



PATHWAYS TO BETTER NUTRITION CASE STUDY EVIDENCE SERIES

TECHNICAL BRIEF #2

For the Long Haul: Financing Sustained Commitment to Nutrition

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ABOUT SPRING

The Strengthening Partnerships, Results, and Innovations in Nutrition Globally (SPRING) project is a five-year USAID-funded Cooperative Agreement to strengthen global and country efforts to scale up high-impact nutrition practices and policies and improve maternal and child nutrition outcomes. The project is managed by JSI Research & Training Institute, Inc., with partners Helen Keller International, The Manoff Group, Save the Children, and the International Food Policy Research Institute.

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SPRING's Pathways to Better Nutrition (PBN) Case Study Evidence Series reports on findings that emerged from this two-year, two-country, mixed-methods study on how nutrition-related activities are prioritized and funded. Please check the SPRING PBN webpage (<http://www.spring-nutrition.org/pbn>) for more information on the studies and other products in this series.

This brief is part a series of "interim" technical briefs, culminating in a final two-year study report in 2016. In this technical brief, we review some of the *global guidance* countries can refer to for building sustainable, predictable funding mechanisms for nutrition and share some of what we have found thus far on *current capacities* and *systems strengthening* efforts for nutrition financing in the two case study countries.

BACKGROUND

Funding for nutrition is critical to the success of a national nutrition policy, but the multi-sectoral nature of nutrition makes planning and budgeting for nutrition funding challenging. Because nutrition does not comprise its own sector and is typically embedded in other sectors, it is constantly competing for funds within other focus areas (such as health, agriculture, education, water and sanitation, and others). Also, nutrition activities are often funded through larger, integrated budget items, which makes tracking funds difficult. These challenges mean that governments and their partners must make a conscious effort to build budget and expenditure tracking systems (also called financial tracking systems) for nutrition to manage and sustain commitment to the cause.

The PBN Case Studies

The SPRING project, funded by the United States Agency for International Development (USAID), is collecting data prospectively in two countries—Uganda and Nepal—to document the decision-making process for prioritizing and funding nutrition-relevant activities within the context of their national nutrition action plans (NNAP).

These "Pathways to Better Nutrition" case studies provide insight into how stakeholders view their role in moving the NNAP forward; what factors affect the type and number of nutrition/NNAP activities that get funded each year; and how likely it is that the structures being built to execute the nutrition plan can be sustained beyond the first five years.

Methods Summary

These studies take an ongoing, mixed-method, prospective approach to document the process of NNAP rollout at the national level and in a few selected districts in two countries:

- Nepal PBN Study: 2014 – 2016
- Uganda PBN Study: 2013 – 2015

These countries were selected through a rigorous "most different" case selection methodology (Seawright and Gerring 2008). Uganda and Nepal represent countries actively rolling out multi-sectoral NNAPs and that have shown above average performance on the WHO nutrition governance indicators and on reduction of stunting in the last 10 years.

Data were collected via three data streams:

- Rolling key informant interviews (KIIs) across six stakeholder groups
- Content analysis of the newspapers in each country
- Yearly analysis of government and donor funding for nutrition.

For further information on the PBN study methodology, please go see our full methods annexes at: www.spring-nutrition.org/pbn. This particular issue brief also draws from the global literature on sustainable financing mechanisms.

GLOBAL GUIDANCE ON NUTRITION PLANNING AND BUDGETING

There is no hard and fast definition of what a sustainable financial system for nutrition should look like. However, there is some global guidance for financial support for sustainable planning that can be used to help guide country efforts. [The Global Partnership for Effective Development Cooperation](#) (Global Partnership) provided guidance to steer development cooperation (otherwise known as *aid*) toward real and sustainable impact on the ground. The Global Partnership was created out of the Busan Conference on Aid Effectiveness in 2011, and is endorsed by 161 countries, including the United States, Nepal, and Uganda. It has defined a set of 10 national voluntary *targets* to be met by 2015 that focus on improving predictability, transparency, and accountability of donor funds to governments (Box 1). The Global Partnership has encouraged donors to further support and scale up domestic resource mobilization to strengthen government financial systems, which will extend these improvements to tracking systems for government funding as well.

Box 1: “Global Partnership for Effective Development Cooperation” Goals and Selected Targets

Those most directly related to financing are shown in bold, with their target for 2015.

1. Development cooperation (aid) is focused on results that meet developing countries' priorities.
2. Civil society operates within an environment that maximizes its engagement in and contribution to development.
3. Engagement and contribution of the private sector to development.
- 4. Transparency: information on aid is publicly available.**
By 2015: All development providers on track to implement a common, open standard for electronic publication of timely, comprehensive, and forward-looking information on aid.
- 5. Aid is more predictable.**
By 2015: Halve the proportion of aid a) not disbursed within the scheduled fiscal year, and b) not covered by indicative forward spending plans provided at country level.
- 6. Aid is on-budgets that are subject to parliamentary scrutiny.**
By 2015: Halve the proportion of aid flows to the government sector not reported on government's budget(s) (with at least 85 percent reported on budget).
7. Mutual accountability among development cooperation actors is strengthened through inclusive reviews.
8. Gender equality and women's empowerment.
- 9. Effective institutions: developing countries' [financial] systems are strengthened and used.**
By 2015: Make improvements on the Public Financial Management/Country Policy and Institutional Assessment scale of performance.
- 10. Aid is untied (i.e. procurement is unrestricted).**
By 2015: Continued progress over time on percentage of aid that is untied.

Source: <http://effectivecooperation.org>

After finding low rates of budget transparency for child nutrition in five sub-Saharan African countries, a 2013 report called for several key actions by governments, including publishing planned spending and expenditures on child nutrition over multiple budget years and submitting timely annual accounts to the independent audit offices (AT4HR, International Budget Partnership, and Save the Children 2013). These

recommendations align with Global Partnership guidance but also include improvements for tracking of government funding.

Sustainable nutrition financial tracking systems will require standardizing timing, mechanisms, and protocols for nutrition financing across sectors. One tool for doing so comes from Uganda – it is a sub-sector tool for tracking government and partner resources allocated to maternal, newborn, and child health (Nassaka 2015). Other lessons could be gleaned from climate change or gender financing, where activities are also spread over multiple sectors (see Bird 2012; UN et al. 2012; and Budlender 2014 for some recommendations).

CURRENT CAPACITIES FOR NUTRITION FINANCING SYSTEMS IN NEPAL AND UGANDA

For nearly two years, SPRING has been conducting interviews with key informants from six stakeholders groups, content analysis of the news, and yearly budget analysis of government and donor funding for nutrition in Nepal and Uganda. We have noted several improvements to each country's nutrition financing systems and capacities during that time, and also some areas where each country could continue to make progress.

Financial Transparency and Tracking Systems

Our interviews and news content analysis reveal that both countries have recently made significant changes to improve their overall financial management systems. The Governments of Nepal and Uganda have moved to online budgeting and expenditure tracking systems, including for donor funds (MOFPED and Development Gateway 2014; Vota 2013). Both countries are also discussing or have already initiated an accelerated budget calendar to address delays in budget releases (Oketch 2015; Samiti 2015). These changes support Global Partnership goals #4 and #9, and show real commitment by each government to create more transparent and predictable estimates of total funding overall and, by extension, nutrition funding.

Absorptive Capacities of Financial Systems

One of the reasons both countries are initiating accelerated budget calendars is to try to address delays in delivering funding to the activity level. A country financial system's ability to "absorb," or process and disburse, new funds is critical to effective implementation of activities (Emorut 2015; Himalayan Times 2014b; Himalayan Times 2015). This can cripple service delivery and is a symptom of structural inefficiencies in work planning, budget formulation, and execution (Humagain 2013; Civil Society Budget Advocacy Group 2014). One large nutrition project in Nepal, the World Bank's *Sunaula Hazar Din*, has recently had difficulties with poor utilization of allocated funds and delayed procurement and action plans (Himalayan Times 2014a). Like building wider roads for growing populations, financial systems need to grow to handle increased funds for nutrition.

Leakage in Financial Systems

In addition to absorption capacity, there have also been a few instances of leakage that have affected nutrition and food security funding for Karamoja in Uganda (IrishAid 2014; IRIN News 2014); a corruption cleanup effort is ongoing there (Ainebyona 2014). In Nepal, the United Kingdom recently threatened to

reduce aid if the government did not effectively address “endemic corruption,” which was acknowledged as a risk at the district level by the Ministry of Federal Affairs and Local Government (Sharma 2015; Himalayan Times 2013). Corruption is a common issue globally (even in the OECD countries)—meaningful movement toward meeting the Global Partnership targets will help to reduce misappropriation and leakage of funds (for nutrition and otherwise).

Alignment of Donor and Government Priorities

In SPRING’s interviews with donor and UN groups, we heard that it can be difficult for them to revise country activities yearly and re-allocate non-emergency funds to align with government priorities (as called for in Global Partnership goal #1) because of their multi-year planning cycles and required alignment with each donor’s priorities (for instance the [UN Development Assistance Framework](#)).

Alignment is also difficult when funds are run outside of government financial systems (“off-budget”). SPRING’s 2013/14 analysis of Ugandan and Nepali national budgets showed that the percentage of nutrition donor funding that was “off-budget” ranged from approximately 16 to 97 percent across countries and ministries (the Global Partnership target is no more than 15 percent). Donors should try to provide aid “on-budget” (through the government system) to improve alignment with country reporting requirements, national priorities and plans, as well as Global Partnership goals. Moving more funds on-budget does require that absorption capacity and leakages be addressed.

Nutrition Stakeholder Roles and Responsibilities

Specifically related to nutrition financing, we heard in our interviews and witnessed in our budget validation efforts that there is varied understanding of the roles and responsibilities of technical and financial staff who support the NNAP. This was particularly true at the district level in both countries—across multiple rounds of data collection in the Ugandan districts of Lira and Kisoro and in our baseline interviews from the Nepali districts of Achham, Kapilvastu and Parsa, many government stakeholders mentioned the need for greater awareness and capacity building for planning nutrition activities under the NNAP.¹

Structures of Accounting for Nutrition Funding within Financial Systems

Finally, SPRING’s analysis of 2013/14 and 2014/15 budgets shows that a significant percentage of nutrition activities (even in the health sector) are integrated into other non-nutrition budget line items. For instance, the Ugandan Ministry of Agriculture 2013/14 budget had a budget line item for policy, law, guideline, plan, and strategy development. It funded multiple goals and activities, one of which was the goal of improved food security and quality through animal production (related to Objective 4.1 in the Uganda Nutrition Action Plan). Our validation interviews revealed that between 10-50 percent of the funding for this line item supported this nutrition-relevant goal. This structure makes it difficult to automate a regular system for tracking nutrition allocations and expenditures, which is needed to heed calls for greater budget transparency for nutrition funding. A more explicit system for budgeting for

¹ From forthcoming DSW, SPRING, and Nutrition Innovation Lab reports on the “Pathways to Better Nutrition” district-level work.

nutrition is necessary to improve this, and active discussions are occurring in both study countries to think through options to address this issue.

SYSTEMS STRENGTHENING FOR NUTRITION FINANCING

Mid-Study Suggestions and Recommendations

This evidence suggests that the governments of Nepal and Uganda and their partners have made positive progress toward more transparent financial tracking systems for nutrition. Both countries continue to address absorption, leakage, donor alignment, nutrition roles and responsibilities across sectors, and the structures of accounting for nutrition-relevant funds. Since many other countries grapple with similar aspects of developing and managing sustainable financial systems for nutrition, we hope they can learn from the experiences of Nepal and Uganda.

The following table highlights recommendations from our key stakeholders from each country so far on how to strengthen budgeting systems for sustained nutrition commitments. While experiences varied by country, ministry, and donor, the following actions are relevant in both settings. It is important to note that SPRING is still collecting and analyzing data from these two country case studies. Additional evidence should help refine and further develop these recommendations.

Potential System Strengthening Action	Indicative Quote from SPRING’s Analysis
<p>1. Explore the establishment of a designated government line item for nutrition. One example of this type of designation is the district-level line item of Nepal’s “Multi-Sector Nutrition Plan” that was funded in 2014 – it is seen as a major success in securing commitment to nutrition. This is a heavily debated option given its potential to isolate the funded issue (Lydon et al. 2008), but many stakeholders SPRING interviewed (in both countries, at both national and district levels) suggested a nutrition line item as a good way to centralize support. It would also simplify accounting for nutrition-relevant activities, as was done for climate change in Nepal (Singh 2013). This example used tracking codes in each relevant sector.</p>	<p>For a designated code:</p> <p><i>“People have urged that we do not need special funding for nutrition, just make it an issue during your own normal work but my experience is that when you don’t tag funds to something, it does not become an issue.”</i> - District Government Key Informant, Uganda</p> <p>Against a designated code:</p> <p><i>“And when you give it to all of the line ministries, it might not be that integrated. ... if I have a separate budget heading then why should I coordinate with you?”</i> - National Government Key Informant, Nepal</p>
<p>2. More explicitly align with NNAP and financial systems in each country, particularly donor funding (on- and off- budget). This sentiment was echoed across several government and donor interviews. Donors and governments need to work together to strengthen government financial systems to address capacity gaps. Uganda and Nepal are currently making efforts to improve local ownership and long-term sustainability by re-negotiating donor engagement (Office of the Prime Minister 2014; Republica 2014) to reduce donor fragmentation (Shrestha 2014; Nassaka 2015) and working to design more sustainable donor support (Santos 2014).</p>	<p><i>“You will hear from the donors’ perspective that our financial management capacity is not up to that standard, and so [they feel] they cannot use the system. But our opinion is that it can be enhanced--you cannot improve upon the practice if you bypass the system...it will help develop capacity, number one. Number two, develop transparency and accountability”</i> - National Government Stakeholder, Nepal</p> <p><i>“...MOF doesn’t see [funds] because donors are all financing through their own channels...This means there is no accountability of the government to achieve results.”</i> - National Donor Stakeholder, Uganda</p>

Potential System Strengthening Action	Indicative Quote from SPRING's Analysis
<p>3. Build capacity for and sensitize government staff on budgeting processes for nutrition. NNAP focal persons are the most appropriate people to lead reporting, decision-making, and advocacy for nutrition, but they need support to better utilize their budget data.² Sensitization to nutrition activities for other government staff responsible for planning and budgeting could also help, if bandwidth is available in this cadre.</p>	<p><i>"The situation doesn't differ from national versus district – many people don't understand their role [in nutrition.]"</i> – National UN Stakeholder, Uganda</p> <p><i>"We have certain resources and if we say, see, friend, we have this [plan] and this much of budget, friends will be positively mobilized in nutrition sector. But if we don't show to them and put that in pocket, who will work?"</i> – District Government Stakeholder, Nepal</p>

² SPRING responded to a request from the Ugandan Ministry of Health to build capacity of staff from various government ministries for nutrition budget planning and analysis (SPRING Project 2015).

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