This action is funded by the European Union

**ANNEX II**

of the Commission Implementing Decision on the financing of the Annual Action Programme in favour of Nepal for 2019


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**ANNUAL PROGRAMME/MEASURE**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 2. Zone benefiting from the action/location | Nepal.  
The action shall be carried out at the following location: In all provinces of Nepal. |
| 3. Programming document | Addendum No 1 to the Multiannual Indicative Programme between the European Union and Nepal for the period 2014-2020\(^1\) |
| 4. SDGs | Main SDGs: SDG 2 (zero hunger) and 3 (good health and well-being)  
Other significant SDGs: SDG 1 (no poverty), SDG 5 (gender equality) and SDG 6 (clean water and sanitation) |
| 5. Sector of intervention/ thematic area | Sustainable Rural Development  
DEV. Assistance: YES\(^2\) |
| 6. Amounts concerned | Total estimated cost: EUR 24 350 000  
Total amount of EU budget contribution EUR 23 350 000 of which EUR 20 000 000 for budget support and EUR 3 350 000 for |

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\(^2\) Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.
complementary support.
This action is co-financed in joint co-financing by:
- United Nations Children’s Fund (UNICEF) for an amount of EUR 1 000 000

| 7. Aid modality(ies) and implementation modality(ies) | Budget Support

**Direct management** through:
- Budget Support: Sector Reform Performance Contract
- Procurement

**Indirect management** with the UNICEF |

| 8 a) DAC code(s) | 120: Health, 160: Other social infrastructure and services
12240: Basic nutrition (20%), 12261: Health education (10%), 14032: Basic sanitation (20%), 16050: Multi-sector aid for basic services (50%) |

| b) Main Delivery Channel | 12000 Recipient government and 41122 UNICEF³ |

<table>
<thead>
<tr>
<th>9. Markers (from CRIS DAC form)⁴</th>
<th>General policy objective</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Principal objective</th>
</tr>
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<tr>
<td>Participation development/good governance</td>
<td>☐</td>
<td>☐</td>
<td>■</td>
<td></td>
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<tr>
<td>Aid to environment</td>
<td>■</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Gender equality and Women’s and Girl’s Empowerment⁵</td>
<td>☐</td>
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<td>■</td>
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<td>Trade Development</td>
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<td>Reproductive, Maternal, New born and child health</td>
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<td>☐</td>
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</table>

<table>
<thead>
<tr>
<th>RIO Convention markers</th>
<th>Not targeted</th>
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<td>Biological diversity</td>
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<tr>
<td>Combat desertification</td>
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<tr>
<td>Climate change adaptation</td>
<td>■</td>
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| 10. Global Public Goods and Challenges (GPGC) thematic flagships | Not applicable |

³http://www.oecd.org/dac/stats/annex2.htm
SUMMARY

Despite apparent progress in poverty reduction in Nepal, the prevalence of malnutrition has not fallen at a comparable rate. As a result, the annual rate of stunting reduction falls short of that required to meet the World Health Assembly (WHA) global nutrition target for 2025, and the national prevalence of child wasting and anaemia among women of reproductive age have not significantly reduced at all.

The action will support - through policy dialogue, budget support and capacity building measures - the Government of Nepal (GoN) in implementing the second phase of its Multi-Sector Nutrition Plan 2018-2022 (MSNP-II).

The action aims to contribute ‘to improve maternal, adolescent and child nutrition, by scaling up essential nutrition specific and sensitive interventions, and creating an enabling environment for nutrition’.

It will also contribute to better coordinate the efforts of the various stakeholders involved (several government agencies, civil society, private sector and development partners), through an enhanced platform to review MSNP-II.

The action is the result of sustained engagement on nutrition with the GoN since 2011. At international level, the action is in line with the targets articulated in Sustainable Development Goal (SDG) 2 ‘End hunger, achieve food security and improved nutrition and promote sustainable agriculture’. It reflects EU priorities as stated in the New European Consensus on Development (2017)6.

This action complements other EU’s interventions in the country, notably on agriculture, water and sanitation, education, as well as the intervention on federalism, with which strong synergies will be ensured in relation to decentralisation.

Capacity building measures include technical support to MSNP-II, which will be provided by the United Nations Children’s Fund (UNICEF), through an indirect management contract.

1 CONTEXT ANALYSIS

1.1 Context Description

Nepal went through a long transition process from political instability and violent conflict to peace and stability. A shift to a federal democratic government took place with the election of a parliament in 2017 and a new prime minister in February 2018. However, many challenges remain such as those related to economic growth, human development and food and nutrition security, especially following the devastating earthquake of 2015.

The country has seen significant economic and health improvements since the turn of the century. The poverty rate declined from 40% in 1996 to 25% in 2017. Infant mortality rate and Under-five mortality rate have declined from respectively 78 and 118 per 1,000 live births

6 In particular, the priorities under “people – human development and dignity” by focusing on “investment in the early development of children by addressing all forms of malnutrition including the stunting and wasting of children through support for basic services in health, nutrition, water, sanitation and hygiene and social protection”.

[3]
in 1996 to 32 and 39 in 20167. Despite these improvements, Nepal remains a least developed country. It was ranked 144 out of 188 countries in the 2016 Human Development Index, with an estimated Gross Domestic Product (GDP) per capita of $835 in 2017. Migration from rural areas is very high, leaving often women alone to manage their families and the farms.

Nepal has achieved a comparably impressive rate of stunting reduction8 (although falling short of the WHA target for 2025). Furthermore, the Constitution of Nepal (2015) recognizes the right to health services, food and clean water as fundamental rights of citizens. Nevertheless, in common with other countries in the region, Nepal continues to be associated with a phenomenon known as the "South Asia enigma" whereby despite apparent progress with poverty reduction, the prevalence of malnutrition has not fallen at a comparable rate.

1.2 Policy Framework (Global, EU)

Globally the EU has committed to accelerating the reduction of undernutrition with the 2013 Communication on Enhancing maternal and child nutrition9 and its Action Plan on Nutrition (APN, 2014-2020)10. This includes both the pledge to ensure that at least EUR 3.5 billion will be invested in nutrition programmes between 2014 and 2020 and the commitment to ensure that seven million children under the age of five are averted from stunting by 2025.

The action is in line with the above policies as well as with the EU Food security Communication11, and directly responds to the SDG Agenda 203012. In particular it will contribute to the achievement of SDGs 2.1 and 2.2 (to end hunger and all forms of malnutrition). The action also contributes to objectives related to SDGs 1 (poverty reduction), SDGs 3.1 and 3.2 (prevention of child and maternal mortality), SDGs 5 (empowering adolescent girls and women, and addressing their role within the household and local communities) and SDG 6.2 (promoting hygiene and defecation free municipalities).

The action also supports the objective of "healthy nutrition levels for girls and women throughout their life cycle" as specified in the Council Conclusions on the EU Gender Action Plan 2016-202013. It underscores the priorities of the New European consensus on development (2017) and in particular the common priorities framework under "people-human development and dignity" by focusing on "investment in the early development of children and by addressing all forms of malnutrition through support for basic services in health, nutrition, water, sanitation and hygiene, and social protection"14.

Supporting a multi-sectoral approach to address nutrition is in line with the Addendum n°1 to the Multiannual Indicative Programme (MIP) 2014-2020, and in particular with the specific objectives 2 (Efficient and sustainable agriculture sector guaranteeing food security in rural

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7 Nepal Demographic and Health Survey 2016; difference between boys and girls: 31% and 34% (Infant Mortality Rate), 36% and 41% (Under-Five Mortality Rate).
8 https://ec.europa.eu/europeaid/files/2017_country_profile_on_nutrition-_nepal.pdf
11 EC communication on food security - Accompanying document | capacity4dev.eu
12 https://sustainabledevelopment.un.org
areas) and 3 (Improve maternal, infant and child nutrition in rural areas) of its first focal sector (sustainable rural development). The other two focal sectors of the MIP (Education and strengthening democracy and decentralization) present also a clear strategic fit with the nutrition agenda. This action will also support the GoN to implement the recommendations by human rights and treaty bodies and apply the Right-Based Approach (RBA) working principles to emphasise the advancement of more equitable access to priority services.

1.3 **Public Policy Analysis of the partner country/region**

Government nutrition initiatives in Nepal have been underway for more than three decades, with national nutrition strategies mostly led by the Ministry of Health and without sectoral integration. Nepal is a member of the international Scaling Up Nutrition (SUN) Movement. Between 2011 and 2015, the GoN was directly supported by the strategic EU / UNICEF Maternal and Young Child Nutrition Security in Asia project (MYCNSIA). The MSNP-I (2013–2017) served as the first common results framework for setting out plans of action for implementing nutrition-sensitive policies and strategies for key sectors, including agriculture, health, education, and water, sanitation and hygiene (WASH).

In 2017, EU / UNICEF Partnership for Improved Nutrition (PIN) project supported the National Planning Commission (NPC) for the formulation of the MSNP-II. This second phase of MSNP (2018–2022) represents the current national policy framework of the GoN to address malnutrition.

The MSNP is further underpinned by the constitution of Nepal (2015) which recognises the right to health services, the right to food, and the right to clean water as fundamental rights of its citizens, as well as the recently approved right to food and Food sovereignty Act (2018). Article 30 of the new Constitution gives each person “the right to live in a healthy and clean environment.

The MSNP-II further develops the MSNP-I strategic focus on the imperative for both nutrition "specific" and nutrition "sensitive" interventions to address the complex challenges of malnutrition.

The goal of the MSNP-II is: "Improved maternal, adolescent and child nutrition by scaling up essential nutrition-specific and sensitive interventions and creating an enabling environment for nutrition". The three objectives and outcomes of the MSNP-II reinforce the multi-sectoral focus and recognise the significance of the new federal structure for implementation:

(i) To increase the number of service delivery institutions to improve access to and the use of nutrition specific services;
(ii) To increase access to and the use of nutrition sensitive services including improving health related behaviour; and,
(iii) To improve policies, plans and multi-sectoral coordination at federal, provincial and local levels to create an enabling environment to improve nutrition.

The estimated costs of implementing MSNP-II over the five-year period are NPR 48.9 billion or around EUR 386 million (averaging around EUR 77 million per year).

1.4 **Stakeholder analysis**

With MSNP-I, Nepal established a multi-sectoral coordination architecture across six ministries namely (1) Ministry of Agriculture and Livestock Development (MoALD), (2) Ministry of Education and Science & Technology (MoEST), (3) Ministry of Federal Affairs and General Administration (MoFAGA), (4) Ministry of Health and Population (MoHP), (5)
Ministry of Women, Children and Senior Citizen (MoWCSC), and (6) Ministry of Water, Sanitation and Hygiene (MoWSH).

The NPC is the apex advisory body of the GoN, headed by the Prime minister. The highest level of coordination mechanism for MSNP-II is the High-level nutrition and food security steering committee, chaired by the Vice-Chair of the NPC, with membership from relevant line ministries at the level of Secretaries. The National Nutrition and Food Security Coordination Committee (NNFSCC) reviews progress and strategizes future actions.

Nepal is in the process of transitioning into a federal democratic government based on the 2015 constitution\(^\text{15}\). Political leaders have promoted this transition largely on the basis that "shared rule" between the national, provincial and local levels of government would allow elected leaders to better address inequality and discrimination – hence bringing greater stability to the country. The 2015 Constitution mandates the representation of marginalized groups, including women, Dalits, and minorities in the local governments.

As subnational governments assume greater responsibility, and new procedures and processes for governance and decision-making are adopted, there will be opportunities to better integrate ideas for more effective gender equality and social inclusion, as well as better involvement of civil society organisations (CSOs), including women's organisations. An important foundation on which to build is the existence of the Civil Society Alliance for Nutrition in Nepal (CSANN), with chapters in every province. CSANN was originally set up for the SUN movement and members understand its role as ensuring inclusive participation of CSOs to innovate, advocate and function as a watchdog for the nutrition agenda in Nepal.

A crucial issue with respect to MSNP-II relates to the extent to which the new system of budget allocation from the central government to local governments (based on 4 types of block grants) will provide local governments with adequate financial resources and fiscal autonomy to meet their development and service delivery mandates and aspirations.

1.5 **Problem analysis/priority areas for support**

The relevance of MSNP-II stems from the premise that nutrition be considered as an essential issue for development at all levels of society and by a wide-range of sectors. Poor nutrition leads to lower individual earnings and mental acuity and represents an often invisible but highly significant impediment to the successful achievement of most of the SDGs.

Despite impressive levels of poverty reduction, the prevalence of child stunting in Nepal remains high, affecting 36% of children under five years of age, while significant spatial differences are evident\(^\text{16}\). Acute malnutrition among the children age 6-59 months has stagnated over the decades. Gender discrimination, in the form of women’s heavy work load, inadequate decision-making power and control over resources, early marriage, early and frequent pregnancies, poor care practices and household food-distribution favouring men, also contributes to malnutrition of women and children. Micronutrient deficiencies remain

\(^{15}\)Nepal is now divided into seven provinces, and is further sub-divided into 293 urban municipalities and 460 rural municipalities.

\(^{16}\) For example, in the Western Mountains, stunting prevalence is a high as 55%. Likewise, the national prevalence of child wasting is 10%, while it is over 15.2% in the Central Terai. Analysis of the Nepal Demographic and Health Survey 2016 data further indicates that the prevalence of stunting has not fallen and wasting may even have increased in some ecological zones.
widespread, with 41% of women of reproductive age and 69% of young children age 6-23 months identified as anaemic\textsuperscript{17}.

According to 2016 Nepal Demographic and Health Survey (NDHS), around one third of all infants are not exclusively breastfed (with a slight deterioration evident in recent years) and data indicates that at least two out of every three children under two years are currently not receiving a minimally acceptable diet\textsuperscript{18}.

Unless these multiple challenges are simultaneously addressed in a sustainable manner through the strengthening of national policies and service delivery systems, malnutrition will continue to restrict economic growth and perpetuate a cycle of poverty.

The nutrition equality gap also appears to be widening, with the difference between stunting prevalence among the worst-off households as compared to the better off almost three times higher. This equality gap grows to about 10 times worse when the stunting of Dalit children. Such inequalities are in turn reflecting other inequalities such as the fact that Dalits are estimated to own only 1\% of arable land in Nepal\textsuperscript{19} despite constituting up to 20\% of the total population.

Economic accessibility to food must be guaranteed, meaning that food must be affordable. Individuals should be able to afford food for an adequate diet without compromising on any other basic needs, such as school fees, medicines or rent. Physical accessibility should also be guaranteed, meaning that food should be accessible to all, including to the physically vulnerable, such as children, the sick, persons with disabilities or the elderly. Access to food must also be guaranteed to people living in remote areas or in vulnerable situations\textsuperscript{20}.

In recent years, the EU / UNICEF PIN has demonstrated the tremendous potential for progress as a result of ongoing capacity development and strategic resource allocation in nutritionally vulnerable communities. The transition to federalism, by increasing local governments powers, presents considerable opportunities for more effective, decentralised and accountable service delivery. To be successful, this will require systems and capacities to be in place that can ensure that local governments use these resources effectively for the benefits of all.

1.6 Other areas of assessment

1.6.1 Fundamental values

Nepal is a young democracy still consolidating the comprehensive peace accord of 2006. It has ratified many of the key international human rights instruments and abolished the death penalty. Citizens are more able to exercise their political freedom and political will as well as economic rights than a decade ago, but little progress has been achieved in enhancing accountability over the provision of state services and public goods notably at the local level.

\textsuperscript{17} Nepal Demographic and Health Survey, NDHS 2016.

\textsuperscript{18} A recent study also highlights the significant seasonal difference in young children’s consumption of nutritious food, with heightened vulnerability in particular among groups disadvantaged by variables such as income, caste, ethnicity etc. (W. Broaddus-Shea et al, 2018).

\textsuperscript{19}Drucza, 2016 Cash Transfers in Nepal.

\textsuperscript{20} https://www.ohchr.org/EN/Issues/ESCR/Pages/Food.aspx
The 2015 Constitution guarantees key fundamental rights, including freedom of press, opinion and expression, as well as the right to food and right to information. However, further enhanced implementation capacity is key for the full realisation of these rights, as well as the rights of the indigenous peoples (Nepal recognises officially 59 groups out of the 81 Nepalese indigenous peoples). The constitution enhances the understanding of indigenous peoples by guaranteeing “special arrangements to ensure the rights of Adivasi Janajatis (indigenous ethnic groups)”, enabling them to preserve and maintain their “traditional knowledge, skill, experience, culture and social practices”. This is also important in relation to the right to food.

Although Nepal has independent rule of law institutions, they are underperforming notably due to a lack of sufficient resources. Case backlogs and enforcement of court decisions remain critical issues.

Issues of caste-related, ethnic and gender discriminations related to the country's culture and traditions still exist, though much has been done to reduce their impact, including through EU funded activities, for instance through the European Instrument for Democracy and Human Rights. In rural areas, the practice of bonded labour has been abolished, but the people previously in this situation still struggle to make a living and have a very weak social and economic position. Better livelihood perspectives would improve this situation.

Ultimately the challenge being faced is that of operationalising the rights-based approach to which the GoN is committed. For example, despite the Right to Information (RTI) Act, to date CSOs do not appear to have been important drivers of the "demand" for information and the opportunities to enhance social accountability in Nepal remain somewhat restricted. More broadly, civil society itself suffers from lack of effective coordination, a weak financial base, limited capacity and low levels of political visibility.

1.6.2 Macroeconomic policy

Nepal’s economy has been rebounding since the 2015 earthquakes, with economic growth reaching 7.9% in Financial Year (FY) 2016/17 and 6.3% in FY 2017/18, supported by political stability, more reliable electricity supply, construction, record tourist arrivals, rising private consumption and government spending. Inflation has remained low throughout 2018, at 3.9% in September 2018 (y/y). The risks are broadly linked to the rising fiscal deficit, which reached 6.5% of GDP in FY 2017/18, and widening current account deficit, which reached 8.2% of GDP.

The authorities pursued in 2017/18 their domestic revenue mobilisation efforts, with tax revenue rising to 21.9% of GDP from 21.0% of GDP in FY 2016/17. This however was not sufficient to compensate for an extraordinary surge on the expenditure side, with total expenditures soaring to 32.0% of GDP from 27.5% in the previous year. The fiscal deficit thus rose to 6.5% of GDP, from 3.1% in 2016/17, with public debt ratios deteriorating by 4 points of GDP and official reserves falling from 8.3 to 7.2 months of imports.

On the expenditure side the government reckons that expenditures related to federalisation will need to increase by 2.2 points of GDP in FY2018/19, with revenue-sharing from federal to subnational level kicking-in at 4.6% of GDP. The deficit is oriented towards 5.0% of GDP, while public debt should continue rising to 33.1% of GDP (still in the Debt Sustainability Analysis low risk bracket) and official reserves deplete further to 5.7 months of imports. On the face of such an expansionary fiscal policy, the IMF warns in its recent Article IV consultations that fiscal expansion exceeds the economy’s aggregate absorptive capacity and
is not well anchored in a realistic Medium-Term Expenditure Framework (MTEF) to ensure quality and fiscal and external sustainability.

The poverty decreased (rate of 25.2% - CBS 2010) but remains much higher in rural areas. The GDP per capita is expected to reach USD 1,143 in 2019. In recent years, migration has dramatically increased, as youth cannot find suitable opportunities at home. As a result of high outflow of labour from the country, remittance constitutes a significant share of household income. One-third of households have a member working abroad. An estimated 3.5 million Nepali are working abroad, who together contributed US $ 7.2 billion in remittances (FY 2017/18), or 24.25% of the country’s GDP.

1.6.3 Public Financial Management (PFM)

Following the 2017 elections and the establishment of provincial and local governments, the authorities have focused on providing them with staff and adequate financial resources, gradually putting in place the legal and institutional framework for fiscal decentralisation under a federal structure.

Whereas much remains to be done, and considerable support will be required in the years to come, some key progress were achieved during 2018 in implementing PFM reforms: (i) drafting and submission to Parliament of key pieces of legislation (Financial procedures and Fiscal responsibility Act, Audit Act, Public procurement Act); (ii) enhancing the institutional framework for fiscal decentralisation (nomination of a head for the National Natural Resources and Fiscal Commission (NNRFC), activation of the Intergovernmental fiscal council, deployment of accountants in all new local governments, gradual rollout of the SuTRA IT system for budgeting, accounting and reporting of local governments, establishment of provincial treasuries and confirmation of District treasuries; (iii) enhanced budget transparency (publication of the MTEF, publication of Whole-of Government financial statements for FY2017/18, improved oversight by the Public accounts committee).

The challenges ahead are as follows:

- In the short-term: Complete the legal and regulatory framework; Complete staffing of subnational governments; Develop a comprehensive PFM capacity development plan, with enhanced role for the PFM training centre; Accelerate the upgrade and roll-out of key financial management systems, in particular SuTRA and e-GP; Ensure fiscal sustainability through improving the medium term fiscal framework and integrating the costs of federalisation; Increase budget implementation capacity and accelerate capital budget spending; Establish the provincial branches of the Office of Auditor General (OAG); Improve PFM Reform Programme coordination and monitoring through strengthening of the national PEFA Secretariat.

- In the medium to long-term: Build staff capacity in financial management, in particular at the local level; Improve strategic allocation of resources through: (i) enhanced link between national and local development strategies, and between planning and budgeting at federal and local levels, including through enhanced policy costing, MTEF and public expenditure reviews; Review the effectiveness of the new intergovernmental transfer system and revise grant formulae accordingly; Implement internal control and internal audit reforms; Ensure compliance with public procurement rules; Integrate further PFM IT systems; Enhance subnational governments’ revenue mobilisation capacity; Enhance external scrutiny through improvements in external audit capacity and legislative scrutiny, and a more effectively implemented anti-corruption framework.
### 1.6.4 Transparency and oversight of the budget


Until 2015, Nepal's Open Budget Index (OBI) had been consistently stable, showing little variation from one survey to another. In 2015 however, Nepal’s score abruptly fell from 44/100 to 24/100, reflecting more a change in OBI methodology to give higher scoring value to public participation, rather than deterioration in budget transparency as such. In the Open Budget Survey 2017, Nepal’s score rose substantially to 52/100. Six of eight key budget documents are now available to the public in a timeframe consistent with international standards, as opposed to five only in 2015, and the Executive’s Budget Proposal is now published in a timely manner.

Overall, the authorities have continued to show their commitment to budget transparency, as demonstrated by a surge in Nepal’s OBI in 2017. The Executive’s Budget Proposal and the Enacted Budget are made available to the public in accordance with international standards. Quality and comprehensiveness of the information in the budget documents has started to improve and quarterly federal budget execution reports are published.

Concerning budget oversight, the mandate and resources of the OAG have been widened to allow for enhanced coverage of subnational governments. Finally, the parliamentary Public accounts committee has started to scrutinize federal government’s agencies more closely in 2018.

### 2 Risks and Assumptions

<table>
<thead>
<tr>
<th>Risks and risk level (H, M, L)</th>
<th>Mitigating measures</th>
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</thead>
<tbody>
<tr>
<td>Federalisation process slower than expected, affecting the capacities to implement national policies</td>
<td>M</td>
</tr>
<tr>
<td>Uncertainties with the place of nutrition within sector priorities and implementation can be foreseen, with the reorganization of government stakeholders</td>
<td>L/M</td>
</tr>
<tr>
<td>Implementation and sustainability may be impacted by institutional capacity issues, especially at provincial and local levels.</td>
<td>L</td>
</tr>
<tr>
<td>Weak inter-sectoral cooperation/coordination</td>
<td>M</td>
</tr>
<tr>
<td>Financial mismanagement and corruption are likely to increase</td>
<td>M</td>
</tr>
</tbody>
</table>
especially in the early years of federalism.

| Issues of timely availability and reliability/quality of statistics may cause difficulties in monitoring indicators | L/M | Reinforce GoN capacities in these areas, including significant technical support to integrate a nutrition perspective into the process |
| Persistence of gender inequalities, including early marriage and adolescent pregnancy, as well as heavy workloads for rural women undermines efforts to break the cycle of malnutrition | M | Ensure that robust and participatory gender analysis constitutes a key dimension of the planned MSNP-II medium term review and capacity assessment initiatives. This will develop shared understanding of the root causes of inequalities; how they might impact on nutrition outcomes; how to tackle these; as well to detect if there is a need for specific, targeted actions for women and girls (or, in a given situation, for men and boys) |

Environmental fragility and increased risk of natural disasters exacerbated by climate change | M | The EU will support the GoN to strengthen prevention, mitigation and disaster risk reduction in the MSNP-II as a whole, as well as in key sectors such as agriculture, health and social protection |

**Assumptions**

It is assumed that there is continued appreciation of the financial, technical and political benefits of the proposed action and that there will be strong central, provincial and municipal government support for achievement of results.

It is assumed there is sufficient commitment to reform in the nutrition related sectors to provide a common basis for the action between the EU and GoN.

It is assumed that the GoN will remain committed to PFM reform, macroeconomic stability, budget transparency and oversight improvement.

### 3 Lessons Learnt and Complementarity

#### 3.1 Lessons learnt

A key insight identified during the recent review of the EU / UNICEF PIN, was that the existing MSNP monitoring and evaluation framework requires considerable strengthening and effective operationalisation. Since the launch of MSNP-I in 2013 a coordinated review and / or evaluation has not yet been undertaken. Furthermore, there are significant opportunities to ensure that: (i) Monitoring and evaluation be approached not only as a core responsibility of government as duty bearers but crucially by CSOs representing citizens as rights holders; (ii) There is a greater recognition of the need for tracking outcome and output level indicators, as opposed to focusing on activities and impact; (iii) Innovative Monitoring and Evaluation (M&E) and accountability tools are developed and tested for municipality levels such as the introduction of a standardised "dashboards" for measuring progress, and with a strong focus on disaggregated data to reinforce the political commitment to tackle socio-economic inequalities and marginalisation.
3.2 Complementarity, synergy and donor coordination

The recently started EU budget support for the Agricultural Development Strategy (ADS) offers significant potential to support the mainstreaming of nutrition-sensitive interventions across various agriculture sector delivery mechanisms. Although one of the 6 performance indicators for disbursement of the variable tranches of this budget support is related to nutrition (reduction in prevalence of stunting), the synergies envisaged relate to ensuring a more systematic and embedded nutrition sensitive intervention logic. The action will also capitalise on synergies with the EU WAVE project via efforts to advance local level capacity development for services related to agriculture (home gardens), drinking water, and sanitation, especially for the poorest and most disadvantaged.

Donor Partners (DP) convene monthly in the Development partners food security group, which serves as an important platform for donor coordination and policy dialogue. The group is also the main platform in the agriculture sector. The main members of the group are ADB, EU, FAO, IFAD, SDC, UNICEF, USAID, WFP and WB. With respect to the MSNP, a Nepal Nutrition Group (NNG) has been established to facilitate coordination among DPs.

Opportunities for synergies across various initiatives supported by DPs extend beyond the agenda of simply "avoiding duplication". These initiatives include the USAID funded Suaahara II (2016-2021 involving US$63 million), as well as several other important initiatives including health system strengthening (US$25 million) as well as the World Bank funded Global Agriculture and Food Security Programme (GAFSP) and the recently approved Food and nutrition security enhancement project (US$ 28.7 million).

The action could also be leveraged to support the government to further enhance the nutrition sensitivity of its social protection policy (in particular with respect to the scaling up of the Child grant programme) on the basis of robust evidence and in alignment with the Constitutional right to food in Nepal.

Finally, there is a clear potential for strategic complementarity between this action and the other action of the AAP 2019 on federalism by contributing to the development of fully functional, sustainable, inclusive and accountable provincial and local governments.

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21 The ADS Sector Reform Contract (2019 – 2021) involves a total EUR 40 million on which EUR 4 million is complementary support.
22 The WAVE project (water, energy, agriculture): Village livelihoods enhancement in the mid and far west regions is co-financed with the government of Finland and government of Nepal.
23 For instance, also including, Feed the Future, PAHAL, PRI, Sabal etc., as well as various governance restructuring projects.
24 Although recently completed, this initiative targeted 190 Village development committees over a five-year period in 19 districts (Mid-western and Far-western regions) and included irrigation and farmer field school components to promote diversified production as well as intensive Behaviour change communication and the promotion of homestead nutrition gardens.
4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **Overall objective** (impact) of the EU support reflects that of the MSNP-II, namely: "To improve maternal, adolescent and child nutrition".

The **Specific objectives** (reflecting the expected outcomes of the MSNP-II) are as follows:

- **SO1:** To improve the well-being of women, adolescents and children in terms of enhanced dietary quality (including diets of infants and young children), increased prevalence of exclusive breastfeeding, and use of improved sanitation and safe drinking water;
- **SO2:** More equitable use of both nutrition specific and nutrition sensitive services, as prioritised by the MSNP-II;
- **SO3:** The progressive strengthening of an enabling environment (improved policies, plans, governance mechanisms for multi-sectoral coordination at federal, provincial and local government levels) to ensure sustained commitment, resources and progressively enhanced capacities to address the causes of malnutrition.

**Induced outputs:** Enhanced access to and quality of nutrition-specific and nutrition-sensitive services; coordination between multi-sector nutrition planning and budgeting at federal, provincial and local levels improved; better management of multi-sector human resources.

The **Direct outputs** resulting from the EU budget support inputs focus primarily on ensuring greater government ownership and management of the reform and capacity development agenda at all levels:

- additional fiscal space created by transfer of funds and increased predictability of funds;
- a more aligned and coordinated policy dialogue and reduced transaction cost;
- enhanced joint sector review with a more credible performance assessment;
- implementation and monitoring capacity strengthened;
- the generation of a comprehensive national framework for nutrition related information management, (incorporating national surveys, regular sectoral management information systems and the national nutrition surveillance system currently being developed).

To achieve these outputs, the main indicative activities are:

**Budget Support:**

The main indicative activities to implement the budget support package are policy dialogue, financial transfers, capacity development and monitoring performance. In particular:

- Continued policy dialogue with the government, focusing on results, disbursement conditions of the Sector Reform Performance Contract (SRPC) and adequate implementation of complementary support;
- Regular monitoring with respect to macro-economic and PFM, as well as budget transparency;
- Preparation of the disbursement files and monitoring of performance targets and indicators to be used for disbursement;
• Participation as appropriate in federal and provincial level coordination mechanisms, sector meetings / reviews and technical working groups.

Complementary Support:

Complementary support will be delivered by UNICEF to strengthen the effectiveness of the programme:

• training and facilitation on multi-sectoral nutrition coordination and related activities for planning, budgetary execution and financial reporting at all levels;
• Activation and strengthening of common results framework and indicators through an MSNP-II Mid Term Review;
• Continued awareness raising activities at all levels and across sectors and stakeholders regarding the causes, consequences and key actions to address all forms of malnutrition;
• Knowledge management on MSNP implementation in the changing context of Nepal.

4.2 Intervention Logic

The overarching intervention logic of the proposed action is aligned with that of the government’s national commitment for nutrition, and builds on the sustained efforts of EU financed programmes since 2011 in support of government efforts to implement its national multi-sectoral nutrition policy. Hence, the intervention logic centres on financing for results and capacity development by utilising both budget support and complementary support to strengthen the comprehensive and holistic approach of Nepal’s MSNP. This combination of modalities will ensure, through financial transfers combined with policy dialogue and technical assistance for capacity development, that increased numbers of citizens, particularly women, adolescents and children, will have been equitably reached via a range of public services prioritised by the MSNP-II to improve nutrition.

As confirmed by international evidence25, such achievements can be expected to further accelerate efforts to eradicate poverty and reduce inequalities, thereby promoting sustainable and inclusive growth in Nepal.

Budget support will provide the Ministry of Finance with greater fiscal space to make timely payments to the key sectors. Harnessing the opportunities unleashed by the federal transition and taking forward the recommendations for reinforcing nutrition governance as per the 2018 medium term review of the PIN, the complementary support component of the action will focus in particular on strengthening functional capacities of delivery systems in municipalities. Assisting in the clarification of roles and responsibilities for policy implementation and accountability mechanisms at all levels, as well as across different stakeholders including civil society and the private sector, will also be key to the intervention logic.

The generation of convincing evidence to confirm the effectiveness of nutrition related investments is also expected to play a crucial role in terms of sustaining political and financial

commitment to the MSNP. Where appropriate, the programme will pay attention to ‘budget work’, which can include budget analysis, but also encompasses work such as expenditure tracking of various sorts, assessments of the impact of government expenditures, community education about the budget, advocacy related to the way the budget impacts for example the poor and/or the populations living in vulnerable situations.

4.3 Mainstreaming

The two most significant cross cutting issues of relevance to this action relate to the promotion of gender-equality and rights-based approaches.

Given that the root causes of malnutrition include multi-dimensional poverty, inequality and discrimination, the proposed action builds on the commitment of the Commission to adopt a human rights-based approach to development cooperation\textsuperscript{26}. In Nepal, where inequalities in stunting are increasing, it is crucial that a rights-based approach continues to be central to the policy direction of the MSNP and integrated in the programme. More disaggregated data leading to meaningful ownership of the development process by municipalities will be vital to ensure that marginalised and vulnerable populations are not left behind in the SDG agenda. The approach will also focus on implementation of integrated local development plans, unleashing local potential and greater accountability to local populations.

Gender equality is explicit in the proposed action's emphasis on reducing disparities, and improving nutrition priorities at local level. This is in line with Nepal’s Constitution, which marks significant progress on gender equality. Because gender equality and empowerment of women and girls are closely linked to nutritional outcomes and good nutrition throughout the life cycle, the approach to tackling nutrition must ensure that the specific needs and roles of women are considered in order to work towards sustainable and inclusive solutions. Girls and women in Nepal face numerous challenges in their everyday life ranging from the ill effects of early marriage to psychological, sexual and gender-based violence. Despite their potential, women face many barriers to increasing agricultural productivity and achieving food and nutrition security for themselves and their families.

Given the high share of women working in agriculture, a priority for this action, is to ensure that transformative objectives, associated with empowering women and advancing gender equality, are meaningfully operationalised. For instance, important opportunities exist for rural extension services to more effectively engage with female farmers and to recognise their roles in production beyond being an "add-on" to their domestic tasks. Likewise, with respect to gender inequalities associated with land tenure, even when statutory law may be non-discriminatory, still much remains to be done to tackle traditional practices - which may continue to disadvantage women who may not be aware or able to effectively claim for their legal rights. The increased representation of women in ward and municipality governance structures coupled with experience with respect to operationalising the Gender Equality and Social Inclusion (GESI) approach as well as the introduction of a gender responsive budget

system, provide valuable opportunities for ensuring that gender equality is optimally incorporated into strategies for capacity development and enhanced accountability.

Moving forward the envisaged mid-term review of the MSNP and proposed capacity assessment for nutrition can be supported to ensure that the improvement, development and evaluation of policy processes fully incorporates a gender equality perspective at all levels and at all stages, by the actors normally involved in policy-making.

4.4 Contribution to SDGs

The intervention is relevant to the 2030 Agenda. It contributes to the progressive achievement of SDG(s) 2 (zero hunger) and 3 (good health and well-being), while also contributing to SDG 1 (no poverty), SDG 5 (gender equality) and SDG 6 (clean water and sanitation).

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation of the budget support component

5.3.1 Rationale for the amounts allocated to budget support

The amount allocated for the budget support component is EUR 20 000 000, and for complementary support is EUR 3 350 000. This amount is based on an assessment of an effective strategic balance between (i) direct financial support for a period of two years (FY 2020/2021 and FY2021/2022); and (ii) a three-year period of technical support by UNICEF covering the period from 2020 – 2022.

The total amount allocated to the fixed tranches will be EUR 10 000 000 with an equal amount of EUR 10 000 000 also allocated to variable tranches to underscore the significance of results orientation. Financial allocations will be spread across variable tranche indicators to reflect priority areas of focus. Overall, the amount allocated to budget support corresponds to approximately 13% of the yearly MSNP estimated costs and 31% of the total resources expected by the GoN from external DPs in the indicative MSNP-II budget breakdown over a two-year period.

5.3.2 Criteria for disbursement of budget support

a) The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the MSNP-II and continued credibility and relevance thereof;
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances;
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme;
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive and sound budgetary information.

b) The performance indicators for disbursement that may be used for variable tranches are related to the following areas:

(i) Nutrition enabling environment at local level (indicator: number of local governments with a nutrition and food security steering committee having nutrition and food security programmes and targets in line with the MSNP in their annual/periodic plans);
(ii) Extension support to diversification of agriculture is accompanied by activities to promote awareness of the importance for nutrition of dietary diversity (indicator: percentage of children aged 6–23 months having minimum dietary diversity – one of the two component of an acceptable diet);
(iii) Provision of nutrition specific services in local health facilities (indicator: percentage of 6-59 months children with acute malnutrition treated);
(iv) Nutrition friendly environment in schools (indicator: number of schools providing safe drinking water);
(v) Scaling up of nutrition sensitive social protection schemes (indicator: number of local governments providing child grants to children under 5 years old).

The chosen performance indicators and targets to be used for disbursements will apply for the duration of the action. However, in duly justified circumstances, the Ministry of Finance may submit a request to the Commission for the targets and indicators to be changed.

Note that any change to the targets should be agreed ex-ante at the latest by the end of the first quarter of the assessed year. The agreed changes to the targets and indicators shall be agreed in advance and may be authorised in writing (either through a formal amendment to the financing agreement or an exchange of letters).

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### 5.3.3 Budget support details

The budget support will be provided in the form of a mix of fixed and variable tranches with the following indicative amounts and timetable (EUR):

<table>
<thead>
<tr>
<th>Indicative Timing</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed tranche</td>
<td>5 000 000</td>
<td>5 000 000</td>
</tr>
<tr>
<td>Variable tranche</td>
<td>5 000 000</td>
<td>5 000 000</td>
</tr>
<tr>
<td>Total</td>
<td>10 000 000</td>
<td>10 000 000</td>
</tr>
</tbody>
</table>

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Nepali Rupees will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.
5.4 Implementation modalities for complementary support to budget support

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures27.

5.4.1 Indirect management with an international organisation

A part of this action may be implemented in indirect management with UNICEF. This implementation entails support to the progressive strengthening of an enabling environment (SO3) by enhancing capacity to multi-sectoral nutrition coordination, planning, monitoring and reporting as well as improved knowledge and awareness on the causes, consequences and key priority actions to address malnutrition in Nepal. It capitalises on the existing experience and relations established during the EU / UNICEF PIN due to close at the end of 2019.

The envisaged entity has been selected using the following criteria:

- Internationally recognised expertise; extensive working experience in the nutrition sector;
- Sufficient logistical and management capacities in Nepal to deploy nationwide;
- Managerial capacity, expertise and long-standing experience and credibility in directly implementing and liaising with relevant stakeholders (including government institutions, NGOs, local communities, the private sector and other DPs and UN agencies) in Nepal.

Currently UNICEF is strategically best placed to add value to the EU’s interaction with the GoN in the implementation of MSNP-II, and enjoys the highest levels of access to senior Nepal stakeholders.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

5.4.2 Procurement (direct management)

To contribute to the direct output "enhanced joint sector review with a more credible performance assessment" it will be necessary to carry out external reviews or data verification exercises to inform disbursement decisions and to contribute to strengthening the policy monitoring framework and national statistical systems. To this end, external technical assistance will be contracted in direct management.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

27 www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 **Indicative budget**

<table>
<thead>
<tr>
<th>Budget support (cf section 5.3)</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third-party contribution, in currency identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Objective 3 composed of</td>
<td>20 000 000</td>
<td></td>
</tr>
<tr>
<td>Indirect management with UNICEF (cf section 5.4.1)</td>
<td>3 000 000</td>
<td>1 000 000</td>
</tr>
<tr>
<td>Procurement – direct Management (cf section 5.4.2)</td>
<td>100 000</td>
<td></td>
</tr>
<tr>
<td>Evaluation, (cf. section 5.9), Audit (cf. section 5.10)</td>
<td>100 000</td>
<td>N.A.</td>
</tr>
<tr>
<td>Communication and visibility (cf. section 5.11)</td>
<td>150 000</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>23 350 000</strong></td>
<td><strong>1 000 000</strong></td>
</tr>
</tbody>
</table>

5.7 **Organisational set-up and responsibilities**

The indicative steering arrangements for this programme will both harness and strengthen the existing multi-sectoral institutional architecture adopted by MSNP-II, and as summarised in Section 1.4 above, with the highest level of coordination mechanism for MSNP-II being the High-level nutrition and food security steering committee, chaired by the Honourable vice-chair of the NPC as the apex advisory body of the GoN. With the envisaged role of the Ministry of Home Affairs with respect to social protection as a priority sector for nutrition it will be important to ensure that their engagement at the highest level is secured. It’s also important ensuring that the EU, as part of its policy dialogue, participates in the National nutrition and food security coordination committee to review progress and strategize future actions (chaired by the Honourable member of the NPC). Within this and other existing structures as well as through bilateral meetings, the EU Delegation will ensure regular policy dialogue with GoN, DPs and civil society.

Technical support provided by UNICEF will be paramount to the achievement of expected results and will contribute directly and effectively throughout the time frame of the action to the significant reinforcement of the National Nutrition and Food Security Secretariat (NNFSS) as well as the newly established provincial and local level institutional architecture for MSNP-II.
The Ministry of Finance will be responsible for formally requesting the annual disbursements and providing adequate reporting demonstrating the fulfilment of the agreed disbursement conditions.

5.8 **Performance and Results monitoring and reporting**

The performance monitoring will be carried out yearly by the GoN jointly with the EU Delegation. With regard to the performance monitoring of the general conditions for disbursement eligibility criteria, the Ministry of Finance will report on macroeconomic performance improvements in PFM and budget transparency. The NNFSS, supported by relevant government ministries, will take the lead on overall reporting on the eligibility criteria and assessment of variable tranche indicators and targets.

The day to day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the partner’s strategy, policy or reform action plan list (MSNP-II).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per joint programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 **Evaluation**

Having regard to the importance of the action, a final evaluation will be carried out for this action through a joint mission composed of at least the GoN and the EU representatives contracted by the Commission. Other parties could be invited by common agreement.

It will be carried out for accountability and learning purposes at various levels (including for policy revision) taking into account in particular the opportunity for this action to be synchronised with the EU action “Federalism support in Nepal”.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner
country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

5.10 **Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

It is foreseen that audit services may be contracted under a framework contract.

5.11 **Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures, which shall be based on a specific Communication and visibility plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The Communication and visibility requirements for European Union external action (or any succeeding document) shall be used to establish the communication and visibility plan of the Action and the appropriate contractual obligations.

Communication and visibility actions may be contracted under a framework contract.
## APPENDIX – INTERVENTION LOGIC TABLE (FOR BUDGET SUPPORT)28

<table>
<thead>
<tr>
<th>Expected impact of the policy (Overall objective)</th>
<th>Results chain</th>
<th>Indicators (max. 15)</th>
<th>Baselines (year)</th>
<th>Targets by the end of the budget support contract (year)</th>
<th>Sources of data</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve maternal, adolescent and child nutrition</td>
<td>1. Prevalence of stunting among under 5 years children* ** 2. Prevalence of wasting among under 5- years old children* ** 3. % of women with chronic energy deficiency (measured as body mass index)</td>
<td>35.8 (2016)</td>
<td>28 (2022)</td>
<td>NDHS/NMICS (for all)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 (2016)</td>
<td>7 (2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>17 (2016)</td>
<td>12 (2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected outcomes of the policy (Specific objective(s))</td>
<td>SO1: To improve the well-being of women, adolescents and children in terms of enhanced dietary quality (including diets of infants and young children), increased prevalence of exclusive breastfeeding, and use of improved sanitation and safe drinking water</td>
<td>1.1. % of children aged 6-23 months having minimum acceptable diet** 1.2. % of adolescent girls (10-19 years) with anaemia 1.3. % of children under 6 months with exclusive breastfeeding** 1.4. % people using safe drinking water**</td>
<td>35 (2016)</td>
<td>60 (2022)</td>
<td>NDHS/NMICS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>39 (2016)</td>
<td>25 (2022)</td>
<td>NDHS/NMICS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>66 (2016)</td>
<td>80 (2022)</td>
<td>NDHS/NMICS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>26.6 (2017)</td>
<td>52.5 (2022)</td>
<td>Joint Monitoring</td>
<td></td>
</tr>
</tbody>
</table>

28 Mark indicators aligned with the relevant programming document with ‘*’ and indicators aligned to the EU Results Framework with ‘**’. Indicators used within variable tranches must be flagged in bold.

[22]
<table>
<thead>
<tr>
<th>Programme (WASH)</th>
<th>Induced outputs</th>
</tr>
</thead>
</table>
| SO2: More equitable use of both nutrition specific and nutrition sensitive services, as prioritised by the MSNP-II | - Enhanced access to and quality of nutrition-specific and nutrition-sensitive services  
- Coordination between multi-sector nutrition planning and budgeting at federal, provincial |
<p>| 2.1. % of population below minimum level of dietary energy consumption | Number of local governments with integrated management of acute malnutrition (IMAM) programme |
| 2.2. % of children 6-59 months with acute malnutrition treated | Number of local government with MSNP targets/indicators in their |
| 2.3. # of schools providing safe drinking water (cumulative) | |
| 2.4. # of local government providing child grants to children under 5 year old | |
| 0 | 1.5 (2017) |
| 485 (2022) | 381 (2022) |
| &gt;90 (2022) | 3.5 (2022) |
| SDG Status report, NMICS | AWP, meeting minutes |
| HMIS | MoF red book |
| EMIS | Report of Dept of Civil Registration (DoCR) |</p>
<table>
<thead>
<tr>
<th>Direct outputs</th>
<th>Direct outputs</th>
<th>Direct outputs</th>
<th>Direct outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• a more aligned and coordinated policy dialogue and reduced transaction cost</td>
<td>Number of formal policy dialogue</td>
<td>N.A.</td>
<td>2 (2022)</td>
</tr>
<tr>
<td>• enhanced joint sector review with a more credible performance assessment</td>
<td>Number of annual joint review conducted</td>
<td>30 (2017)</td>
<td>272 (2022)</td>
</tr>
<tr>
<td>• implementation and monitoring capacity strengthened</td>
<td>Number of districts with MSNP M&amp;E framework for all concerned sectors</td>
<td>50 (2017)</td>
<td>500 (2022)</td>
</tr>
<tr>
<td>• the generation of a comprehensive national framework for nutrition related</td>
<td>Number of local governments with nutrition emergency preparedness and response</td>
<td>194 (2017)</td>
<td>381 (2022)</td>
</tr>
<tr>
<td>information management, (incorporating national surveys, regular sectoral</td>
<td>or contingency plan</td>
<td>194 (2017)</td>
<td>381 (2022)</td>
</tr>
<tr>
<td>management information systems and the national nutrition surveillance</td>
<td></td>
<td>N.A.</td>
<td>1 488 (2022)</td>
</tr>
<tr>
<td>system currently being developed)</td>
<td></td>
<td>N.A.</td>
<td>Produced in 2020</td>
</tr>
</tbody>
</table>

and local levels improved

- better management of multi-sector human resources

Number of local agriculture and livestock trained**

National Capacity Development Master Plan for implementation of MSNP-II*

Number of local agriculture and livestock trained**

National Capacity Development Master Plan for implementation of MSNP-II*

Number of annual joint review conducted

Number of districts with MSNP M&E framework for all concerned sectors

Number of local governments with nutrition emergency preparedness and response or contingency plan