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This action is funded by the European Union

## ANNEX

of the Commission Implementing Decision on the financing of the annual action programme in favour of Lao People's Democratic Republic for 2019

### Action Document for "Support to the Lao People's Democratic Republic National Nutrition Strategy and Plan of Action"

#### 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.

<b>1. Title/basic act/ CRIS number</b>	Support to the Lao PDR National Nutrition Strategy and Plan of Action CRIS number: ACA/2019/041-123 financed under the Development Cooperation Instrument	
<b>2. Zone benefiting from the action/location</b>	Asia, Lao People's Democratic Republic (Lao PDR) The action shall be carried out at the following location: Vientiane, Lao PDR and will benefit rural disadvantaged areas in all provinces of Lao PDR	
<b>3. Programming document</b>	European Joint Indicative Programming Document for Lao PDR 2016–2020	
<b>4. SDGs</b>	This Action contributes primarily to the progressive achievement of SDG Goal 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture", as main SDG goal, but also promotes progress towards Goals 1 (No Poverty), 3 (Good Health and Well-being) 5 (Gender Equality) 6 (Clean Water and Sanitation) and 13 (Climate Change) as secondary SDG goals.	
<b>5. Sector of intervention/ thematic area</b>	Nutrition, Governance	DEV. Assistance: YES
<b>6. Amounts concerned</b>	Total estimated cost: EUR 50,800,000 Total amount of EU budget contribution EUR 50,000,000 of which EUR 42,000,000 for budget support and EUR 7,850,000 for complementary support and	

	<p>EUR 150,000 for Audit and Evaluation</p> <p>This action is co-financed in joint co-financing by:</p> <ul style="list-style-type: none"> <li>- UNICEF for an amount of EUR 800,000</li> </ul> <p>This Action is linked and synchronised with an Investment Blending with the Asian Development Bank (ADB) financed under the: Asia Investment Facility for a total amount of EUR 51,200,000 including an EU contribution of EUR 4,000,000 from the Regional Indicative Programme<sup>1</sup></p>			
<b>7. Aid modalities and implementation modalities</b>	<p>Budget Support</p> <p><b>Direct management</b> through:</p> <ul style="list-style-type: none"> <li>- Budget Support: Sector Reform Performance Contract</li> <li>- Procurement</li> </ul> <p><b>Indirect management</b> with UNICEF</p>			
<b>8 a) DAC code(s)</b>	12240 (basic nutrition)			
<b>b) Main Delivery Channel</b>	10000 (public sector institution) 12000 (Recipient Government) and 41122 (UNICEF)			
<b>9. Markers (from CRIS DAC form)</b>		<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input type="checkbox"/>	x
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	x	<input type="checkbox"/>
<b>10. Global Public Goods and Challenges (GPGC) thematic flagships</b>	<ol style="list-style-type: none"> <li>1. Food and Nutrition Security Impact, Resilience, Sustainability (FIRST)</li> <li>2. National Information Platform for Nutrition (NIPN)</li> <li>3. Global Climate Change Alliance (GCCA)</li> </ol>			

#### SUMMARY

Malnutrition is a major national development concern in Lao People's Democratic Republic (Lao PDR), resulting in about one in three deaths of children under 5 years of age. While the recent Lao Social Indicator Survey (LSIS II, 2017) reported a decrease of the prevalence of

<sup>1</sup> Expected to be approved first half of 2019

children under 5 years of age with stunted growth (low height for age) from 44 per cent in LSIS-I (2011-2012) to 33 per cent in 2017, significant disparities remain across the provinces: 8 out of 18 provinces record very high levels of stunting ( $\geq 40$  per cent). Children in rural areas without road access, whose mothers have no education, are two to three times more likely to suffer from stunting than children in urban settings. Besides its nutrition challenges, the country is further exposed to natural disasters which impede sustained growth and are aggravated by climate change.

The proposed Action is the fruit of a long term and ongoing dialogue with the Lao authorities building on over ten years of Delegation experience in the field. It aims to support basic nutrition in Lao PDR whilst leaving no one behind. It is aligned to the 8<sup>th</sup> National Socio-Economic Development Plan (8<sup>th</sup> NSEDP)<sup>2</sup> 2016-2020 will provide financial and technical support to the Government of Lao PDR (GoL) National Nutrition Strategy (NNS) 2016-2025 and its National Plan of Action on Nutrition (NPAN) 2016-2020. At the level of EU-Lao PDR joint programming, it corresponds to sector response plan 6.6 "nutrition" whilst adopting a cross-cutting approach which takes in other focal sectors, namely: education, health, environmental protection, governance and agriculture. At international level the Action is in line with the targets articulated in the Sustainable Development Goal 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 "Our World, Our Dignity, Our Future" (2017)<sup>3</sup>.

The action focuses on three major priorities in the sector: 1) promoting improved nutrient intake through measures to change social behaviour with a focus on gender and disadvantaged groups; 2) increasing access to, and quality of, nutrition-related services to citizens at sub-national level with a strong focus on women and disadvantaged groups<sup>4</sup>; and 3) improving nutrition multi-sectorial governance.

A package of **sector budget support** (Sector Reform Performance Contract) which includes the **complementary measures** (through a Contribution Agreement with UNICEF and a Technical Assistance service contract) is the proposed aid modality. It aims at encouraging the GoL to be the primary actor in delivering quality nutrition-related services to Lao citizens, in particular to mothers and children under five. Most needed nutrition interventions are recurrent in nature and are currently mainly financed through external donor-funded projects hence the need to get these on budget to ensure sustainability.

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<sup>2</sup> The NSEDP is the country's overall global strategic document laying a foundation for the achievement of Socio-Economic Development and the Lao PDR's Vision 2030 - as well as its Sustainable Development Goals (SDGs)

<sup>3</sup> 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*"

<sup>4</sup> In the context of this Action Document under "disadvantaged groups" should be understood: most importantly indigenous peoples, minorities, and (seasonal) migrants, as well as LGBTI and persons with disabilities. Anti-discrimination measures against disadvantaged groups will therefore be part of social behaviour change efforts.

Finally the Action is also directly linked and synchronised with the upcoming "Sustainable Rural Infrastructure and Watershed Management Sector Project," (EUR 51,200,000 – of which EU contribution EUR 4,000,000) an Investment blending planned to be funded under the Asia Investment Facility with ADB that will increase nutrition-sensitive agricultural investments for improved food security and increased climate resilience. The blending operation, expected to be approved first half of 2019, will have additional positive impacts on production and on the environment, and increase the climate resilience of food management in the country while improving the coping capacities of subsistence farmers to deal better with the effects of weather extremes and climate variability. The Blending operation and this action have been designed to be mutually reinforcing while both using the existing coordination structures.

## **1 CONTEXT ANALYSIS**

### **1.1 Context Description**

The Lao People's Democratic Republic (Lao PDR) has been classified as a lower middle-income country by the World Bank and is a member of the Association of South East Asian Nations (ASEAN). It is a sparsely populated land-locked country with a population of 6,500,000<sup>5</sup>. Lao PDR is classified as a Least-Developed Country (LDC) by the United Nations.

Despite its LDC status, from which it aspires to formally graduate in 2024, Lao PDR has made significant progress in the last decades. It has gradually introduced reform measures to transform the country from central planning to a market economy. The reform programme has resulted in remarkable economic performance since the 1990s, with real GDP growth at more than 7% per year, until 2014. However, in 2016 almost half of the population (47%) was still living under the international poverty line, with the World Bank concluding that nearly 80% of the population remained economically insecure. Inequality has widened, with an increase in Gini coefficient and the gains for the bottom 40 per cent lower than those for the rest of the population. The disadvantaged position and conditions for Lao women compared to men are reflected in most socio-economic indicators related to health, nutrition, education and income, amongst others. Moreover, as underscored by the National Human Development Report 2017, Lao PDR's progress with poverty reduction and human development is uneven across different regions and ethnic groups. Furthermore, climate change is already causing economic loss and affecting the livelihoods, food security, water supply and health of much of the country's population. The frequency and intensity of climate related hazards such as droughts and floods are expected to increase in future, so Lao PDR is seeking to urgently take steps to build its resilience by enhancing its adaptation efforts across all sectors.

Good nutrition, the right to food and the right to health are basic human rights, and malnutrition (in all of its forms) is not only a significant risk factor for child mortality, but seriously impairs the physical and cognitive growth of children. Evidence shows that it leads to reduced education outcomes, productive capacities and the increased chance of lifelong health problems (including non-communicable diseases). The drivers of malnutrition are directly related to inadequate dietary practices and intake as well as disease, but indirectly to

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<sup>5</sup> Lao PDR Census 2015

many factors, amongst others: household and individual food security; maternal well-being and child care; access to safe drinking water; adequate sanitation and health services; and women's empowerment and gender equality<sup>6</sup>. A comprehensive and multi-sectoral approach is therefore considered as a prerequisite to sustainably eradicate malnutrition.

In order to reach this objective, fundamental structural reforms are still required. The 8th National Socio-Economic Development Plan (2016–2020)<sup>7</sup> (8th NSEDP) highlights the gaps that exist in several interrelated policy areas.

## 1.2 Policy Framework (Global, EU)

The EU's support focuses on strengthened nutrition governance and scaled-up nutrition-specific and nutrition-sensitive support as highlighted in the European Joint Programming for Lao PDR 2016–2020 (EJP). This support contributes significant resources to multiple SDGs of the 2030 Agenda for Sustainable Development and specifically to SDG2<sup>8</sup>

This Action is aligned with the operationalisation of the global EU Communication on Maternal and Child Undernutrition and corresponding Action Plan on Nutrition. It will also support 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 2016-2020. 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<sup>9</sup>", with special attention to increasing climate resilience.

This Action will support the GoL in implementation of the Recommendations by the Human Rights and Treaty bodies, by supporting the implementation of the national poverty reduction and improved nutrition policies and strategies. It will take a gender responsive rights-based approach (RBA) by using the RBA EU toolbox<sup>10</sup> and working principles to ensure all Lao men and women, boys and girls (especially in the critical 1000 days) have equitable access to quality nutrition-related services (both nutrition-specific as well as nutrition-sensitive interventions) thus leaving no one behind, and by the same time, do-no-harm and avoid involuntary internal displacement of minority peoples in remote communities.

## 1.3 Public Policy Analysis of the partner country

The key sector document covering interrelationships of the nutrition sector is the National Nutrition Strategy 2016-2025 (NNS). It reflects the GoL's continued policy commitment to

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<sup>6</sup> Such as access to ownership and control over productive agriculture and forest land, biodiversity and Non Timber Forest Products (NTFPs); equal access to employment and income, loans and participation in the benefits from tourism-related Small and Medium Enterprises

<sup>7</sup> The NSEDP is the country's overall global strategic document laying a foundation for the achievement of Socio-Economic Development and the Lao PDR's Vision 2030 - as well as its Sustainable Development Goals (SDGs)

<sup>8</sup> SDG Goal 2. *End hunger, achieve food security and improved nutrition, and promote sustainable agriculture*: 2.1 by 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round; 2.2 by 2030 end all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under five years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons

<sup>9</sup> New European Consensus on Development (2017) (page 10)

<sup>10</sup> [https://ec.europa.eu/europeaid/sectors/rights-based-approach-development-cooperation\\_en](https://ec.europa.eu/europeaid/sectors/rights-based-approach-development-cooperation_en)

tackle malnutrition in an extended time frame of 10 years. It provides guidance, for all interrelated (multi) sectors associated with nutrition security.

The overall goal of the NNS is *"to reduce malnutrition rates among women and children and improve the nutritional status of the multi-ethnic people so that they may be healthy and have a high quality of living and thus contribute to the preservation and development of the nation so that it is elevated from its status as a least developed country (LDC) in 2020 and attains its strategic targets in 2025"*.

The NNS sets out four Strategic Directions for improved nutrition: (1) address immediate causes; (2) address underlying causes; (3) address basic causes; and (4) linkages. The NNS further provides implementation guidance for 29 priority interventions. The NNS has been formulated over a period of approximately one year with the engagement of multiple ministries and consultations with development partners, including civil society (though the Scaling Up Nutrition Civil Society Alliance Network).

The National Plan of Action on Nutrition (NPAN) 2016-2020 provides details on the NNS interventions to be implemented. Both NNS and NPAN advocate for a multi-sectoral "convergent approach"<sup>11</sup> to accelerate the reduction of maternal and child malnutrition and to prevent the growing trend towards obesity.

The NNS is relevant and credible, not only because of its multi-sectoral approach but also because it addresses both the immediate causes of malnutrition (primarily through nutrition-specific interventions delivered via the health sector) as well as the underlying and basic causes<sup>12</sup>. This involves both households and communities but as well institutional and (sub)-national levels whilst including interrelated policy and strategic linkages beyond the health, agriculture and education sectors such as gender equality, public administration reform, child rights, climate change, etc.

An ambitious NPAN Common Results Framework (CRF) has been developed<sup>13</sup> as a single set of nutrition results agreed by relevant sectors in order to increase key line ministries (health, agriculture, education) accountability.

The statistical data in the CRF is heavily drawn from relatively reliable surveys, notably the Lao Social Indicator Survey. Yet, issues remain with the quality and reliability of timely yearly statistical data. Lao PDR faces an overall challenge with ability to obtain and analyse reliable data for evidence-based policy-making. GoL established in 2018, with EU support, the National Information Platform for Nutrition (NIPN)<sup>14</sup>, which aims at strengthening national capacity to manage and analyse existing information and data<sup>15</sup> from key sectors which have an influence on nutrition; to track progress; and to disseminate and make more effective use of reliable information to better inform the policies and strategic decisions on how to prevent malnutrition and its consequences.

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<sup>11</sup> "The convergence approach seeks the geographic co-location of nutrition-specific and nutrition-sensitive interventions (targeted by food insecurity and malnutrition prevalence) with multi-sectorial planning and review but with sectorial implementation." Round Table Consultation Saravane Province 15-17/09/2014

<sup>12</sup> Based on UNICEF Conceptual Framework: [https://www.unicef.org/eapro/Brief\\_Nutrition\\_Overview.pdf](https://www.unicef.org/eapro/Brief_Nutrition_Overview.pdf)

<sup>13</sup> Currently only Results Framework Indicators for NPAN health sector interventions have been finalized; agriculture, education and multi-sector interventions are still in draft format and to be completed.

<sup>14</sup> This is a DEVCO C1 Thematic Programme to set up a National Information Platform for Nutrition in Lao PDR (entrusted to UNICEF: FOOD/2017/391-182)

<sup>15</sup> Eg District Health Information Software (DHIS2) or Education and Sports Management Information System (ESMIS)

It is estimated in aggregate terms that the financing needs of the NNS are approximately USD 80 million per year. In 2017, only 50% of the requirements were funded (85% by donors and 15% by government funding). It has been estimated that in 2018 the overall combined GoL-Development Partners (DP) financing would increase up to around 64% of the average annual required financing<sup>16</sup>, which is a positive trend, and will strengthen the NNS credibility. This needs to be seen within the overall context of the existing fiscal constraint, as the weak revenue collection of recent years and increasing public debt due to large infrastructure investments inevitably limit the fiscal space available for social spending. The extraordinary floods in 2018 may also hamper the planned pace of improvements. Therefore priorities are to be set out in line with the available and foreseen resources. Ensuring allocations to operational budget lines which are critical for nutrition-related service delivery in remote areas, such as integrated outreach will be critical. The benefits of GoL integrated outreach do not only include the rapid uptake of linked (integrated) interventions but also increased cost-efficiency of delivery platforms in a context of scarce Government resources<sup>17</sup>, where in the past many linked interventions were being implemented in parallel rather than in an integrated manner. It is also important to note that most interventions are recurrent in nature (e.g. increase communication & advocacy, capacity building, improved information management, procurement of micronutrients, equipment and vehicles, etc), with only a few activities involving significant capital expenditure (e.g. improved water supply systems). Therefore the full implementation of the NNS will require the GoL to increase its financing over time, giving it a higher priority in the allocation of the discretionary expenditure. This action aims to act as a catalyst for this increased spending, but just as importantly, it aims also to bring about efficiency gains from the available resources.

Budget support is the preferred aid modality for the delivery of this Action as its purpose is to encourage the GoL to be the primary duty-bearer in delivering basic nutrition-related services to Lao citizens, with a focus on gender and disadvantaged groups.

Therefore the possibility of a more sophisticated costing model<sup>18</sup> by integrating various priority interventions into already existing service delivery platforms is being considered. The 2018 Mid-Term Review of the NPAN looks further into this possibility.

#### 1.4 Stakeholder analysis

Key stakeholders include the National Nutrition Committee (NNC)<sup>19</sup>, its Secretariat, Provincial and District Governors, Village Committees and villagers, multiple Ministries both at the national and sub-national levels, civil society, private sector, mass organisations (eg Lao Women's Union) and most importantly poor disadvantaged children, who are the main rights-holders of this action, as well as women, ethnic minorities and people with disabilities and other populations, living in vulnerable situations.

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<sup>16</sup> National Nutrition Forum, November 2017

<sup>17</sup> Improved identification in the state budget of nutrition-linked expenditures is important to ensure an adequate financing of GoL nutrition priorities

<sup>18</sup> Eg potentially based on Annual Costed Sector Plans (ACSEPs) at province and district levels (as successfully applied in the education sector with EU support) as a planning tool to operationalize the 5-year NPAN on a rolling annual basis

<sup>19</sup> The NNC is chaired by the Deputy Prime Minister, co-chaired by the Minister of Public Health, and comprises the Deputy Ministers of Agriculture and Forestry, Planning and Investment, Education and Sports, Public Health, Finance, Industry and Commerce, Information, Culture and Tourism, the Prime Minister's Office, and the Vice Presidents of the Lao Front for National Construction, National Federation of Trade Unions, Lao Women's Union, and the deputy secretary General of the Lao People's Revolutionary Youth Union.

GoL has demonstrated ownership and the NNC plays a key coordination role centrally. The NNC Secretariat guides and supports the implementation efforts in line ministries. Provincial and District Governors play key roles in the sub-national nutrition coordination mechanisms that are currently being set up: ten provinces already have Provincial and District Nutrition Committees but none is fully functional yet.

The Annual National Nutrition Forum provides a high level platform to promote inter-ministerial and inter-provincial cooperation on nutrition priority interventions and provides strategic inputs to the annual Round Table Meeting.

Several Civil Society Organisations (CSOs) are representing the interests of rights-holders and some have been working in remote, hard-to-reach locations. A large number of CSOs align themselves around nutrition advocacy through the "Scaling Up Nutrition Civil Society Alliance" (SUN CSA) structure which was established in 2014.

The Development Partners regular meetings on Food and Nutrition Security, co-convened by the EU and UNICEF (with which the Delegation has a strategic partnership), allow for improved coordination among development partners hence significantly reducing GoL transaction costs of dealing with development partners in a more coordinated manner.

Private sector is also showing an increased interest to engage in nutrition topics, in particular through the SUN Business Network (currently 15 members, established in 2018). Increased production of affordable diversified nutritious and safe food is another topic of private sector interest as well as improved (nutrition-sensitive) work place practices for rights-holders.

Finally opportunities lay with academia that has a role to play in terms of nutrition analysis, research and training, so as to ensure the sustainability of capacity development initiatives.

### 1.5 Problem analysis/priority areas for support

Most needed nutrition interventions are recurrent in nature and are currently mainly financed through external donor-funded projects of which many<sup>20</sup> are phasing out hence the need to get these priorities on budget to ensure sustainability despite the limited fiscal space.

The following three priorities are proposed to be addressed by this new Action which is aligned with the NNS:

**Priority 1: Promote improved nutrient intake through measures to change social behaviour focused on Gender/Women and Youth (Immediate Cause of Malnutrition with Societal/Political Dimension)** – Gender equality<sup>21</sup> together with girls' and young women's education are directly related to improved nutrition outcomes. Poor maternal nutrition, and in particular inadequate nutrient intake, has intergenerational consequences: children born to young girls, to mothers that did not complete primary education and to mothers who are stunted, are much more likely to be stunted themselves. Very high levels of adolescent pregnancies<sup>22</sup> as well as suboptimal breastfeeding and poor hygiene practices,

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<sup>20</sup> Such as the Global Alliance for Vaccines and Immunisation (Gavi) and the Global Fund

<sup>21</sup> SDG 5 on gender equality and empowerment includes targets on domestic labour, early marriage and land ownership all of which are pertinent to SDG 2

<sup>22</sup> 1 in 10 girls are married by age 15. Early marriage is often associated with dangerous early pregnancy. Lao PDR also has the highest adolescent birth rate in the region: 94 births per 1,000 girls aged 15 to 19. Linked to this adolescent birth rate is Lao PDR's maternal mortality rate, the highest in South East Asia (UNFPA, March 2017)

household air pollution and extremely poor dietary diversity<sup>23</sup> (especially among children and pregnant/ postpartum women) are all important social behavioural drivers<sup>24</sup> of insufficient nutrient intake in the Lao PDR seriously affecting right-holders.

In addition to already suboptimal breastfeeding practices, manufacturers of infant formula and foods for infants and young children in Lao PDR persuade parents to use formula milk rather than breastfeed, and to choose their brand of baby food as early and as much as possible. To relay the company's messages to parents, they often provide gifts, training, and other incentives to health care workers who are widely trusted by the public and have constant access to new parents. Such practices are allowed since Lao PDR has no legislation and regulatory frameworks in place for the implementation and effective enforcement of the International Code of Marketing of Breast-milk Substitutes (the Code). The Code protects human rights, including children's rights to life, survival and development, the right to health, the rights to safe and adequate food and nutrition and the right of women to full and accurate information on which to base decisions affecting their children's health. These rights are set out in international human rights treaties, such as the Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination Against Women and the Covenant on Economic, Social and Cultural Rights. Promoting and protecting these rights with particular attention to gender and disadvantaged groups is key to improving nutrient intake.

**Priority 2: Increase Access to, and Quality of, Nutrition-related Services to Citizens at Sub-National level (Underlying Cause of Malnutrition with Societal/Political Dimension)**

– The country's constitution and ratification of international human rights treaties reflect the Government's commitment as a duty bearer<sup>25</sup> to dignity and quality in employment and work place protection, including decent incomes and basic public services for all right-holders. The physical existence of nutrition service facilities, especially at the sub-national level, does not always translate into improved access: utilization is impacted by language barriers and service quality<sup>26</sup>. The use of health services, for example, is especially low among non-Lao speaking women<sup>27</sup>. This priority could also include tailoring nutrition specific and sensitive interventions, family planning, and sexual and reproductive health services specifically for adolescent girls (10-19 years) to improve dietary diversity (through the production or access to diversified foods that are produced with agro-ecological / climate-smart techniques), and awareness of delaying marriage and pregnancy.

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<sup>23</sup> Four in ten women in Lao PDR are anaemic (LSIS 2017)

<sup>24</sup> These drivers are exacerbated by remote geography, ethnicity, language, illiteracy and deep-rooted cultural practices, for example regarding food habits, and the increased vulnerabilities of Lao PDR to increasing temperatures.

<sup>25</sup> For example functional adult literacy classes can be a very effective way to raise awareness and spread knowledge about gender equality, legal rights and how to claim land and forest rights and services with duty-bearers

<sup>26</sup> Service quality is determined by (1) the availability and utilization of equipment and materials for nutrition-related services (eg nutrition supplies, communication materials, etc...); (2) the competency of health workers (communication and counselling skills, awareness of nutrition, training and supervision received, etc...); (3) the client satisfaction and perception of nutrition-related services (clients nutrition awareness, etc..)

<sup>27</sup> Inequities in health services coverage persist, particularly in terms of antenatal care, postnatal care, skilled birth attendance and facility deliveries, with women and children from the poorest wealth quintile, low maternal education and rural areas without road having limited access to key health care services. For example, delivery at health facility is more than two-fold in urban areas compared to rural areas without road (87.9 per cent and 37.7 per cent respectively). (LSIS, 2017)

**Priority 3: Strengthen multi-sector Governance for Improved Nutrition (Basic Cause of Malnutrition with Political Dimension)** (planning, financing, coordination<sup>28</sup> and monitoring in order for resources, including human resources, to be utilized more effectively) – The NNS recognises the need for the multi-sector NPAN to be effectively incorporated into the annual work plans of the relevant sectors in order to achieve sustainability. To this end, specific actions are needed, which are clear, concrete, and measurable and which can be monitored with a clear framework of responsibilities. Increasing the central government budget in nutrition-specific and nutrition sensitive interventions (including improved capacities for coping with food insecurity due to extreme events and/or climate variability e.g. extended droughts and irregular precipitations) is in line with the GoL's nutrition policy commitments and will be facilitated by more effective systems for information and learning. It is thus expected that key ministries (in particular the Ministries of Finance, of Planning and Investment and of Home Affairs) can better understand and harness performance monitoring of the priority interventions to inform decision-making on resource allocation.

## 1.6 Other areas of assessment

### 1.6.1 Fundamental values

Lao PDR is a one-party state and the party leadership, not the elected members of the National Assembly, are the political decision-makers. Although all citizens over the age of 18 are eligible and required to vote, power remains firmly in the hands of the party, which determines all policy matters and the legislative program. There has been an increase in the scrutiny of government performance through debate in the elected National Assembly in recent years, and a “National Assembly Hotline”, which enables citizens to voice grievances, has increased government awareness of issues of public concern.

The country has made progress in establishing the rule of law, reforming the judicial system and ratifying most of the core human rights conventions. Nonetheless, the existing protection framework still shows significant gaps and deficiencies with respect to a large swath of rights, especially civil and political ones when touching upon democratic freedoms and the rights of certain groups of people.

NSEDPs have consistently emphasised the need to strengthen public administration, rule of law and prevention of corruption, which is an increasing concern as Lao PDR transitions to a socialist market-based economy. Although anti-corruption legislation is enacted, and has led to the incarceration of some officials, no senior political figure has yet been prosecuted.

There is widespread recognition that greater transparency and accountability for results will contribute to more efficient service delivery, which will in turn strengthen economic development. The government’s “3-Builds” (Sam Sang) directive (Politburo Resolution No.03/CPP/2012) has sought to strengthen policy-based planning at province, district, and village level.

### 1.6.2 Macroeconomic policy

According to the last International Monetary Fund (IMF) Article IV staff report published in March 2018, Laos' real GDP expanded by 6.8% in 2017, underpinned by energy exports, construction and services. IMF welcomed Lao PDR’s good record of high growth and stable

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<sup>28</sup> For example coordination is required for the implementation of the International Code of Marketing of Breastmilk Substitutes (BMS Code) and the importance of its articulation and effective enforcement in country national legislation in order to promote and protect optimal infant and young child nutrition.

inflation, while noting vulnerabilities in public debt, the fiscal deficit, and low international reserves.

In 2017, there was a slowdown in credit growth as a result of the tighter regulation of foreign currency lending. Government's fiscal deficit slightly increased from 4.3% in 2016 to 5.3% of GDP in 2017<sup>29</sup> due to increases in investment spending and relatively weak tax revenues, offsetting the tight control on recurrent expenditure. Inflation declined to 0.9% in 2017, compared with 1.6% in 2016, reflecting a stable exchange rate, falling food prices and moderating domestic demand.

Public debt was 61.1% of GDP in 2017 and is driven by heavy foreign-financed public investment in electricity generation and infrastructure projects.

To address macroeconomic risks, the Lao authorities plan to consolidate the fiscal position with the deficit declining to below 5% of GDP in 2018. Meanwhile, efforts are being made to strengthen excise tax rates and VAT and review tax expenditure.

### **1.6.3 Public Financial Management (PFM)**

Government's various PFM<sup>30</sup> strengthening initiatives are relevant and credible. The Government has been implementing a number of revisions to the budget system, policy development, accounting, fiscal forecasting, procurement and taxation to strengthen the PFM system. With the finalisation and Prime Minister's approval in July 2017 of the "Vision to 2030 and Public Finance Development Strategy to 2025", the country now has a plan for a comprehensive PFM reform programme in place. The EU-funded PFM Modernization Programme 2016-18 enjoyed a high level of political support, and its successful implementation helped with the design of the new PFM Reform Programme 2018-2022.

A Public Expenditure and Financial Accountability (PEFA) Assessment has begun in 2017 and is expected to be completed by the end of 2018 or early 2019. The last PEFA for Lao PDR was published in 2010.

Current priorities defined in the Public Finance Development Strategy include strengthening information systems, linking policy to resources through the budget and making these links transparent. Improved domestic mobilisation through tackling weaknesses in existing VAT processes is also defined as a priority along with improving cash and treasury management. It is also expected that better institutional capacity (both human and information systems) should in the medium term improve budget documentation and budgetary data reliability.

The Government has also taken tangible measures to identify and address corruption which currently figures prominently in high-level political discourse.

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<sup>29</sup> World Bank data June 2018

<sup>30</sup> As nutrition is not a "sector" but instead involves a number of sectors, namely education, health and agriculture, we have assessed PFM in those areas where information is available.

Finally public expenditure decisions, and the public financial management (PFM) systems that underpin them, can have materially different impacts on economic and social<sup>31</sup> outcomes for different genders<sup>32</sup>.

#### 1.6.4 Transparency and oversight of the budget

The entry point for the budget transparency and oversight criteria for Lao PDR is met. Enacted budgets are published within the current budget cycle.

Budget proposals are prepared internally by the Government and are not public documents, although scrutinised and passed by the National Assembly. The State Budget Plan for fiscal year 2018<sup>33</sup> was published by the Official Gazette on 15 June 2018 and uploaded to the website of the Ministry of Finance. The State Budget Implementation Report FY 2015-2016 was also uploaded to the Ministry of Finance website on 25 May 2018.

The revised State Budget Law (December 2015) introduced several improvements as regards budget accuracy, comprehensiveness and transparency. When the Law will be fully implemented the budget should provide greater detail particularly with respect to sectors both at central and provincial level. Moreover, the development of a new and updated Government Financial Management Information System (FMIS), which is currently being designed, is expected to improve budgetary transparency over time.

As regards budget oversight, Lao PDR has a good legislative environment but the legislation is not implemented in practice, mainly due to weak capacity. Nevertheless the National Assembly has been increasing its ability to exercise its oversight function. The National Assembly Law of March 2017 empowers the National Assembly Committee for Planning, Finance and Audit (CPFA) to play its roles effectively and efficiently. The CPFA oversees the planning and budget proposal, and scrutinizes financial and compliance audit reports submitted by the State Audit Organisation (SAO).

Under the framework of the present action, budget transparency and oversight are important in order to assess and scrutinise the levels of public spending on service delivery related to nutrition in provinces and districts. Addressing weaknesses in budget transparency between the roles and priorities of each tier of Government responsible for the delivery of public services will be a key factor for the success of the present action. High-level dialogue is required to improve budget transparency.

## 2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
The NNC and its Secretariat will be unable to maintain a high level commitment and coordination with collaborating ministries and other (sub-national) stakeholders	L/M	The EUD, with UNICEF, as co-convenors of the DPs working on nutrition will lobby for progressively improving coordination in support of key nutrition priority interventions. Emphasis will be placed on the need for

<sup>31</sup> Full implementation of the NNS will require GoL to increase relatively the discretionary budgets over time in particular for the health sector. In late 2017, at the National Assembly Session, it was indicated that Provinces would have no discretionary powers on future health and education budget allocations anymore

<sup>32</sup> This will be looked at under the new EU-UNICEF "PFM initiative" that is currently being set up

<sup>33</sup> The fiscal year has been changed to follow the calendar year from January 2017

		coordinated Annual Work Plans and Budgets at all levels of the GoL (national, provincial, district) and for all the relevant key sectors to explicitly implement nutrition priority interventions through their sector plans.
Issues of reliability and quality of statistics in Lao PDR can jeopardise the use of national reporting for monitoring of progress in Nutrition. Availability of timely (e.g. annually) statistics may cause difficulties in monitoring indicators and targets of the NPAN	L/M	The EU-supported National Information Platform on Nutrition, established in 2018, will strengthen the ability of GoL to rely on better statistics and to analyse them for evidence-based policy-making. Technical Assistance will be made available to support NPAN Mid Term Review and for the annual monitoring.
Corruption leads to misuse of public funds	H	The EUD will continue encouraging the government's anti-corruption measures (e.g. through new economic governance programme) and together with MS will integrate specific anti-corruption initiatives in its programming, where applicable, and through the "EU Action in Support of Economic Governance" (ACA/2018/39159).
The slowing of growth in the global, regional or national economy could threaten funding for public services.	M/H	The ongoing EU PFM support programme (CRIS: ACA/2018/39159) will assist the government in expenditure efficiency, domestic resource mobilisation, and in better economic forecasting.
Environmental fragility and increased risk of natural disasters and man-made disasters are exacerbated by climate change <sup>34</sup>	M/H	The EUD will encourage GoL to step up effort to build in resilience in growth and strengthening durability to shocks. This will be done through effectively and systemically embedding prevention, mitigation and disaster risk reduction in development plans. The anticipated ADB blending will be targeting watershed management and productive rural infrastructures, contributing to flood prevention and increased availability and continuous access to water <sup>35</sup> .
Land tenure and land issues for women, ethnic minorities and indigenous peoples reduces access to non-timber forest products (NTFP)	M/H	EU Del works closely with Germany (in the lead of this area as per agreed Division of Labour) under the EU Joint Programming <sup>36</sup> to support secure access to land and in the policy dialogue with GoL in line with the Voluntary guidelines on the responsible governance of tenure of land, fisheries and forest in the context of national food security.

<sup>34</sup> The NNS highlights the importance to also focus on geographic areas where people have recently been relocated; and on persons affected by natural disasters, placing them in an emergency situation

<sup>35</sup> Thereby contributing to greater resilience and gender equality (currently the burden of water collection, washing, hygiene and cleaning falls especially heavily on women and girls).

<sup>36</sup> European Joint Programming for Lao People's Democratic Republic 2016-2020; Mid-Term Report; September 2018

<b>Assumptions</b>
It is assumed that there is sufficient appreciation of the financial, technical and political benefits of the proposed Action and that there will be strong central government, departmental and decentralised support for achievement of results
It is assumed that adding annual indicators to the list targets in the NPAN will provide a guide for strategic activity over the coming years
It is assumed there is sufficient commitment to reform in the nutrition and financial sectors to provide a common basis for the Action between the EU and GoL
It is assumed that the GoL will remain committed to PFM reform, macroeconomic stability and budget transparency and oversight improvement

### **3 LESSONS LEARNT AND COMPLEMENTARITY**

#### **3.1 Lessons learnt**

Through experiences gained by the Delegation over the last 10 years working on nutrition and PFM in Lao PDR and as highlighted in "From Millennium Development Goals to Sustainable Development Goals: Laying the base for 2030" (UN, Nov. 2017), the "Strategic Review on Food and Nutrition Security in Lao PDR" (MPI, July 2016), and the initial findings of the Mid Term Review of the European Joint Programming for Lao PDR 2016-2020, among others, the following lessons can be learned:

*Policy leadership:* The NNC, under the leadership of the Deputy Prime Minister, has emerged as a strong and proactive multi-sector coordinating body. The GoL has positioned food and nutrition security at the forefront of its development policy agenda. This prioritisation is reflected in donor-led commitments to make funds available for food and nutrition security.

*Food security:* At the national level, Lao PDR has attained food self-sufficiency as measured by kilocalories (the country has been self-sufficient in rice since 2000). Domestic production of major food and cash crops has increased but slowly. However the country's food security situation is complex, with increasing levels of rural-rural migration leading to new pockets of seasonal food insecurity which in turn have brought about a rapidly changing dynamic in the context of local economies. Furthermore, and crucially, national level calorific self-sufficiency does not ensure adequately diverse dietary intake, child care, healthy and safe environments and equal access to basic services for everyone – all of which are preconditions for good nutrition.

*Vulnerability:* In both rural and urban contexts, vulnerability is correlated with (in)equality in income, geography, gender norms, ethnicity, disability, increasing exposure to natural disasters (due to environmental degradation and climate change) and access to natural resources. As evidenced in the final evaluation of the Global Climate Change Alliance programmes in the remote areas of Lao PDR, diversifying livelihoods with a gender focus has a positive impact on resilience to climate change and climate variability. Promoting the empowerment of women also brought a positive impact on nutrition. Gender norms that increase vulnerability include the difference in decision-making authority within extended families. In such cases, it is seniority and gender that matters most. Typically, the most senior male member of the family has the authority to make the final decision, followed by senior men and senior women. Often, men and boys are allowed to eat before women and girls. This has to be carefully considered in any future social behaviour change communication interventions.

*Gender:* According to the Government's MDG review (2015), Lao PDR has reached gender equity at all levels of education. However, this parity is not reflected in the workplace, with women over-represented in lower-skilled labour markets. Education and employment rates are influenced by early marriage rates. Poverty, ethnicity, language, education and geographic isolation have been identified as factors in gender inequality. Women's traditional roles and work norms mean that income generation is seen as men's responsibility, whereas women are responsible for sourcing and preparing food for the household. As more women enter the workforce, these roles are in flux, especially in urban and peri-urban areas, where an increasing number of women are entering the workplace but where basic entitlements such as a living wage, social security including adequate maternity protection and childcare provision remain out of reach for many. Nevertheless, feeding the family is still seen as women's responsibility. In line with global trends, achieving gender equity is dependent on broader issues related to economics, wealth and power. This has to be carefully considered in any future social behaviour change communication interventions.

*Budget allocations:* Despite the GoL's Sam Sang directive, coordination between central ministry and provincial and district authorities remains weak. This has to be addressed through improved and more transparent links between the national policy to locally available budgetary resources. Many priority nutrition interventions are recurrent in nature and are currently mainly financed through external donor-funded projects of which many are phasing out by 2021-2020, hence the need to get these priorities on budget to ensure sustainability. Despite the limited fiscal space, and many competing priorities, there is also pressure from some DP initiatives (e.g. on "school meals") for GoL to prioritise these in the education budget without any prior solid evidence-based policy making of the effectiveness of these.

### **3.2 Complementarity, synergy and donor coordination**

The European Joint Programming for Lao PDR 2016-2020 is the collective response of European Partners in support of the Government of Lao PDR's 8th National Social Economic Development Plan (8th NSEDP). By coming together, European Partners are able to deliver more efficient development support to the government of Lao PDR, including in the nutrition sector with a defined joint Sector Response Plan which has been jointly updated in 2018. The strategy is synchronised and aligned with the government's 2016-2020 planning cycle, and seeks to strengthen ownership and support national policies. This shared timetable for decision-making and policy formulation has so far improved dialogue with the Government at the national and sector levels.

In addition, the DP Meeting on Food and Nutrition Security (co-convened by the EU and UNICEF) provides an opportunity to plan and coordinate among DPs. As SUN Donor Convener, the EU supports the NNC Secretariat to conduct an annual stakeholder and action mapping. Based on this mapping regular complementarities & synergies are being sought with organizations that are operating in the same geographic areas in line with the GoL's "convergence approach". Toward this end, the GoL, jointly with DPs including the EU, NGOs/CSOs, World Bank, UNICEF, FAO, IFAD, WFP, USAID, and many others, have developed a Social and Behaviour Change Communication Strategy for Nutrition (SBCCSN).

Complementarity, synergy and co-ordination between this Action and other relevant ongoing EU Actions have been built into the design through the coordination structures now in place. These include: "Partnership for Improved Nutrition in Lao PDR" (ACA/2015/37801), the "National Information Platform for Nutrition in Lao PDR" (FOOD/2016/038332 ); the "Citizen Engagement for Good Governance, Accountability and Rule of Law (CEGGA)" (ACA/2015/037777), the "EU Action in Support of Economic Governance"

(ACA/2018/39159); "GEQua-BasED Governance, Equity, Quality Access – Basic Education" (ACA/2015/37010); and the new "Basic Education Support Programme in Lao PDR" (ACA/2018/039985) and the future "Support to Visibility and Communication of EU-Lao PDR Cooperation in Nutrition and Education" service contracts (related to abovementioned projects ACA/2015/37010 and ACA/2015/37801). The initiatives most closely related to this Action that are not EU funded are the following, among others:

- i. The ADB's Strengthening Capacity for Health Sector Governance Reforms and the World Bank's Health Governance and Nutrition Development Project (USD 26.4M), have been supporting the Health Sector Governance Reform Component. It is using Disbursement Led Indicators (DLIs) with data provided by the DHIS2<sup>37</sup>. Following extensive challenges initially faced, the assessment of the World Bank is that significant progress has been made in the course of the last year. Data can now be entered online or in paper form and submitted to District Health Offices by Health Centres.
- ii. IFAD's Strategic Support for Food Security and Nutrition Project (USD 30M), operational since 2016, has been supporting the Agriculture Development Strategy. The project aims at strengthening public services and community-driven agriculture-based nutrition interventions and supports the establishment of sustainable and inclusive market-driven partnerships.

The Action is also directly linked and synchronised with the upcoming "Sustainable Rural Infrastructure and Watershed Management Sector Project" (EUR 51,200,000 – of which the EU contribution will be EUR 4,000,000), an EU Investment blending expected to be approved in the first half of 2019 under the Asia Investment Facility with ADB as lead financier, that will increase nutrition-sensitivity of agricultural investments (irrigation, watershed management, flood and drought mitigation, etc) for improved food security and increased climate resilience. The Action and the blending operation have been designed to be mutually reinforcing. Running in parallel, these two complementary projects offer an innovative combination of EU aid modalities (Budget Support, together with Blending) which aim to strengthen the holistic multi-sectoral approach supported by the EU in Lao PDR.

## **4 DESCRIPTION OF THE ACTION**

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

**The overall objective** of the proposed EU support is to reduce malnutrition in Lao PDR with a focus on gender and disadvantaged groups.

Expected results for this Action will be achieved through improved nutrient intake<sup>38</sup>, a more efficient delivery of resources (human resources as well as budget) and the associated provision of basic nutrition-related services<sup>39</sup> to citizens in rural disadvantaged areas.

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<sup>37</sup> DHIS2 was introduced by the Ministry of Health (MOH) in 2013 and is now capturing data from every public health facility nationwide for most of the vertical programmes (including MCH, Family Planning, HIV, TB and Malaria)

<sup>38</sup> Such as improved nutrient intake through breastfeeding; improved management of acute malnutrition (e.g.: IMAM: Integrated management of Acute Malnutrition); etc

<sup>39</sup> Such as improved mother and child care practices; improved water and sanitation systems and practices; improved availability of nutritious food; etc..

Complementary measures will provide technical support at national and most importantly sub-national levels, with a specific focus on these rural disadvantaged areas.

The specific objectives are as follows:

Specific objectives	Induced Outputs
<p><b>SO 1</b> – Improve the quality of nutrient intake with a particular focus on gender equality and reaching disadvantaged groups, to address immediate causes of malnutrition in Lao PDR</p>	<ul style="list-style-type: none"> <li>• IO1: Awareness, and promotion, of good nutrition practices improved</li> </ul>
<p><b>SO2</b> – Improve nutrition-related service use, to address underlying causes of malnutrition in Lao PDR</p>	<ul style="list-style-type: none"> <li>• IO2: Accessibility to nutrition-related services improved</li> <li>• IO3: Quality of nutrition-related service delivery improved</li> </ul>
<p><b>SO3</b> – Improve nutrition multi-sectorial governance, to address basic causes of malnutrition in Lao PDR</p>	<ul style="list-style-type: none"> <li>• IO4: Coordination between multi-sector nutrition planning and budgeting improved</li> <li>• IO5: Management of multi-sector nutrition Human Resources improved</li> </ul>

**Direct Outputs:**

- DO1: Additional fiscal space created by the transfer of funds and increased predictability of funds;
- DO2: A more aligned and coordinated policy dialogue and reduced transaction costs;
- DO3: Strengthened capacities conducive to reforms<sup>40</sup>;
- DO4: Improved monitoring and reporting on the impact and implementation of reforms.

The indicative activities are:

Budget Support

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

- i. Continued policy dialogue with the Government, emphasising the specific objectives, results, disbursement conditions of the Sector Reform Performance Contract as well as the adequate implementation of the complementary measures;
- ii. Regular monitoring and policy dialogue, on achievements of the NPAN objectives, on macro-economic and Public Finance Management (PFM) developments and budget transparency;

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<sup>40</sup> For example strengthened institutional capacity of the Ministry of Health/Ministry of Agriculture and Forestry to plan, deliver, monitor and report on nutrition health/agriculture priority interventions

- iii. Preparation of the disbursement files and monitoring of performance targets and indicators to be used for disbursement;
- iv. Participation in the annual high-level national nutrition forum, sector meetings, reviews and technical working groups.

### Complementary Support

The main indicative activities to support the budget support package through complementary measures will be as follows:

UNICEF will support the capacity development of the National Nutrition Committee Secretariat (NNC-S) and its members, Provincial Nutrition Committees and District Nutrition Committees. This will focus on, among others:

- i. Training on multi-sectoral nutrition coordination, planning, budgetary execution, and financial reporting at the national, provincial and district levels;
- ii. Development of common results framework indicators for Nutrition for Monitoring and Evaluation (M&E) purposes to inform policy and programming <sup>41</sup>;
- iii. Awareness raising activities directed at leaders, decision makers and the general public on the causes, consequences of, and key actions to address, malnutrition;
- iv. Training of the Ministry of Health to plan, deliver, monitor and report on nutrition-specific health interventions.

These activities support the scaling-up of the EU/UNICEF ongoing nutrition programme.

The Technical Assistance team, recruited under a service contract, will be embedded in the NNC-S and will work in close synergy with UNICEF to support specific areas where direct management would bring added value, notably:

- i. Development of tools/toolboxes such as, indicatively, "Annual Costed District Nutrition Sector Plans" which include nutrition sensitive agriculture, among others;
- ii. Organization of media events, production of media packages on key deliverables/results of the action, among others, implementing the EU communication & visibility plan;
- iii. Development of policy papers on the gender-nutrition links, amongst others, in order to promote the mainstreaming of cross-cutting issues.

## **4.2 Intervention Logic**

The intervention logic centres on financing for results and capacity development. The design utilises several EU Tools (budget support and complementary measures with a proposed blending synchronised action) in an innovative way to strengthen the holistic multi-sectoral approach of Lao PDR's National Nutrition Strategy and Plan of Action. The proposed action will therefore advocate for the need to focus on reducing disparities and to encourage the GoL to be the primary actor in delivering<sup>42</sup> quality nutrition-related services to Lao citizens.

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<sup>41</sup> Linked with the "National Information Platform for Nutrition in Lao PDR" (FOOD/2017/391182)

<sup>42</sup> This becomes particularly relevant for a key sector such as, for example, health where large external donor funded initiatives such as the Global Alliance for Vaccines and Immunisation (Gavi) and the Global Fund are expected to phase out in Lao PDR and that as early as from 2021-2022.

In the long-term, the Action will contribute to reducing malnutrition in Lao PDR with a focus on gender and disadvantaged groups (Overall Objective). The intervention logic of the action structures into three Specific Objectives in order to address the immediate (Specific Objective 1), the underlying (Specific Objective 2) and the basic (Specific Objective 3) causes of malnutrition<sup>43</sup>. In order to reach these objectives, the Action will support measures to ensure that citizens will have better awareness of nutrition practices and better access to quality nutrition-related services (Induced Outputs 1, 2 and 3). The government will strengthen its policy framework to promote good nutrition practices and will improve the service delivery, planning, budgeting and human resources in the nutrition sector (Induced Outputs 4 and 5). Budget support financial transfers and policy dialogue will provide the Ministry of Finance with greater fiscal space to make timely payments to the key sectors of health, agriculture and education and support the national nutrition sector reform. Capacity development will be provided for the implementation of specific interventions aimed at improving nutrition sector governance and service quality. The Action is also directly linked and synchronised with the upcoming Sustainable Rural Infrastructure and Watershed Management Sector Project, a proposed Investment blending under the Asia Investment Facility with ADB that will increase nutrition-sensitive agricultural investments for improved food security and increased climate resilience. The Action and the blending operation (which is expected to be approved in early 2019) have been designed to be mutually reinforcing<sup>44</sup>. As one of the largest grant donors to Lao PDR, an EU contribution would further increase EU leverage in the aid coordination / development effectiveness agenda, instrumental for policy dialogue on nutrition.

### 4.3 Mainstreaming

A gender-responsive **rights-based approach** which will leave-no-one-behind and do-no-harm is identified as significant cross-cutting element for the planning and execution of the proposed Action. It is designated as a significant objective, with the needs of all rights-holders and gender equity among the principal reasons for undertaking the activity (with gender disaggregation where possible).

**Gender equity** will be explicit in the proposed Action's emphasis on reducing disparities, and improving nutrition priorities at sub-national level. Better implementation of national policies is needed to counter common practices in Lao PDR such as early or forced marriage, multiple pregnancies, discriminatory inheritance rights, or exploitation of various kinds. Moreover, girls and adolescents often carry excessive responsibility for taking care of younger siblings, for household chores and to some extent, for economic activities.

A special focus on disadvantaged groups and on gender roles is a priority for the NNS. In particular its Strategic Direction 4 aims to ensure linkages with other policies, strategies and programmes which affect the nutrition interventions indirectly.

**Environment:** the high prevalence of stunting and childhood diseases can be partially explained by the quality of the household environment. This includes household air pollution;

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<sup>43</sup> As per the 1990 UNICEF Conceptual Framework of Malnutrition, fully integrated in the GoL National Nutrition Strategy 2025 and its Plan of Action 2016-2020

<sup>44</sup> The intention is to systematically replicate the nutrition sensitive approach in ADB's future investments, using its own grant funds in forthcoming projects. Therefore, this blending operation will provide leverage for additional investment on nutrition and will contribute towards more systematic convergence

poor access to water and sanitation facilities; poor hygiene practices such as lack of hand washing, and open defecation. Socio-behavioural change activities will address these issues.

**Climate change and resilience** affects nutrition by impacting on people's food security, health and disease levels and patterns, water and sanitation environments, and choices about how to allocate time to their livelihoods and to caregiving. The NNS clearly links food security to the impacts of natural disasters and climate change impacts<sup>45</sup>. The linking and synchronising with the upcoming Sustainable Rural Infrastructure and Watershed Management Sector Project will address some of these issues.

#### **4. 4 Contribution to SDGs**

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG Goal 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture", while also contributing to Goals 1 (No Poverty), 3 (Good Health and Well-being), 5 (Gender Equality), 6 (Clean Water and Sanitation) and 13 (Climate Change).

### **5 IMPLEMENTATION**

#### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the Lao People's Democratic Republic (Lao PDR).

#### **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 72 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 42,000,000, and for complementary support is EUR 7,850,000. The total amount allocated to the fixed (EUR 16,800,000) and variable (EUR 25,200,000) tranches is structured to emphasise improvements in nutrition outcomes in Lao PDR, especially for disadvantaged groups. Thus, the percentage allocations are 40% for the fixed tranche and 60% for the variable tranche. Annual allocations between fixed and variable tranches are designed to:

- Provide a substantial incentive to address programme priorities from Year 1 through the fixed tranche;

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<sup>45</sup> For example: Strategic Direction 1 (Address immediate causes), the second specific objective (SO2) concerns 'Prevention of food- and waterborne and infectious diseases', the spread of which is strongly linked to the increase of temperatures and poor access to water, especially during dry seasons. Furthermore, as part of Strategic Direction 2 (Address underlying causes), SO4 concerns 'Improve access to nutritious food', which is directly related to the biodiversity and agro-biodiversity potential of the country, in particular NFTP and traditional foods.

- Be more results-oriented from year two onwards by reducing the amount for the fixed tranche while increasing variable tranche amounts;
- Spread financial allocations across variable tranches indicators to reflect priority areas within the nutrition sector and to set achievement of milestones at a realistic rate.

This amount is also based on the estimated budget requirement to leverage additional funds to improve resource allocations to more remote areas. The action foresees increased and more targeted non-wage recurrent allocations for the much-needed integrated nutrition outreach operations, which will enable nutrition service providers to visit and provide counselling support to children as well as women in disadvantaged rural areas.

### **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 Lao PDR National Nutrition Strategy and Plan of Action 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 the following:

- Adoption and implementation of the International Code of Marketing of Breast-milk Substitutes
- Health (integrated) outreach
- WASH in schools
- Nutrition Sensitive Agricultural Reform

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 Government of Lao PDR 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 and 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 disbursed in four annual tranches divided between fixed and variable amounts. Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Lao Kip will be

undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

<b>Indicative breakdowns</b>	<b>Total</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Fixed tranche EUR	16,800,000	4,800,000	4,000,000	4,000,000	4,000,000
Variable tranche EUR	25,200,000	0	8,400,000	8,400,000	8,400,000
<b>Total</b>	<u>42,000,000</u>	4,800,000	12,400,000	12,400,000	12,400,000

#### 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 measures<sup>46</sup>.

##### 5.4.1 Procurement (direct management)

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Technical Assistance (TA)	Services	Q4 2019

A part of this Action (contributing to all four Direct Outputs) may be implemented in direct management through a TA service contract in close synergy with the selected entity. This TA would contribute in areas where direct management could bring greater added value such as, for example, (i) improved nutrition-related planning and budgeting (development of tools/toolboxes); (ii) development of policy papers, and (iii) organisation of media events and other EU visibility activities, amongst others.

##### 5.4.2 Indirect management with an international organisation

A part of this action, contributing to all four Direct Outputs, may be implemented in indirect management with UNICEF. This implementation entails support to enhanced capacity for Lao PDR's multi-sectoral nutrition coordination, planning, monitoring and reporting, and improved knowledge and awareness on the causes, consequences and key priority actions to address under-nutrition in Lao PDR.

The envisaged entity has been selected using the following criteria:

- Internationally recognized expertise and an extensive working experience in the nutrition sector;
- Sufficient logistical and management capacities in Lao PDR to deploy this part of the action nationwide - in all the provinces of Lao PDR;

<sup>46</sup> [www.sanctionsmap.eu](http://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.

- Managerial capacity, expertise and long-standing experience and credibility in directly implementing and liaising with relevant stakeholders (governmental institutions, NGOs, the private sector, local communities, mass organisations, youth groups and other development partners) in Lao PDR.

Currently, UNICEF is strategically best placed to add value to the EU's interaction with the GoL in the implementation of Lao PDR National Nutrition Strategy and Plan of Action. UNICEF enjoys the highest level of access to the most senior Lao PDR stakeholders, works in close partnership with the National Assembly, NGOs, the private sector, mass organisations, youth groups, local communities and vulnerable children to ensure the realisation of the rights of every child in Lao PDR. Thus UNICEF has built up a unique credibility in the multi stakeholder environment. UNICEF has been a long standing and trusted partner in Lao PDR and has been very active in the nutrition sector at central and provincial levels. UNICEF strength lies as well in their constructive approach to *joint* EU-UNICEF policy dialogue. Moreover UNICEF has agreed to 16.66% co-financing of their contribution agreement. The DPs Meeting on Food and Nutrition Security (co-convened by the EU and UNICEF) provides an opportunity to better plan and coordinate among DPs.

Due to their unique experience in country, indirect management with UNICEF will bring added value to the action through:(i) training on multi-sectoral nutrition coordination, planning, budgetary execution, and financial reporting at the national, provincial and district levels; (ii) the development of a common results framework with indicators for M&E purposes to inform policy and programming; (iii) awareness raising activities on the causes, consequences and key actions to address under-nutrition among NNC leaders, decision makers and the general public; and (iv) training of the Ministry of Health to plan, deliver, monitor and report on nutrition-specific health interventions.

Should the envisaged entity need to be replaced, the Commission's services may select a replacement entity using the same criteria.

#### *5.4.3 Changes from indirect to direct management mode due to exceptional circumstances (one alternative second option)*

In exceptional circumstances beyond the Commission's control, the indirect management with an international organisation described in 5.4.2 could be substituted by a procurement contract 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.

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

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution (amount in EUR)</b>
Budget support – cf section 5.3	42,000,000	N.A.
Complementary Support – cf section 5.4 composed of:		
Procurement <sup>47</sup> - cf section 5.4.1	3,850,000	N.A.
Indirect management with UNICEF – cf section 5.4.2	4,000,000	800,000
Evaluation – cf section 5.9 and Audit – cf section 5.10	150,000	N.A.
Totals	50,000,000	800,000

## 5.7 Organisational set-up and responsibilities

### **For the overall Budget Support operation:**

Monitoring of the Programme will be pursuant to Prime Minister's Decision 93/PM (25 November 2016) setting up a National Nutrition Committee (NNC). The NNC is chaired by the Deputy Prime Minister, and the Minister of Public Health acts as vice-chair. The NNC is responsible for making high level policy decisions, specifying the main strategies, overseeing the performance and accountabilities of each stakeholder working in the domain of nutrition and food security; and reporting on such matters.

To review progress made in meeting eligibility criteria and in achieving the variable tranche indicators' targets, the EU Delegation and the Inter-ministerial Steering Committee (NNC key members + additional key members) will meet twice/year (indicatively Q2 and Q4) to examine progress and establish the basis for payment of annual tranches. The Inter-ministerial Steering Committee's members include, indicatively:

- Minister of Health
- Deputy Minister of Foreign Affairs
- Deputy Minister of Education and Sport
- Deputy Minister of Planning and Investment
- Deputy Minister of Health
- Deputy Minister of Agriculture and Forestry
- Deputy Minister of Finance
- EU Delegation to Lao PDR.

The disbursement request related to results of year N shall be submitted by the MoF by March or April of year N+1.

### **For technical issues linked to complementary support:**

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<sup>47</sup> Procurement includes Communication & Visibility of the EU measures

The NNC-S that was established to take on the day-to-day operational responsibilities for the NNC is headed by the Deputy Minister of Health with an additional fifteen members. It is meeting quarterly already (of which twice with EU Delegation participation) and will provide steering guidance and opinions on the annual work plans, budgets and reports of the Technical Assistance provided under the complementary measures.

#### **5.8 Performance and Results monitoring and reporting**

The performance monitoring will be carried out by the Government of Lao PDR jointly with the EU Delegation. With regard to the performance monitoring of the general conditions for disbursement eligibility criteria, MoF will report on macroeconomic performance, improvements in public financial management and budget transparency. NNC-S will take the lead on reporting on the eligibility criterion on Sector policy (NNS/NPAN) and assessment of the variable tranche indicators and targets (supported by the relevant Government offices).. This report should demonstrate the achievement of the targets behind the variable tranches.

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 end, 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 Logframe matrix (for project modality) or the partner's strategy, policy or reform action plan list (for budget support). 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 or its components via independent consultants contracted by the Commission. Other parties could be invited in common agreement between the GoL and the EU delegation.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this Action (budget support and complementary measures) is synchronised with a proposed blending action on Rural Infrastructure. This innovative combination aims to strengthen the holistic multi-sectoral approach of Lao PDR's National Nutrition Strategy and Plan of Action.

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.

#### **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.

#### **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 other 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.

**APPENDIX – INDICATIVE INTERVENTION LOGIC TABLE (FOR BUDGET SUPPORT)**

	<b>Results chain</b>	<b>Indicators (max. 15)</b>	<b>Baselines (2017)</b>	<b>Targets by the end of the budget support contract (2022)</b>	<b>Sources of data</b>
<b>Expected impact of the policy (Overall objective)</b>	To reduce malnutrition in Lao PDR with a focus on gender and disadvantaged group	Prevalence of stunting (low height-for-age) in children under 5	33% Boys: 34% Girls: 32%	30.4% (*)	LSIS (5 yearly) or a household-based National Nutrition Survey (2022)
		Prevalence of wasting (low weight-for-height) in children under 5	9% Boys: 9.4% Girls: 8.6%	<5% (*)	
		Prevalence of underweight (low weight-for-age) in children under 5	21% Boys: 21.6% Girls: 20.6%	15% (*)	
		Prevalence of overweight (high weight-for-height) in children under 5	3.5% Boys: 3.9% Girls: 3.1%	≤ 2% (*)	
		Prevalence of Women of Reproductive Age (15-49 years of age) with anaemia (hemoglobin <12g/dl) (*)	40%	19.8%	

<b>Expected outcomes of the policy (Specific objective(s))</b>	1. Improve the quality of nutrient intake with a particular focus on gender equality and reaching disadvantaged groups, to address immediate causes of malnutrition in Lao PDR	1. Percentage of infants less than 6 months of age who are exclusively breast fed (*)	1. 44.9% Boys: 43.6% Girls: 46,3%	1. 54%	1. LSIS (5 yearly) or a household-based National Nutrition Survey (2022)
	2. Improve nutrition-related service use, to address underlying causes of malnutrition in Lao PDR	2.1. % of Health facility-based delivery	2.1.46.6%	2.1. 55%	2.1 National Health Statistics Report
		2.2. Percentage of children aged 6-23 months who consume food from 4 or more food groups (minimum dietary diversity) (*)	2.2. (year) 45.3% Boys: 46.3% Girls: 44.1%	2.2. (year) 50%	2.2. LSIS (5 yearly) or a household-based National Nutrition Survey (2022)
	3. Improve nutrition multi-sectorial governance, to address basic causes of malnutrition in Lao PDR	3. Percentage of the 31 multi-sectorial priority interventions of the NPAN achieved	3. 10%	3. 50%	3. ASPR

<b>Induced outputs</b>	1.1 Awareness, and promotion, of good nutrition practices improved	1.1 Decree on "Infant and Young Child Food Product Control" <sup>48</sup> in place and effectively implemented	1.1 No Decree	1.1 Decree in place and implemented	1.1 Decree ASPR based on bi-annual reports
	2.1 Accessibility to nutrition-related services improved	2.1 Percentage of Zone 2 and 3 villages <sup>49</sup> where Package "1+3" <sup>50</sup> integrated outreach sessions have been conducted at least twice during the year	2.1 tbc in inception phase	2.1 tbc in inception phase	2.1 ASPR based on DHIS2
	2.2 Quality of nutrition-related service delivery improved	2.2.1 Percentage of primary schools having year-round access to clean water 2.2.2 Percentage of health facilities with trained staff in IMAM 2.2.3 Percentage of health facilities delivering the IMAM programme	2.2.1 tbc in inception phase 2.2.2 nil 2.2.3 nil	2.2.1 tbc in inception phase 2.2.2 20% of health facilities with staff trained in IMAM 2.2.3 20% of health facilities with trained staff delivering the IMAM programme	2.2.1 tbc 2.2.2 ASPR based on DHIS2 2.2.3 ASPR based on DHIS2

<sup>48</sup> Reference name utilized in Lao PDR for the "International Code of Marketing of Breast-milk Substitutes" (interim name as of October 2018)

<sup>49</sup> Zone 2 villages are located 5-10 km from the nearest health centre. Zone 3 villages can be 10km or more from the nearest health centre.

<sup>50</sup> The MOH Mother and Child Health Centre (MCHC) guidebook to integrated outreach includes three packages: (i) Package "1+1": immunization + family planning; (ii) Package "1+2": Package 1 + Antenatal care; (iii) Package "1+3": Package 2 + Growth monitoring and counseling and hygiene promotion.

<b>Induced outputs</b>	3.1 Coordination between multi-sector nutrition planning and budgeting improved	3.1.1 Number of Provincial Nutrition Committees (PNCs) that are operational <sup>51</sup>	3.1.1. Nil	3.1.1 18	3.1.1 ASPR based on PNC reports
		3.1.2 Number of districts applying the Ministry of Agriculture and Forestry's guidelines to develop a district-wide Nutrition Sensitive Agriculture (NSA) planning, monitoring and reporting system to inform policy and programming.	3.1.2. Nil	3.1.2. 60	3.1.2 ASPR based on Ministry of Agriculture and Forestry (MAF) reports
	3.2 Management of multi-sector nutrition Human Resources improved	3.2.1. Effective deployment and development of health personnel at health centres level: percentage of health centres with less than 3 health workers <sup>52</sup>	3.2 30%	3.2 20%	3.2 ASPR based on DHIS2

<sup>51</sup> Provincial Nutrition Committees are considered operational if they submit their meeting notes to the NNCS, as well as NPAN intervention progress reports. Membership will be gender disaggregated

<sup>52</sup> Provincial Health Personnel Development Plans describe the effective deployment and development of health personnel in all 18 provinces

<b>Direct outputs</b>	Direct Output 1 - Additional fiscal space created by the transfer of funds and increased predictability of funds	1. Amount of BS funding made available (in EUR)	1. Nil	1. EUR 42,000,000	Guidelines for Costed District Nutrition Sector Plans
	Direct Output 2 – A more aligned and coordinated policy dialogue and reduced transaction costs	2. Status of the Joint evaluation of NPAN 2016-20 and NPAN 2021-2025	2. Joint evaluation of NPAN 2016-20 not initiated and NPAN 2021-2025 not approved	2. Joint evaluation of NPAN 2016-20 initiated by end of 2019 and completed 2020, and development and approval of costed NPAN 2021-2025 (year)	NPAN 2016/20 evaluation New NPAN 2021/25
	Direct Output 3 - Strengthened capacities conducive to reforms	3. Status of the 2019 Government led National Nutrition Capacity Assessment <sup>53</sup>	3. Not undertaken	3. Undertaken and completed	National Nutrition Capacity Assessment report
	Direct Output 4- Improved monitoring and reporting of reforms	4. Status of the Nutrition surveillance system <sup>54</sup>	4. Not established	4. Established and generating six-monthly briefings	Six-monthly briefings

(\*) Overall objective and Specific Objective indicators and targets have been taken from the 9<sup>th</sup> NSEDP (2016-2020) and the National Nutrition Strategy to 2025 and National Plan of Action on Nutrition (NPAN) (2016-2020) and updated with the latest LSIS data. Some targets are very ambitious, considering the financial and administrative constraints of Lao PDR. The targets are currently being reviewed in the framework of the Mid Term Review of the NSEDP as well as the Mid Term Review of the NPAN. They will need to be further updated when the 9th NSEDP targets (2021-2025) and the National Plan of Action on Nutrition (NPAN) (2021-2025) targets have been set.

<sup>53</sup> Complementary measures will be used to address some of the capacity gaps identified

<sup>54</sup> The nutrition surveillance system will allow GoL to act much faster (thanks to the six-monthly briefings) in case specific issues/challenges are being identified