

Table 3: Expenditure as a percent of total nutrition sensitive budget in NRs "000"

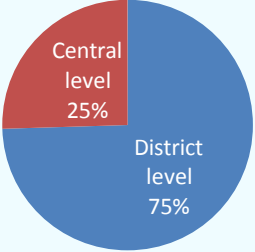
Description	2013/14	2014/15
Budget	3873699	5263209
Expenditure	2585111	3347707
Expenditure as a % of budget	66.73	63.61

Estimated of expenditure(Redbook),2013/14,2014/15, 2015/16; Statement of expenditure, DWSS, 2014/15

Nutrition Budget by levels

The nutritional budget allocated to the district level has increased from NRs 2,066 million in 2013/14 to 4,758 million in 2015/16, it increased by 65% annually in the analysis period. The central level allocations also increased, it increased from NRs 2,545 million in 2013/14 to 4408 million in 2015/16, it increased by 37% annually during the analysis period. The share of the district level budget has increased disproportionately from 45% in 2013/2014 to 52% of the total budget in the analysis period due to financial decentralisation. This showed that districts have got more authority in spending the resource in the needy areas.

Figure 5. Nutrition Budget by levels (2015/16)



Expenditure of nutrition budget

The expenditure percent against the budget remained almost constant in the review period. The low absorption of nutrition budget occurred due to the budget allocated without preparation, inflated figured proposed in the budget proposal, delayed in procurement, risk avoiding tendency of the cost centres and delayed budget approval from the line ministries.

Table 4. Expenditure of nutrition budget against the allocation in NRs "000"

Allocation and Expenditure	2013/14	2014/15
Allocated	4,610,891	6,154,201
Allocated Expenditure	2,906,413	3,826,589
Expenditure against allocation %	63.03	62.18

Estimated of expenditure(Redbook),2013/14,2014/15, 2015/16; Statement of expenditure, DWSS, 2014/15

As shown in the table 5, the vitamin A, minerals including the supplementation and fortification has increased considerably from NRs 104 in 2013/14 to NRS300 millions in 2015/16 due to the scaling up of supplementation and fortification the program. The prevalence of underweight was as high as 29% in 2011 therefore, more allocation is needed to address the integrated management for malnutrition (IMAM).

Table5. Budget by sub classifications in NRs"000"

By functions	2013/14	2014/15	2015/16	Share % in 2015/16
Vitamin A minerals supplementation and fortification	104064	211000	300010	30.05
Acute malnutrition management	439207	351205	329381	32.99
Enrichment of diet and good nutritional practice	128952	260678	334950	33.55

Recommendations:

1. Increase the budget allocation to "nutrition specific" programme/project by two folds with existing funding mix to achieve the objective of MSNP.
2. The budget ceiling to nutrition related programme/projects should be provided in accordance with the MSNP, not on incremental basis.
3. The budget should be kept in the Redbook after the preparatory work accomplished and getting the commitment letter from by the external development partners.
4. The donor funded project manager of self-executed project must submit the SoE to the government counterpart to include in the financial statement on trimester basis.
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5. Procurement always associates with risks; they should be brought under the manageable limit. The performance of procurement should be tied up with
6. Accountability should be tied up to the spending authority to increase the absorptive capacity of the sector.
7. Coordination should be fostered by increasing the communication between the line ministries and NPC for the speedy implementation of the programme. Frequency of the coordination meeting should be increased to monitor the budget spending along with the programme performance.
8. Evidence based allocation should be practised, proposing budget with value judgement should be discouraged by introducing information or evidence based allocation to correct the inflated figure or cutting down the budget without justification.
9. Increase the allocation to nutrition "specific programmes" and food based interventions to address funding gaps.
10. MSNP needs a separate budget head for multi-sector nutrition program under each sectoral ministry to implement the district level nutrition program effectively and provide nutrition budget code in Redbook as gender or poverty responding code.

Key informants

1. Mr. Atma Ram Pandey, Former Joint secretary , Nepal government
2. Mr. Radha Krishna Pradhan, Program Director, National Planning Commission
3. Mr. Bhumi Ram Sharma, Undersecretary, Ministry of Finance, Kathmandu Nepal
4. Mr. Giri Raj Subedi, Section Chief, Nutrition Section, DoHS
5. Mr. Rajan Adhikari, Programme/Computer Officer, MoHP,
6. Mr. Anil Mishra, Section Chief, Nutrition Education, Ministry of Education.
7. Mr. Chetnath Sharma, School Health Nutrition Unit, Department of Education
8. Mr. Megha Nath Sharma, Section Officer, Program and Budget Section, Department of Education
9. Mr. Bhagaban Upreti, Account Section , Department of Education
10. Mr. Hari Krishna Devkota, Account Officer, Food for Education Department of Education.
11. Mr. Deepak Puri, WSSD/ Ministry of Urban Development, Singhdurbar
12. Mr. BaikhuntaNepaune, Account Officer, WSSD/ Ministry of Urban Development, Singhdurbar
13. Mrs. Naina Dhakal, Section Chief, Nutrition, Ministry of Agriculture and Development, Singhdurbar
14. Ms Jyotsana Shrestha, Programme Officer, Ministry of Agriculture and Development, Singhdurbar
15. Mr. Purna Chandra Wasti, Department of Food technology and Quality Control, Kathmandu
16. Mr. Ishori Paudel, Section Chief(assigned undersecretary), Ministry of Federal and Local development, Singhdurbar
17. Mr. Tula Sunwar, Section officer, Ministry of Federal and Local Development , Singhdurbar
18. Mr. Ram Prasad Bhattarai, Undersecretary, Ministry of Women, Children and Social Welfare, Singhdurbar
19. Mrs Bishwa Maya, WDO, Ministry of Women, Children and Social Welfare, Singhdurbar
20. Mr. Pradhumna Dahal, Nutrition Section, UNICEF Nepal
21. Ms. Bhim Kumari Pun, Nutrition Program Manager, Save the Children, Kathmandu ,Nepal
22. Mr. Dhuruba Raj Karki, WASH manager, Save the Children
23. Focal persons, CSANN

For detail information:

✉ csannsecretariat@gmail.com

☎ 977-01-4223477

🌐 www.csann.org.np

📘 Civil Society Alliance for Nutrition, Nepal-CSANN

🐦 https://twitter.com/CSANNI

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POLICY BRIEF ON NUTRITION BUDGET ANALYSIS

The policy brief has been prepared by CSANN with the support of Dr Devi Prasad Prasai, Senior Health Economist and Dr Megha Raj Dhakal, Economist

Introduction:

Nepal had led an effort “Scaling-Up Nutrition Movement” to advance health and development through improved evidence based cost-effective nutrition interventions in the year 2010. SUN calls for greater "Multi Sectoral" action on nutrition during the first critical 1000 days of the child's life starting from pregnancy to 2 years of age.

Being a part of global SUN movement, Nutrition is on the top of priority list of Government of Nepal's as envisaged by Multi- Sector Nutrition Plan (MSNP). Additional, external development partners have been channelling significant resources towards improving the nutritional status of the Nepali people. Yet another paradigm shift is the realization of issues affecting the nutritional status are multi-dimensional and that a multi sector approach is required to address the multifaceted challenges. In recent years, improving the nutritional status of women and children is one of the top priorities for the Government of Nepal (DoHS, 2014/15).

Various External Development Partners (EDPs) like World Bank, WHO, UNICEF, WFP, and USAID (through Save the Children) have been provided their contribution to nutrition program. Nepal joined the Scaling up Nutrition (SUN) movement in May 2011. National Planning Commission (NPC) formulated Multi Sector Nutrition Plan (MSNP) for improving maternal and child nutrition. The spending levels and patterns in nutrition sector are increasing day by day; however, the evidence base planning for nutrition budget analysis is minimal. Information on trend and distribution of nutrition budget by specific, sensitive, and governance thus will help the policy makers in improving allocative efficiency and effectiveness of nutrition related projects.

Objective:

The objectives of the budget analysis are: to assess the allocations to nutrition "specific", "sensitive" and "governance" by source, level, types and expenditure against the allocations; to assess funding gap in nutrition by nutrition specific, sensitive and governance; to assess

the priority given to nutrition related programmes/project over the analysis period; and recommend for the policy, strategic and budgetary changes to increase the nutrition budget.

Methodology:

The team has adapted the methodology and analysis framework of the SUN (Scaling up Nutrition). The analysis was conducted in the three stages: at the first step, data was collected through Key In-depth Interview (KII), document review and retrieval financial data from the identified sources. At the second step, those budget figures and their allocation was validated by follow up interview and finally cross verifications by obtaining the feedback from the focal points.

Classification of nutritional budget analysis:

The SUN classifications of costing exercise was adapted to compare the budget with the costed plan of MSNP, The governance accounted less than 1% of the total nutritional budget.

Classification	Categories and sub categories
Specific	<ul style="list-style-type: none">• Good nutrition practices, including maternal, infant and young child feeding (IYCF) and healthy diet.• Vitamin and mineral intake, including supplementation and fortification.• Acute malnutrition management, including severe and moderate acute malnutrition• Enrichment of the diet nutrient density of young children (6-23 months of age) and pregnant and lactating women.
Sensitive	<ul style="list-style-type: none">• Food security (this includes agriculture, food systems and social protection) strategies that increase availability of, and people's access to nutritious foods.• Care environment strategies designed to empower women so that they are better able to provide appropriate nutritional care to their households especially to themselves and their children.• Health, water, and sanitation: strategies that improve access to health services (including those for reproductive health, drinking water and sanitation facilities).
Governance	<ul style="list-style-type: none">• Coordination and information management.• Advocacy, communication and policy development• System capacity building, which aims to increase capacity at different levels for overall coordination, policy development, planning, budgeting, information management (monitoring, evaluation and data analysis),advocacy, and communication <p><i>Note: In case of Nepal the size of budget to governance is too small, therefore did not further classified into advocacy, capacity development, and coordination)</i></p>

Source: (SUN, 2012). Analysis of costs of SUN country plan.

Determination of weightage:

Nutrition specific programs explicitly contribute to the nutritional status of women, children and adolescents, therefore, full budget and expenditure was allocated to nutrition. In case of nutrition sensitive, and governance, weightage was determined based on the following criteria:

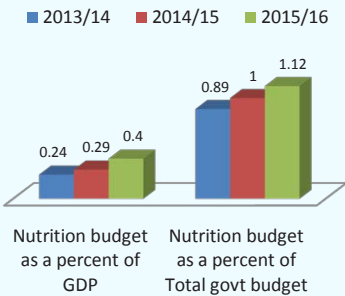
- Size of the nutrition related budget out of total budget of the project (actual calculation) wherever possible, if not,
- Number of nutrition related objectives out of total objectives of the project assumed that objectives have equal weightage wherever possible if not,
- Team rating of weightage based on the project contribution to nutrition

Major findings:

The analysis showed that nutrition budget as a percent of GDP (in basic price) has considerably increased from 0.25% in 2013 to 0.40% in 2015/16. The nutrition budget (in current price) as a percent of total government budget has also increased from 0.89 % in 2013/14 to 1.12% in 2015/16. The nutritional budget has increased disproportionately; it is annually increased by 49.4% compared to 29% of the total government budget

and 9.64 % of the GDP in basic price between 2013/14 to 2015/16. The SUN costing showed that at least 1% of the GDP requires to nutrition. The existing budget should be more than doubled to reach at the required level.

Figure1. Nutrition budget as a percent of GDP.



Source: Estimated of expenditure(Redbook),2013/14,2014/15, 2015/16; Statement of expenditure, DWSS, 2014/15

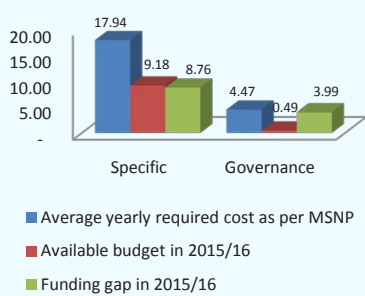
The nutrition specific budget has increased from NRs 672 million in 2013/14 to 964 million in 2015/16, it was annually increased by 21.23% between 2013/14 to 2015/16 due to the scaling up of the interventions and a few piloting. The nutrition sensitive program/budget has increased disproportionately, it increased from 3873 in 2013/14 to 8151 in 2015/16, it increased by 55.21% annually.

The sensitive budget increased considerably due to the

increased allocation to WatSan projects and "golden thousand days" under MOFALD. The share of the nutrition sensitive budget against has increased from 84 of the total nutrition budget to 89% between the analysis period. Allocation to governance has slightly decreased from NRs 64 million in 2013/14 to 51 million in 2014/15.

The share of "nutrition specific" has decreased from 14.58% in 2013/14 to 10.52% in 2015/16 due to the increased allocation to nutrition sensitive programmes. The share of sensitive has increased from 84% in 2013/14 to 89% % in 2015/16. The share of governance remained as low as 1% in the analysis period.

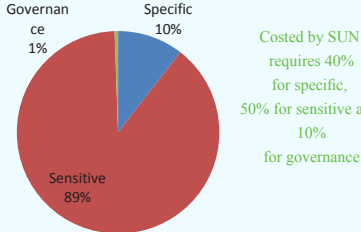
Figure 2. Funding gap in USD million in 2015/16



Source: Estimated of expenditure(Redbook),2013/14,2014/15, 2015/16; Statement of expenditure, DWSS, 2014/15

The figure2. showed that allocation to "nutrition specific" is grossly inadequate to scaling up the existing interventions and piloting a few. The MSNP costed USD77 million for five years, for specific; the average annual requirement is estimated USD17.94 million by adjusting inflation. At present the availability is only USD 9.18 million in 2015/16, thus, there was a gap of USD 8.76 million yearly. The estimated funding gap was 49% of the total requirement in 2015/16. The estimated funding gap for governance is USD 4 million in 2015/16. The existing level of budget should be doubled to fill the funding gap.

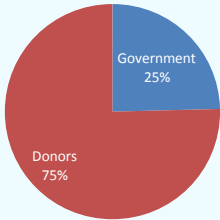
Figure3: Share of "specific "sensitive and governance



Source: Estimated of expenditure (Redbook),2013/14,2014/15, 2015/16; Statement of expenditure, DWSS, 2014/15

The figure 3. showed the SUN costed plan of MSNP stated that 40% of the total fund requires to specific, 50% to sensitive, and 10% to governance, but only 10 percent allocated to specific, and 1% to governance; thus, more fund should be allocated to specific and governance related interventions.

Figure 4: "Nutrition" budget by source (2015/16)



The source of budget showed that about 75% of the total budget financed by the donors and 25% by the government of Nepal. The share of government budget decreased from 32% in 2013/14 to 25% in 2015/16 due to the increasing fund of the donors, it increased from 68% in 2013/14 to 75% in the same period.

Table 1: Budget by capital and recurrent cost in NRs"000"

Types	2013/14	2014/15	2015/16	Annual growth %
Capital	1,598,508	2,307,573	2,197,958	18.75
Recurrent	3,012,383	3,846,628	6,968,711	65.67
Total	4,610,891	6,154,201	9,166,669	49.40

The table 1 shows the nutrition budget by capital and recurrent costs. The nutritional budget allocated to recurrent cost has increased from NRs 3012 million in 2013/14 to 6968 million in 2015/16, it increased by 66% annually in the analysis period. The allocations to capital cost also increased, it increased from NRs 1599 million in 2013/14 to 2198 million in 2015/16, it increased by 19% annually during the analysis period. The share of the recurrent budget has increased disproportionately from 65% in 2013/2014 to 76% of the total budget. Almost allocation to food security, care and environment is for recurrent cost, allocation to capital mostly related to the water, sanitation and hygiene (WASH) related projects.

The table 2and 3 shows the nutrition specific and nutrition sensitive budget, respectively. The expenditure of allocated nutrition specific budget is markedly at lower level. The absorptive capacity of the donor funded programs decreased due to the under reporting of the self-executed donor project and low spending capacity of the government funds.

Moreover, many activities were kept in budget without adequate preparation.

Table 2: Nutrition "specific" budget and expenditure in NRs "000"

Allocation and Expenditure	2013/14	2014/15
Allocated	724,118	875133
Expenditure	313,543	467,759
Expenditure allocation %	43.30	53.45

Source: eAWPM, MoHP