**Design Document**

**World Bank Trust Fund to Support the Implementation of Multi-Sectoral Approaches to Nutrition in Nepal**

**Background**

**Despite economic growth and improvements in health indicators in recent years, the nutritional status of women and children in Nepal has not shown much improvement.** Nepal is a world leader in addressing micronutrient deficiencies (e.g. Vitamin A supplementation program, iron supplementation to reduce anemia during pregnancy, salt iodization) but has yet to put in place effective programs at scale to address “general malnutrition” which manifests itself in a low body mass index (BMI) for women, low birth weights, as well as underweight, stunting and wasting in children. The Nepal Health Sector Program II (NHSP II) recognizes the need for a more comprehensive response to malnutrition in women and children.

**Nutrition is inherently a complex area and a multidisciplinary subject and the little impact that nutrition interventions have had on the nutritional status of women and children is due to the lack of a more comprehensive approach to nutrition across multiple sectors.** It is well recognized that underlying the immediate causes of under-nutrition are issues of poverty and food availability, access to safe drinking water, environmental hygiene and sanitation, low literacy, gender inequities and cultural factors affecting household food use. The Government of Nepal has been delivering nutrition interventions as part of its health sector program, some of which have been successful and some which have yet to scale up.However, a more comprehensive approach to addressing all the main underlying causes of malnutrition, which requires a coordinated effort with other Ministries such as Agriculture and Cooperatives, Education, Local Development, as well as with NGOs and the private sector, is still to be fully developed in a sustainable manner. There are also capacity constraints within the relevant Ministries which limit the planning, delivery and monitoring of nutrition interventions. Ongoing technical assistance to these Ministries will thus be required to enable them to deliver their parts of the multi-sectoral plan of action.

**The Nepal Nutrition Assessment and Gap Analysis (NAGA, November 2009) was undertaken to provide the synthesis of information necessary to develop a detailed multi-sector Nutrition Action Plan for the next five years.** It was the intent of the NAGA development process that nutrition programming across multiple sectors could be included in the broader development planning being undertaken by the government. The NAGA report recommends specific, evidence-based, feasible, interventions across the relevant sectors – health, agriculture, education, local development, gender, social welfare, and finance. However, it was beyond the scope of the NAGA process and document to recommend *how to implement* the recommendations, which will be the focus of this proposed trust fund.

**In spite of the less than successful attempts in the past, there is currently a significant momentum to re-introduce a multi-sectoral approach to promoting food and nutrition security in Nepal.** This momentum has been created by a range of events and developments, including the elaboration of the NAGA and the second health sector program (NHSP 2), the United Nations General Assembly side event on nutrition in September 2009 where the Secretary Health of Nepal spoke about nutrition in Nepal, the November 2009 World Bank event on scaling up nutrition interventions in which the Minister of Health of Nepal participated, the resources made available through IDA’s Crisis Response Window, the launch of the Global Agriculture and Food Security Program, the creation of a Multi-Donor Trust Fund South Asia Food and nutrition security Initiative (SAFANSI), the high level advocacy meeting in Kathmandu on nutrition as a development issue (supported by UNICEF), and the announcement of the US Government’s Feed The Future initiative in which Nepal is one of the 20 focus countries, the high-level launch of the Scaling Up Nutrition (SUN) road-map by US Secretary of State Hillary Clinton and Irish Minister Martin on September 23, 2010 on the margins of the MDG summit in NY and the related “1000 Days” initiative, and the more recent donors meeting in Ottawa called by CIDA (November 30 and December 1, 2010). This global movement reflects the success of some countries (e.g. Thailand, Brazil) in reducing significantly their malnutrition rates through a coordinated multi-sectoral approach. Most recently, Nepal has been identified as one of the few “early riser” countries for the Scaling-Up Nutrition (SUN) movement.

**The World Bank, AusAid and many partners have committed their support for Nepal’s effort to reduce under-nutrition (e.g. through pooled funding of NHSP-2) while establishing a multi-sectoral coordination mechanism** which will enable coordination between the current and planned programs of key Ministries of the Government of Nepal to improve the nutritional status of children under two and pregnant women. Some critical elements likely to be required are: i) leadership at a high level; ii) a results-oriented modest secretariat to carry-out “day to day” work of coordination; iii) a clear results framework with deliverables for each of the sectors/agencies involved; iv) and strong analysis/planning of incentives which would encourage various sectors to focus on nutritional outcomes. Through the South Asia Food and Nutrition Security Initiative (SAFANSI), the World Bank will be providing support to the National Planning Commission (NPC) to create a small Secretariat in NPC to monitor the implementation of the multi-sectoral plan of action for nutrition. This proposed trust fund will complement the support provided by SAFANSI in Nepal.

**Objective**

**Objective**: The objective of this proposed multi-donor trust fund is to enable Nepal to **enable targeted actions to effectively address gaps in nutrition** by providing technical support in the form of analytical work, evaluations of interventions and technical assistance.

**The main focus of the trust fund will be to carry out analytical work that will enable the relevant Ministries to contribute significantly to improving nutrition indicators in Nepal through the implementation of their sections of the multi-sectoral plan of action.**  This analysis will complement the financing provided by the World Bank, AusAID and others for the implementation of interventions themselves (e.g. through the pooled funding of NHPS-2). The analysis will take different forms, depending on the needs that emerge. Examples of types of analysis to be conducted include: reviews of evidence for nutrition interventions in different sectors, analysis of determinants of malnutrition at district levels, evaluations of innovative approaches to address malnutrition, support for development of district-level plans, periodic surveys at district level to obtain more timely information for monitoring of performance and for advocacy, etc.

**This will be a Bank-executed Multi-Donor Trust Fund with an expected pledge amount of USD 4 million over five years.** An initial pledge of Australian dollar 1.5 million has been made by AusAid and the Bank will explore financing possibilities from other donors. This will be a freestanding trust fund with multiple sub-projects, focusing specifically on Nepal. The holding currency for the trust fund will be United States dollars. Cost recovery will be through a customized fee arrangement.

**The proposed program is low risk and the main risks and mitigation strategies are outlined in Annex 2.** The main form of mitigation is for the Bank to execute the sub-activities and to ensure that the Bank allocates sufficient internal resources for quality assurance and coordination functions.

**The trust fund will be governed by a Donor Committee, which will be regularly informed on the progress of implementation of the Trust Fund.** The Trust Fund Manager will prepare an annual report on implementation progress for donors to review at the annual meeting of the Donor Committee. The day to day operations of the Trust Fund will be conducted by the Trust Fund Manager appointed by the Bank who will be responsible for program delivery and ensuring effective communication with donors. In developing an annual work program, the Trust Fund Manager will consult with the Donor Committee.

**The impact of this analysis will be derived from both the process and the product.** The engagement in policy dialogue on nutrition and the implementation of a multi-sectoral results framework by a variety of stakeholders and Bank staff across a range of sectors will by itself shape the multi-sectoral approach and help it move forward. While the “just-in-time” and tailored analytical products (e.g. reports, guidelines, etc.) produced by this trust fund are expected to help guide the process of implementation of Nepal’s multi-sectoral plan of action for nutrition, the participatory process which will be followed will also be critical not only to develop the products themselves but also to build ownership and enable ongoing dissemination of the lessons learned as these emerge.

**The program of analytical work will be delivered in an iterative manner, building on lessons learned and responding to new challenges which will emerge as implementation takes place.** An initial work plan is proposed for the first 18 months, as attached in Annex 1, outlining the main analytical activities to be executed out by the World Bank through this trust fund. This work plan will be discussed with relevant Ministries as well as with external development partners to ensure coordination, and updated on an annual basis.

**The program of analysis will draw on a team of World Bank specialists from a range of sectors in Nepal and throughout the Bank and will be coordinated by a full-time Nutrition Specialist located in the World Bank Kathmandu office.** The Bank is unique in having active portfolios of operations in all of the sectors that are relevant to addressing malnutrition comprehensively. The Bank also has strong in-house monitoring and evaluation as well as economic analysis capacity. This capacity will be harnessed to deliver the program of technical assistance supported by this trust fund and complemented by consulting expertise as required.

**A strong emphasis will be given to dissemination and utilization of the outputs from the analysis.** The Bank has a strong voice and deep operational engagement in Nepal, not only with the Ministries directly responsible for implementation of the multi-sectoral plan of action but also with the National Planning Commission and the Ministry of Finance. This voice as well as the Bank’s role as conveners for the Scaling Up Nutrition (SUN) movement will ensure that the analytical products supported by this trust fund are used by the Ministries as well as the development partners who work in Nepal.

**Coordination with other development partners will be ensured through consultations during the Nepal Nutrition Group meetings, the combined Nutrition and Food Security meetings, and the coordination meetings organized by the National Planning Commission.** Recent effortsto improve the coordination of Technical Assistance and Technical Support are making good progress and have resulted in the elaboration of a common framework for planning of technical support and, for nutrition, this effort is led by the Nepal Nutrition Group. The aim is to arrive at a comprehensive technical support package, increase complementarities between the various activities, encourage collaboration between the various development partners and avoid overlap in technical support investments. This common framework has resulted in a TA (Technical Assistance) / TC (Technical Cooperation) matrix and a Draft Joint Technical Assistance Arrangement (JTAA) between the government and the development partners. The proposed activities under the proposed AusAID-World Bank trust fund will follow the principles and arrangements described under these two instruments.

**Wherever possible and appropriate, joint efforts will be promoted, following the example of the joint technical support provided to carry out the Nepal Nutrition Assessment and Gap Analysis.** This might also involve the contracting of development partners, including NGOs, to carry out (part of) the activities proposed, based on the comparative advantages of the various partners.

**The government (MoHP) will be the lead agency in elaborating the required technical support plan** once the JTAA has been finalized which is expected before the end of June, 2011. Thus, all proposed activities will be discussed with the government and included in the annual TA plan of the Ministry of Health and Population. Combined with the consultations during the meetings of the Nepal Nutrition Group, the combined Food Security and Nutrition Group and the relevant meetings under the auspices of the National Planning Commission, this will ensure broad ownership and buy-in from both government and development partners.

**ANNEX 1 – First 18 months Work Plan**

* **District-level analysis of determinants of malnutrition:** Although the determinants of malnutrition in Nepal at the national level are well understood and outlined in the Nutrition Assessment and Gap Analysis (NAGA) report, these determinants are expected to vary significantly by district. As an initial “proof of concept” phase, the Bank will support the preparation of standardized “district nutrition profiles” which will analyze the determinants of malnutrition at district level such as, but not necessarily limited to, availability, accessibility and affordability of essential food items, disease burden, and feeding practices for infants and young children. This analysis will use existing data from national surveys as well as studies carried out by development partners where these exist. In year 1, it is proposed to produce these district profiles for 25 districts. These profiles will serve as the basis for the development of district-level multi-sectoral plans of action, the drafting of which could be supported in subsequent years of this trust fund. If the district profiles prove useful, the approach will be expanded gradually to cover the entire country.

**Results indicator (after 18 months):** 25 district profiles available (individual district reports collated into one overall report), plans for the elaboration of district level action nutrition plans ready

**Indicative budget: USD 440,000**

* **Thematic report on food and nutrition security as part of the Nepal Living Standards Survey:** The NLSS-III has collected substantial data on nutrition: in particular, the height, weight and age of all children 59 months or younger. And there is also information on breastfeeding practices, all as part of the anthropometry module in the survey. The survey has nationwide coverage with the cross-section sample covering 5988 households in 499 PSUs. It is proposed undertaking an analysis of the NLSS data to produce a food security and nutrition thematic report as a joint effort by WFP, DfID, AusAID and the World Bank.

**Results indicator (after 18 months**): food and nutrition security chapter as part of the NLSS available, consistency with district profiles

**Indicative budget: USD 135,000**

* **District-level nutrition surveys:** One of the reasons why malnutrition is not yet a national development priority in Nepal is that information about malnutrition is available only at very long intervals (e.g. between two national surveys). To increase the salience of malnutrition as well as to provide better data for program planning, this trust fund will support district-level surveys of malnutrition (of nutritional status as well as of coverage of key interventions). In the first year, surveys will be carried out in the same 25 districts as for the nutrition profiles exercise outlined above.

**Results indicator (after 18 months):** baseline survey data available for the 25 “nutrition profile” districts available (report)

**Indicative budget: USD 315,000**

* **Evaluation of Infant and Young Child Feeding (IYCF):** The trust fund will support an evaluation of the current design of the IYCF program in Nepal and will support formative research to improve the effectiveness of the program (e.g. to focus more on early and exclusive breastfeeding). This will lead to designing new tools for IYCF which would be used by the MOHP in scaling up its program with financing from the SWAp.

**Results indicator (after 18 months):** design of IYCF program evaluated (report)

**Indicative budget: USD 70,000**

* **Analysis and documentation of Nepal’s success in Vitamin A/de-worming in children and of iron supplementation with de-worming in pregnant women.** The trust fund will support further analysis of this programmatic success with a view to drawing lessons learned which would be useful for other programs in Nepal and to other countries. Nepal is one of the few countries in the world which has been able to scale-up iron supplementation and de-worming for women during pregnancy.

**Results indicator (after 18 months):** success of Nepal’s success in Vitamin A/de-worming in children and of iron supplementation with de-worming in pregnant women analyzed and documented (report)

 **Indicative budget: USD 125,000**

* **Further analysis of causes of stunting and wasting in Nepal:** National and regional analysis of child stunting and wasting data reveal patterns that would suggest that the causes of the two forms of malnutrition are different. The trust fund will support further analysis of this disconnect and examine particularly the role of food availability in causing stunting and wasting in Nepal. This work will be linked to the nutrition profiles and the surveys from the 25 districts will help inform the analysis.

**Results indicator (after 18 months):** causes of stunting and wasting evaluated (report)

**Indicative budget: USD 125,000**

**ANNEX 2 – Summary of Main Risks and Mitigation Strategies**

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| **Risk description** | **Likelihood** | **Impact** | **Mitigation measures** |
| The work financed by the Trust Fund will not be of good technical quality | Low | High | Bank procedures for quality assurance (e.g. peer review) will be applied and sufficient Bank staff time will be assigned to manage quality |
| The products financed by the Trust Fund duplicate work produced by other External Development partners | Low | High | Annual work programs will be developed jointly with the Government of Nepal and external development partners  |
| The products developed by the Trust Fund will not be sufficiently integrated in the programs they are meant to influence and thus will not achieve the intended development impact | Medium | High | Updates on the work program will be provided on a regular basis to the Nepal Nutrition Group (NNG) which includes government officials and all the main partners. |
| The political situation in Nepal will evolve in such a way that the products cannot be used for achieving the intended development impact | Low | Medium | The products will be developed in a highly participatory manner (e.g. working with district and VDC officials) and disseminated widely and thus will have a strong likelihood of being used. |