent of the population by 2023-24.

Adding to the complexity, certain additional programs outlined in the Social Security Act of 2018 are yet to be implemented by the government (NPC, 2020). Accommodating these initiatives, in line with the imperative of achieving Sustainable Development Goals by 2030, would inevitably escalate the social protection budget. In these circumstances, the government must devise a systematic approach to manage expenditures judiciously. Simultaneously, concerted efforts should be made to formulate policies that address the fiscal burden while concurrently enhancing revenue streams. This strategic initiative is crucial to ensuring a balanced and sustainable trajectory for social protection initiatives in the near future.



## DISCUSSION AND WAY FORWARD

Our review shows that a large section of Nepal's population is vulnerable to all kinds of shocks and relies on household savings, remittance, and borrowing from family and friends to cope with them. These informal mechanisms provide imperfect insurance. Poverty and deprivation are higher among children, educational attainment is low, and malnutrition is high. Nepal's Constitution guarantees rights to social security for all the citizens; the Parliament has passed ambitious laws to achieve SDGs; and successive Governments have set ambitious goals for bringing more people under effective social safety nets as enjoined by the Constitution.

There has been a significant expansion in the scope and the coverage of SSNs over the past decade. Even then social safety nets cover only one-third (32 percent) of the households in Nepal and most beneficiaries receive only small and irregular transfers. However, even at the current level of coverage and generosity, SSNs account for 2 percent of the country's GDP and 5-6 percent of its annual budget. Reforming SSNs in Nepal, therefore, requires dealing with financial constraints. The budget allocation for SSNs went down after COVID-19. Addressing financial constraints requires estimating the level of financing required to ensure a minimum level of social protection; and finding out how Nepal could finance this. This exercise should be carried out while keeping in mind that discussions on the financial viability of expanding SSNs should be balanced by the considerations of the human and economic costs, in the short-term and the long-term, of not providing them.

Most SSN programs in Nepal target specific categories of people (old, widow, with disability, and children, etc.) or geographic areas. Means testing is not used for targeting. Can means based targeting of SSNs help stretch the resources? In 2016, Nepal launched a large poverty survey to collect data on household assets and characteristics that will be used to classify households as poor and non-poor based on an index created by combining 40 different indicators. Experience from other developing countries, like India shows that means testing can be expensive and prone to errors. However, targeting may be needed when there are budget constraints. India's experience suggests that use of simple exclusion and inclusion criteria to select households eligible for government transfers may work better than complex scoring methods.

Limitations in the delivery capacity are a major challenge to the extension of social protection in Nepal. These limitations are evident at different points in the policy cycle. We bring eight limitations and present them as the recommendations that need to be overcome to make SSN programs more effective.

First, Government of Nepal implements dozens of different SSN programs whose implementation is highly fragmented and managed by more than a dozen different public agencies. Social safety net reforms in Nepal should consider consolidation to reduce the total number of programs government implements. Consolidating some of the programs, improving coordination among various SSN programs and their implementing agencies to share data, human, financial, and administrative resources can reduce the cost of implementation, help expand the coverage of safety nets, help in more effective utilization of the transferred resources by beneficiaries (Rawlings, 2013).

Second, the design and administrations of social safety net programs in Nepal relies on weak information systems and limited data. Government of Nepal did not collect household data to measure consumption, incomes, poverty, and household response to shocks for more than a decade after 2010 even as safety nets were rapidly expanding. The lack of updated data made it difficult to measure and analyze poverty and vulnerability and understand households' heterogeneous responses to idiosyncratic and correlated shocks. Measurement of poverty and understanding how different households cope with different types of shocks is crucial to design

effective social safety nets and target them to the neediest individuals, households, and communities. Investing in regular collection and analysis of household data can help deploy scarce financial resources available for SSNs more effectively and help improve the efficiency, impact, and fiscal sustainability of these programs.

Third, there have been very few rigorous evaluations of the impact of SSN programs in Nepal by government or independent researchers. Careful impact evaluations of different programs can help identify areas of improvement and help government allocate more resources to more impactful interventions.

Fourth, Provincial and Local governments are closer to the people and can play a significant role in making Nepal's social safety nets more effective and responsive. However, lower tiers of government in Nepal have limited capacity to support implementation of federally funded SSN programs (World Bank, 2021). Clarifying roles of Provincial and local government bodies in implementing and monitoring SSN programs and incentivizing them to do this job well, even if through non-monetary measures like performance ranking, can improve the delivery of safety nets in Nepal.

Fifth, beneficiaries can get SSN transfers only if they have citizenship certificate or a birth certificate (for the Child Grant scheme) and a bank account. The CSISA survey shows that at least one member in 93 percent of rural households have bank accounts, but many families still do not have bank accounts and citizenship certificates for all their members. It is quite likely that some of the poorest and most marginalized households are the last to get their citizenship certificates, and therefore, are not able to secure their entitlements. According to a report by Human Rights Watch, some local governments created systems to overcome barriers related to lacking identity cards. Until all eligible households and individuals have the required documents, the Federal Government should encourage all wards to implement alternative identity verification systems to ensure that even families and individuals who do not have formal citizenship cards are able to secure the entitlements they are eligible for.

Sixth, the COVID-19 pandemic revealed a major weakness in Nepal's social protection system. It showed that Nepal's SP system was not equipped to deal with such a crisis. Governments in Nepal, at all three levels, implemented a few ad hoc social protection measures for a small number of individuals and households. The coverage of the ongoing schemes (except PMP) and the value of transfers could not be increased significantly during the pandemic—both for budgetary and logistical reasons. Since large parts of Nepal are prone to natural disasters, Government needs to invest in preparing a roster of the most vulnerable households and the state's capacity to ramp up the existing programs during times of crisis. These investments and preparations need to be undertaken during normal times. Nepal's safety net systems should also be flexible to use the existing beneficiary lists to provide additional support after a disaster.

Seventh, both income and multi-dimensional poverty data shows higher prevalence of poverty and acute deprivation among children in Nepal. The MPI data shows the high levels of malnutrition and low years of schooling are two of the largest contributors to multidimensional poverty in Nepal. The demographic and health survey (DHS) data also shows high rates of stunting among children in Nepal. Given the poor status of children in the country, government should allocate more resources to SSN programs aimed at supporting children, including the Child Grant and midday meal programs, and improve their design and implementation to make them more nutrition sensitive.

Eighth, fund allocations in Nepal's privilege old women and men over children. Two-thirds of total cash assistance under SSN programs accrues to senior citizens compared to 7 percent to children even when the incidence of poverty is twice as high among children compared to other age groups. Nepal's SSN portfolio needs rebalancing to make it more progressive and pro-poor. For example, the IFPRI-IIDS survey in rural areas of the FtF zone shows that more than 90 percent of all old women and men—poor and non-poor--received allowances cash transfers. Means based targeting of old age allowances may free up resources to redirect the resources to individuals and households with a greater need for state support.

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# ANNEX

## Annex I: List of the social safety net programs in Nepal.

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
1.1	Old Age Allowance	Crossed age bar of 68 years	NPR 4000/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
1.2	Old Age Allowance for Dalit	Crossed age bar of 60 years	NPR 2660/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
1.3	Old Age Allowance for Citizen from Karnali	Crossed age bar of 60 years	NPR 2660/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
2.1	Single Woman Allowance	Unmarried women of age above 60 years, Divorced women of age more than 60, widow of age more than 60	NPR 2660/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
2.2	Widow's Allowance	Belonging to any age group	NPR 2660/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
3.1	Total disability Allowance	Declared as a category A type of disability from the concerned authority	NPR 3990/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
3.2	Severe disability Allowance	Declared as a category B type of disability from the concerned authority	NPR 2128/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
4	Endangered Ethnic People Allowance	People from Kusunda, Bankariya, Raute, Surel, Raaji, Kishan, Lepcha, Meche, Kushbadiya, Pathharakatta, Silkat, and Kuchdhiya	NPR 3990/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
5	Children Allowance	Children from the area and district listed in the annex 5 by the GON and all dalit children not exceeding age of 5 (Only for 2 children born from a mother)	NPR 532/ month	4 times a year/ Quarterly	Ministry of Home Affairs	Local Government
6	Rescue and relief for those who lost their life in disaster		NPR 40,000/ person	Need based	Ministry of Home Affairs	Federal ministries, Provincial government agencies and Local Government

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
7	Immediate relief		NPR 5000/ household	Need based	Ministry of Home Affairs	Federal ministries, Provincial government agencies and Local Government
8	Relief for Complete damage of house from disaster		additional NPR 15000/ household	Need based	Ministry of Home Affairs	Federal ministries, Provincial government agencies and local Government
9	Relief for Coldwave affected	Relief for the household for the agricultural damage from cold wave		Need based	Ministry of Home Affairs	Federal ministries, Provincial government agencies and local body
10	Relief and Resettlement Program	Based on the need and relevancy provided to those who are conflict-affected, injured, and disabled, injured in people revolution, martyrs' families, and children of those injured in mass revolution		Need based	Ministry of Home Affairs	Federal ministries, Provincial government agencies and Local Government
11	Private Houses reconstruction grants			Need based	National Disaster Risk Reduction and Management Authority	Local Governments
12	Scholarship for Dalit Student	Provided to the children born to the Dalit family and reading in between class 1-8	NPR 400/ Student	Annual	Ministry of Education, Science and Technology	Local Governments

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
13	Scholarship for girl student	Provided to the girl students reading in between class 1-8	For residential student NPR 40000 For nonresidential NPR 400	Annual	Ministry of Education, Science and Technology	Local Governments
14	Scholarship for Disability	Cash assistance provided to the students with disability from class 1 to 12	For residential student NPR 40000 For nonresidential based on the level of disability ranging from NPR 1000 to NPR 5000 Annual	Annual	Ministry of Education, Science and Technology	Local Governments
15	Scholarship for Poor and marginalized	Scholarship provided to the students reading in between class 9 to 12	For the students of class 9 and 10 NPR 6000 is provided Annual For the students of class 11 and 12 NPR 24000 and NPR 18000 Annual for science and other stream respectively	Annual	Ministry of Education, Science and Technology	Local Governments
16	Scholarship for marginalized and endangered nationalities	Provided to the students from marginalized and endangered nationalities	For residential student NPR 40000 For nonresidential based on the geographic area ranging from NPR 400 to NPR 1500	Annual	Ministry of Education, Science and Technology	Local Governments
17	Scholarship for street children and child- labor	Provided for the street children and child labor	For residential student NPR 40000	Annual	Ministry of Education, Science and Technology	Local Governments

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
18	Scholarship for the children of Martyrs	Scholarship provided for the children of Martyrs	Up to grade 5 NPR 1000 monthly from class 6-10 NPR 1500 monthly and for Higher Education NPR 2000	Annual	Ministry of Education, Science and Technology	Local Governments
19	MUKTA KAMLARI Scholarship		For residential student NPR 40000 and for nonresidential starting from NPR 1500 to Rs 5000 based in class	Annual	Ministry of Education, Science and Technology	Local Governments
20	Residential Scholarship for HIMALI		For residential student NPR 40000 Annual	Annual	Ministry of Education, Science and Technology	Local Governments
21	Others Scholarship	Provided to the students reading in schools operated through Private Public Partnership		Annual	Ministry of Education, Science and Technology	Local Governments
22	Sanitary Pad Distribution Program	Free sanitary pads are provided to the girls reading in secondary-level government schools of 5 district		Annual	Ministry of Education, Science and Technology	Local Governments

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
23	Midday Meal Program	Provided in public schools of 77 districts to the students of class up to 5	In the 5 districts of the Karnali zone NPR 20/ student and for another district NPR 15/ student. But children from 10 endangered nationalities 12 marginalized communities and MUSAHAR will be provided with cash to family in condition to bring meal in school.	Annual	Ministry of Education, Science and Technology	Local Governments
24	Free Secondary level education	As declared by the GON free secondary-level education will be provided to the students	Subsidy provided to the concerned school	Annual	Ministry of Education, Science and Technology	Local Governments
25	Free Higher Education Program	Students from poor and marginalized communities, Dalit families and having a disability will be provided with scholarships to promote free higher education		Annual	Ministry of Education, Science and Technology	Local Governments
26	Scholarship in Technical Education (Marginalized group based)	Provided to the students of technical education from the marginalized group		Regular		Local Governments
27	Scholarship in Technical Education	Provided to the students of local government not having technical schools in their respective local government		Regular		Local Governments

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
28	Safe Motherhood Program (Aama Surakshya Karyakram)	To promote the delivery within the hospital, Cash incentive to mothers to deliver at health facilities, to improve their health outcomes and those of their babies. The program covers (a) cash transfer to mothers for transportation cost, (b) incentives for four antenatal care visits, (c) reimbursement to facilities for institutional delivery, (d) blood transfusion, (e) emergency referrals, including air lifting, (f) abortion, and (g) free sick newborn care.	Mothers having delivery in hospital will be provided with NPR 1000 in Tarai NPR 2000 in Hill and NPR 3000 in Mountainous region	Need based	Ministry of Health and Population	Provincial governments and local governments
29	Pre-Maternity Services	Cash will be provided on pre-maternity check-up	NPR 400 if having delivery in hospital after series of 4 pre maternity check up		Ministry of Health and Population	Provincial governments and local governments
30	Maternity Leave			Immediate	Ministry of Health and Population	Provincial governments and local governments
31	Nutritional supplements under the Integrated Child Health and Nutrition Program	Fortified super-cereal to maintain Maternal and Child Health and Nutrition (MCHN) program in 5 districts (Kalikot, Jumla, Mugu, Humla, and Dolpa) of Karnali Province and Solukhumbu district, Iron and Folic Acid (IFA) tablets for pregnant and lactating mothers	Free Iron and calcium capsule for pregnant woman and children from 6 months to 59 months. Vitamin A and medicine of worm for children	Need based	Ministry of Health and Population	Provincial governments and local governments

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
32	AIDS and STDs control program	Free service for victims of AIDS and other STDs	Free test kit for screening, and Anti Retro Viral medicine	Need based	Ministry of Health and Population	Provincial governments and local governments
33	Leprosy Control Program	Transportation costs will be provided to the infected for visiting the treatment center	NPR 1000/ visit	Need based	Ministry of Health and Population	Provincial governments and local governments
34	Free treatment of Transferable disease				Ministry of Health and Population	Provincial governments and local governments
35	Poor Citizens Medical Treatment Fund (Bipanna Nagarik Aushadhi Upachar Kosh)	Medical expenses up to NPR 100,000 for poor citizens, as recommended by the local-level committee or members of households identified as poor by the Poor Household Identification Board, for the treatment of specified diseases (heart disease, kidney disease, cancer, Parkinson's, Alzheimer's, spinal and head injury, and sickle cell anemia). The fund reimburses the listed hospitals for specific treatments; the same amounts are deducted from the patient's bills.	Based on disease up to 4 Lakhs	Need based	Ministry of Health and Population	Provincial governments and local governments
36	Free Examination and treatment				Ministry of Health and Population	Provincial governments and local governments
37	Examination of cervical cancer				Ministry of Health and Population	Provincial governments and local governments
38	Anti- Rabies Vaccination				Ministry of Health and Population	Provincial governments and local governments

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
39	Treatment for snakebite				Ministry of Health and Population	Provincial governments and local governments
40	Free surgery to treat uterine prolapse				Ministry of Health and Population	Provincial governments and local governments
41	Free Vaccination service				Ministry of Health and Population	Provincial governments and local governments
42	Free basic health service				Ministry of Health and Population	Provincial governments and local governments
43	Health treatment for old age people				Ministry of Health and Population	Provincial governments and local governments
44	Special insurance for pandemic (COVID Insurance)				Ministry of Health and Population	Provincial governments and local governments
45	Free Health Insurance	health insurance with coverage up to NPR 100,000 per household/ individual for those over 70 years of age. The premium is fully subsidized for households identified as poor and individuals over 70 years of age	NPR 100,000		Health Insurance Board	Ministry of Health and Population
46	Health Insurance Board Program	For the 5 family members of a family annual NPR 1,50,000 health treatment facility will be provided in the annual insurance payment of NPR 3500	NPR 1,50,000 annual		Health Insurance Board	Ministry of Health and Population

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
47	Public sector pension	Civil servants, army, police, armed police, and teachers who have completed a minimum year of service 20 years for civil servants, teachers and armed police force 16 years for army and police. The spouse also receives 50 percent after the death of the beneficiaries			Ministry of Finance	Respective ministries
48	Retirement Gratuity and other benefits	Provided to those who have completed at least 5 years of service. Also provided to the non- civil servants. Other benefits include accumulated leaves, medical facility, staff facility. And staff assistance.			Ministry of Finance	Respective ministries
49	Treatment expenditure				Ministry of Finance	Respective ministries
50	Contribution based pension fund	A compulsory retirement savings scheme for all public sector employees but other formal sector employees can participate voluntarily. It collects 10 percent of salary			Ministry of Finance	Respective ministries
51	Delivery and infant care	Delivery of child in case of female contributor herself or the contributor's wife maternity and childcare.	NPR 7500 per delivery up to two times		Ministry of Finance	Respective ministries
52	Funeral Grants	Provided to the legal heir or the nominee of the deceased contributor, expired within the service period	NPR 40,000		Ministry of Finance	Respective ministries
53	Fatal disease treatment expenditure				Ministry of Finance	Respective ministries
54	Employee Provident Fund				Ministry of Finance	Respective ministries

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
55	PMEP	Minimum employment guarantee program aiming to provide at least 100 days of employment or a subsistence allowance (50 percent of total wage for unworked days) to the registered unemployed			Ministry of Labour Employment and Social Security	Local Governments
56	Economic support to the family on the death of foreign employed worker	economic support will be provided to the family of foreign-employed workers in case of serious injury and death	Maximum up to NPR 150,000	Need based	Ministry of Labour Employment and Social Security	
57	Financial assistance provided to works with disability and serious illness during overseas employment				Ministry of Labor Employment and Social Security	
58	Financial assistance provided to the families of workers who have gone abroad for employment				Ministry of Labor Employment and Social Security	Local Governments
59	Foreign employment scholarship	Financial assistance provided to the offsprings of parents with disability and seriously ill workers during overseas employment			Ministry of Labor Employment and Social Security	Local Governments
60	Social security fund based on contribution of foreign employed workers				Ministry of Labor Employment and Social Security	Local Governments
61	Third party accident insurance in transport				Ministry of Physical Infrastructure and transport	Insurance Committee, Provincial governments
62	Free legal assistance				Ministry of Law, Justice, and Parliamentary Affairs	

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
63	Social Welfare Program	Program for those with disability and senior citizens, including model old age homes			Ministry of Women Children and social welfare	Local Governments
64	Transport concessions for old age citizen				Ministry of Physical Infrastructure and transport	
65	President's Women Upliftment Program	The program aims to improve women's livelihoods and empowerment. The program provides grant support for income-generating activities in agriculture, tourism, or non-agriculture sector; awareness-raising activities about early marriage, witchcraft, VAW, and so on; and skills training.			Ministry of Women Children and social welfare	
66	Children welfare fund				Ministry of Women Children and social welfare	Local Governments
67	Old age protection program		Maximum up to NPR 100,000		Social Security Fund	Ministry of Women Children and social welfare
68	Accident and disability Protection Scheme		NPR 700,000 in case of Employment associated accident		Social Security Fund	Ministry of Women Children and social welfare
69	Dependent Family Protection Scheme	In case of death of contributor pension will be provided to the dependent husband/ wife and total educational expenses of children up to the age of 18			Social Security Fund	
70	Medical treatment and health security Plan				Social Security Fund	Ministry of Health and Population
71	Maternity Security Plan				Social Security Fund	Ministry of Health and Population

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
72	Day Care child center	Day care child center for the children of civil servants working in Singha Darbar			Ministry of Women Children and social welfare	Local Governments
73	Subsidy for Freed haliya (MUKTA HALIYA ANUDAN)	Subsidy for freed haliya in land purchase house construction and maintenance	Cash Subsidy	Periodic	Ministry of Land management, Cooperatives and Poverty Alleviation	Local governments
74	Concession program in land registration and ownership	Free for Martyrs dependent and people with disability, 25 percent, and 30 percent discounts respectively in the municipality and rural municipalities in land registration for women and members of marginalized community		Immediate	Ministry of Land management, Cooperatives and Poverty Alleviation	Local governments
75	Safe Citizen Residence Program (SURAKSHIT NAGARIK AWASH KARYAKRAM)	Building Safe, Economic and environment friendly residence to highly poor endangered and marginalized	Cash Subsidy		Ministry of Urban Development	Local governments
76	People's Residence Program (Janata Awaas Karyakram)	Subsidized housing for the marginalized, including low-cost housing for Dalit and Muslim household	NPR 350,000 per housing unit (according to 2075 MOUD guidelines)		Ministry of Urban Development	Local governments
77	Public Food transportation Grant	Transportation subsidy on essential foods (rice, lentils, and so on) by the Food Corporation in 30 remotes districts			Ministry of Commerce and Supplies	Ministry of home affairs and Ministry of Physical infrastructure and Transport
78	Iodine deficiency disease control	Subsidy on the transportation of iodine contained salt on the selected remote districts			Ministry of Commerce and Supplies	
79	Special Agriculture production program	Subsidy in the fertilizer as per the price in international market			Ministry of Agriculture and Livestock Development	Local Governments
80	Agricultural crops and Livestock insurance		75 percent subsidy in insurance premium		Ministry of Agriculture and Livestock Development	Ministry of Finance and Local Governments

SN	Name of the program	Description	Allowance	Frequency/ Implementation time	Authority for implementation	Supporting body
81	Compensation associated to Bird-Flu affected				Ministry of Agriculture and Livestock Development	Local Governments
82	Agricultural sector disaster management program	Relief provided to the farmers arose due to the disaster on agricultural crops			Ministry of Agriculture and Livestock Development	Ministry of Home Affairs and Local Governments
83	Subsidy for the sugarcane-producing farmers	Sugarcane-producing farmers will get subsidies based on the amount of production			Ministry of Agriculture and Livestock Development	Local Governments
84	Subsidy on interest of Agricultural loan				Ministry of Agriculture and Livestock Development	
85	Herbal plants production technology and skill development program				Ministry of Agriculture and Livestock Development	Ministry of Finance
86	Youth Self Employment Fund	The fund provides collateral-free loan up to NPR 500,000 for self-employment activities, which should be in commercial agriculture, agro-based industries, or the service sector; available to all unemployed ages between 18 to 50 years			Ministry of youth and Sport	
87	Programs of the Welfare Fund (Nepal Army, Armed Police Force and Nepal Police)				Nepal Army, Armed Police Force, Nepal Police	

Annex 2: List of the social safety net programs listed under HRVS (2016-2018) data collection.

SN	Name of the SSN program
1	Old Age Pension
2	Widow Pension
3	Disability Allowance
4	Child Grant
5	Maternal Incentive Scheme
6	Martyr's Family Benefits
7	Endangered Ethnicities
8	Earthquake Relief
9	Emergency ad-hoc assistance (health/house destruction)
10	People's Movement Victims Benefits
11	Health Assistance (heart disease, Alzheimer, cancer etc)
12	Public Food Distribution System (Food subsidy)
13	Nutritional Supplement Program for Children
14	Nutritional Supplement Program for Mothers
15	Scholarship Program
16	Rural Community Infrastructure Works Program (RCIW)
17	Karnali Employment Project (KEP)
18	Rural Access Program (RAP)
19	Cash for Work Program (supported by Government or other organizations like WFP)
20	Food for Work Program (supported by Government or other organizations like WFP)

Source: World Bank, (2019)





This report is made possible by the support of the American People through the United States Agency for International Development (USAID). The contents of this report are the sole responsibility of CIMMYT/CSISA and do not necessarily reflect the views of USAID or the United States Government.



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