Workshop on Public Finance for Nutrition

25-27 April 2016
Bangkok, Thailand

An analysis of budget expenditure and allocation in Nepal
NEPAL: A BEAUTIFUL AND DIVERSE COUNTRY

Area: 147,181 square km
Altitude Variation: Altitude ranging from 70 m to 8848 m amidst a width of 193 km

3 ecological regions
Mountain (16 districts)
Hill (39 districts)
Terai (20 districts)

7 federal states

10 Religions  Birth Place of Buddha
125 Caste/ethnic groups
123 Languages spoken as mother tongue

Total population: 26.5 million
U-5 population: 3.5 million

Life expectancy ranges from 42 years in Mugu district to 75 years in Kathmandu district
The intergenerational transmission of growth failure: When to intervene in the life cycle

- Child growth failure/death
- Early pregnancy
- Low birthweight baby
- Low weight & height in teenagers
- Small adult woman
- Small adult man

Ministry of Health
Maternal and Young Child micronutrient and feeding, SAM, Diarrhoea Treatment

Ministry of Water and Sanitation
Sanitation facilities, handwash, treated drinking water

Ministry of Women & Children
Nutrition Awareness, Women empowerment, Mobilization of Women Group, Saving Credit Groups for Nutrition, Participation in Local Level Planning

Ministry of Agriculture & Ministry of Livestock
Availability of animal foods, income generation, consumption of animal source foods and Reduced workload of women

Ministry of Federal Affairs and Local Development
Prioritizing nutrition in annual and periodic plans, Linking social protection and nutrition, Improved coordination and resource mobilization for nutrition

Ministry of Education
Nutrition in formal/informal curriculums, Improved awareness, Life-skills and improved meals to Adolescent, increased school completion rates for girls, parenting education

National Planning Commission
Multi-sector resources, Nutritional information management, Nutrition capacity Enhancing

National Multi-Sector Nutrition Framework
Implementation of MSNP supported by Multi-sector- Multi-stakeholder Coordination Structures

Academia Platform
Private Sector Platform
Media Network

Regular dialogue with Parliamentarians
Civil Society Alliance (CSANN)
EDPs (Nepal Nutrition Group-NNG, FSWG…)

DISTRICTS/MUNICIPALITIES/VDCs/WARDS

National Nutrition and Food Security Secretariat / NPC

NNFSCC (Coord.)
HLNFSSC (Steering)

MoF  MoWS  MoE  MoH  MoAD & MoLD  MoFALD  MoWCSW  MoIC
Budget Categorisation

Total number of programmes identified as potentially having allocations towards nutrition outcomes is 55

Categorised 2 (two) broad programme interventions under MoH (within the Child Health Division, MoH) as being nutrition-specific

Categorized 53 interventions as nutrition-sensitive, and many of other programmes are contributing to nutrition by addressing basic causes of the nutrition.
Weighting for Interventions

- For the nutrition-specific programmes, 100% weightage allocated
- For the nutrition-sensitive programmes, minimum of 5% to maximum of 75% weightage has been allocated.
- Nutrition sensitive budget covers the activities/programs/projects that contributes to the elevation of the Nutrition status through “preventive measures/indirectly contributing to Nutrition”.
- Prioritization of activities and allocation of scale was done through consultative meetings between the NPC Officials, Sector Ministries focal Point, SUN Focal Point and SUN Coordinator as well as relevant stakeholders and the NNFSS.
## Budget Allocation and Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Weigh t</th>
<th>No. of Prog</th>
<th>Actual total expenditure of 2013-14</th>
<th>For nutrition after weightage</th>
<th>Actual total expenditure 2014-15</th>
<th>For nutrition after weightage</th>
<th>Budget allocation for FY 2015-16</th>
<th>For nutrition after weightage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential budget allocations to nutrition</td>
<td>N/A</td>
<td>55</td>
<td>361.23</td>
<td>57.38</td>
<td>469.74</td>
<td>84.88</td>
<td>632.48</td>
<td>140.16</td>
</tr>
<tr>
<td>Nutrition-specific</td>
<td>100%</td>
<td>2</td>
<td>7.64</td>
<td>7.64</td>
<td>14.05</td>
<td>14.05</td>
<td>24.21</td>
<td>24.21</td>
</tr>
<tr>
<td>Nutrition-sensitive</td>
<td>5%–75%</td>
<td>53</td>
<td>353.59</td>
<td>49.74</td>
<td>455.69</td>
<td>70.83</td>
<td>608.27</td>
<td>115.95</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance, Nepal
Three Fiscal Years Comparison:
*Weighted budget allocation contributing to nutrition*
(Expressed in US$ Million)

**FY 2013-14**
- Nutrition Specific Expenditure: 7.64, 13%
- Nutrition Sensitive Expenditure: 49.74, 87%

**FY 2014-15**
- Nutrition Specific Expenditure: 14.05, 17%
- Nutrition Sensitive Expenditure: 70.83, 83%

**FY 2015-16**
- Nutrition Specific Expenditure: 24.21, 17%
- Nutrition Sensitive Expenditure: 115.95, 83%
Trends of Nutrition Expenditures in US$ (Million) for the last three fiscal years

- **Nutrition Specific**
  - FY 2013-2014: 7.64
  - FY 2014-2015: 14.05
  - FY 2015-2016: 24.21

- **Nutrition Sensitive**
  - FY 2013-2014: 49.74
  - FY 2014-2015: 70.83
  - FY 2015-2016: 115.95

The increased allocation for 2015-2016 is due to Emergency Nutrition Response after Earthquake.
ON and OFF Budget Trend on NUTRITION

On Budget- Reflected in Government Budget
Off Budget: Not Reflected in Government Budget

Note: FY 2013-14 and 2014-15 is Expenditure and FY 2015-16 is Allocated Budget (in US$)

Source: MoF for On Budget and MoF/Aid Management Portal (collected by SPRING) for Off Budget
Findings from Case Study

• Reporting of annual commitments needs to improve; Data includes not just Donors and UN Groups, but also CSOs and private sector funds to be tracked.

• Expenditure of on-budget allocated nutrition funds could be improved, particularly for External Donor funds.

• GoN funds make up around 40% of all nutrition allocations, and closer to 50% of expenditures

• Not all MSNP activities received equal attention/funding

• Financial reporting data for on-budget funding is very good. Significant data quality issues with off-budget financial data provided in the AMP. Data quality audits should be done on this portal.

• Efforts should be made to move donor funds on-budget (global aid effectiveness target ≥ 85% of donor funds on-budget)

Source: SPRING, Pathways for Better Nutrition
Issues/Challenges

• Basket funding visioned for Nutrition in MSNP, could not be materialized
• Budget ceiling hindering to scale up Nutrition
• MSNP full Package yet to be rolled out in all districts
• Mainstreaming off-budget into on-budget
• Nutrition Sensitive Budget Code
• Budget Absorptive Capacity of the Line Ministries
Way Forward

- Budget has increased for both Nutrition Specific and Sensitive
- Systematic mapping of interventions from sector ministries which are nutrition specific and nutrition sensitive
- Developing scientific tools for allocating appropriate weights for activities
- Nutrition Budget Code is under discussion
- Efforts ongoing for reducing the Off-Budget Expenditure
- Further strengthen the multisector architectures at all levels (national, regional, district, municipality and VDCs)
- Empowering and Strengthening Governance
- Ongoing Discussion on Multi-Sector wide approach for Nutrition (M-SWAP)
Thank you