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Mind the Gap
Country Case Study
NEPAL

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About the Mind the Gap Report

Achieving Sustainable Development Goal 2 (Zero Hunger) by 2030 is increasingly at risk due to the combined impacts of climate change, conflict, COVID-19, and rising living costs, which have reversed progress in reducing global hunger. Social protection systems, while essential for supporting vulnerable populations, often fail to account for nutritional needs—a key element in breaking the cycle of poverty, vulnerability, and malnutrition. This oversight represents a missed opportunity to advance the objectives of SDG 2, especially in a context where hunger has been rising since 2015.

Amid these challenges, the Mind the Gap report explores the role of social protection systems in addressing affordability gaps of nutritious diets. It is structured around the **Fill the Nutrient Gap (FNG)** analytical approach, which aims to understand the drivers affecting the availability, cost, and affordability of nutritious diets in specific contexts. The policy objective is to identify and implement interventions to improve diets, especially of nutritionally vulnerable people, including through the integration of nutrition into social protection systems. Through case studies from 12 diverse national contexts, the report presents actionable social protection pathways for reducing the affordability gap of nutritious diets and improving food security and nutrition outcomes.

Further information and evidence on the FNG can be accessed at: wfp.org/fillthenutrientgap

FNG
FILL THE NUTRIENT GAP
SYSTEMS ANALYSIS FOR NUTRITION

Contents

I. Overview of the malnutrition burden and poverty situation

All forms of malnutrition directly and indirectly impact individuals and economies by inhibiting human capital development. These losses include diminished productive potential and increased healthcare costs (1). While Nepal has made remarkable progress in reducing malnutrition over the past two decades, 25 percent of children under 5 years are stunted, and 8 percent are wasted (2). The reduction in stunting rates across provinces is not equal and has led to deepening regional inequalities.

Micronutrient deficiencies are also a concern, with 34 percent of women and 43 percent of children suffering from anaemia (2), which increases the likelihood of impaired physical and cognitive development and the risk of developing other forms of malnutrition later in life. The World Bank estimates that Nepal loses 2–3 percent of its GDP each year due to the cost and losses associated with micronutrient deficiencies (3).

Nepal also faces new challenges in nutrition with rising concerns about overweight, obesity and diet-related non-communicable diseases (4). More than 33 percent of adults in Nepal were overweight or obese in 2022, more women than men (5). This is concerning as overweight/obesity can lead to diet-related non-communicable diseases with implications for mortality risk, healthcare costs and lost productivity (6).

In 2017, 8 percent of the population in Nepal lived below the international poverty line (USD 2.15 per day) (7)(8). Nepal also officially measures multidimensional poverty;[1] in 2019, 17 percent of Nepali households were living in multidimensional poverty, with rates as high as 40 percent in Karnali province (9). The COVID-19 pandemic is likely to have increased poverty due to a decline in international remittances and other income losses (10).

1 Multidimensional poverty measures poverty beyond income deprivations and captures multiple deprivations faced in the areas of health, education and living standards.

II. Country priorities on nutrition and social protection

NUTRITION POLICY FRAMEWORK

The successive Multi-Sectoral Nutrition Plans (MSNP) aim to improve maternal and childhood nutrition, increase the uptake of nutrition specific services, increase access to nutrition sensitive programmes, and promote coordinated and multisectoral approaches across different levels of the government to create an enabling environment for better nutrition outcomes. Social assistance programmes are included in this multisectoral approach.

SOCIAL PROTECTION POLICIES AND PROGRAMMES

The 2015 Constitution guarantees social protection for the poor and vulnerable, and the Right to Food and Food Sovereignty Act 2018 establishes the rights of all citizens to food and food security (11). Government spending on social protection is relatively high compared with other South Asian countries, but most of it is directed towards the civil service pension fund and the National Social Security Fund. These cover formal sector workers, who make up only 16 percent of the total workforce (12).

The Social Security Allowances (SSAs) represent the largest social assistance programme in Nepal. Four of the five SSAs (senior citizen allowance, single women allowance, disability allowances and endangered ethnicity allowance) are nationwide and targeted to specific socioeconomic or demographic groups. Given the categorical nature of targeting, in 2018 fewer than 40 percent of households in the poorest two quintiles were covered by social assistance programmes (12).

The Child Grant, targeted at households with children under 5 years of age, is the only SSA with a nutrition objective. The programme is restricted to selected districts and to all poor Dalit households nationally (12). As a result, coverage on a national level is low, at only 4 percent of households in Nepal in 2019 (13). Studies indicate that the Child Grant has a limited impact on nutrition, which is likely linked to a combination of low benefit value and limited coverage (12). While most SSA benefits have increased significantly over time, the transfer value of the Child Grant remains notably low at 400 Nepalese rupees (NPR) per month (12).

Nepal has a range of programmes aimed at addressing risk and vulnerabilities across the life cycle. However, it lacks a single overarching policy framework or institution to guide social protection policies and programmes and the mechanisms that coordinate different interventions.

III. WFP's approach

During 2020–2021, the National Planning Commission, with technical assistance from the World Food Programme (WFP), led the Fill the Nutrient Gap (FNG) analysis (14). The multisectoral National Nutrition and Food Security Coordination Committee served as the technical working group, providing technical input for the analysis. A multisectoral approach was used to identify the bottlenecks across the food system that drive malnutrition, with an emphasis on availability, cost and affordability of a nutritious diet.

Consultations were held with stakeholders throughout the course of the FNG. These stakeholders identified interventions from the MSNP-II with the potential to improve nutrient intake and affordability of nutritious diets, particularly for target groups. These selected interventions were implemented by government line ministries and/or non-government organizations, such as Helen Keller International and HarvestPlus, and UN agencies, such as the United Nations Children's Fund (UNICEF).

The FNG analysis examined the contribution of social assistance programmes towards improving access to nutritious foods. The analysis generated evidence that helped initiate national dialogues and inform policies and strategies on maximizing the impact of existing social assistance programmes on nutrition and human capital development.

Cost of the Diet analysis for FNG Nepal

The cost of the diet analysis was conducted in March 2019 by WFP and Solidarité Developpement Durable. It covered nine livelihood zones using primary data collection for food prices. The lowest costs of a diet that meets energy requirements and a diet that meets requirements for macro and micronutrients were estimated using the FNG methodology (20) for a modelled household consisting of six individuals: a breastfed child (aged 12–23 months), two school-age children (6–7 years and 10–11 years), an adolescent girl (14–15 years), a breastfeeding woman and an adult man. Staple foods in each livelihood zone were defined using Food Security Monitoring (FSMS) and validated by stakeholders.

The cost of diets was then compared with household food expenditure to determine the proportion of households unable to afford the diets (called 'non-affordability'). To estimate the non-affordability of diets, the analysis used food expenditure data from WFP's FSMS from September 2019. The gap between the lowest cost nutritious diet and the food expenditure of a household is referred to as the affordability gap.

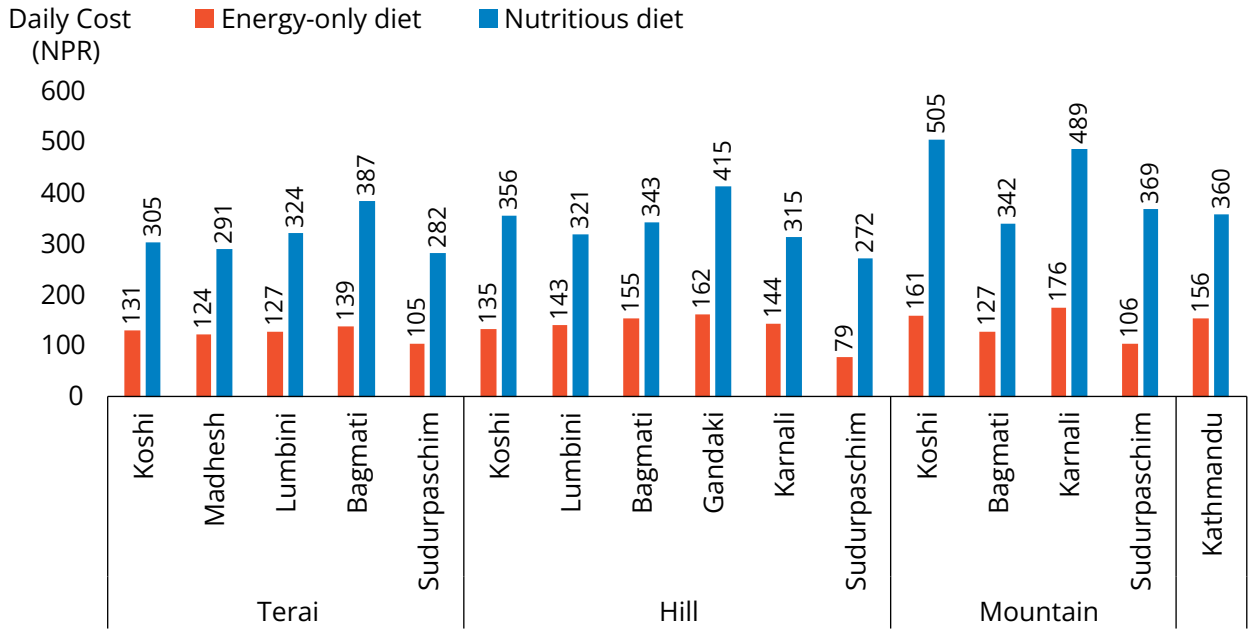
Modelling was conducted in all livelihood zones (ZMEs).

IV. Findings of the FNG

COST AND AFFORDABILITY OF THE NUTRITIOUS DIET

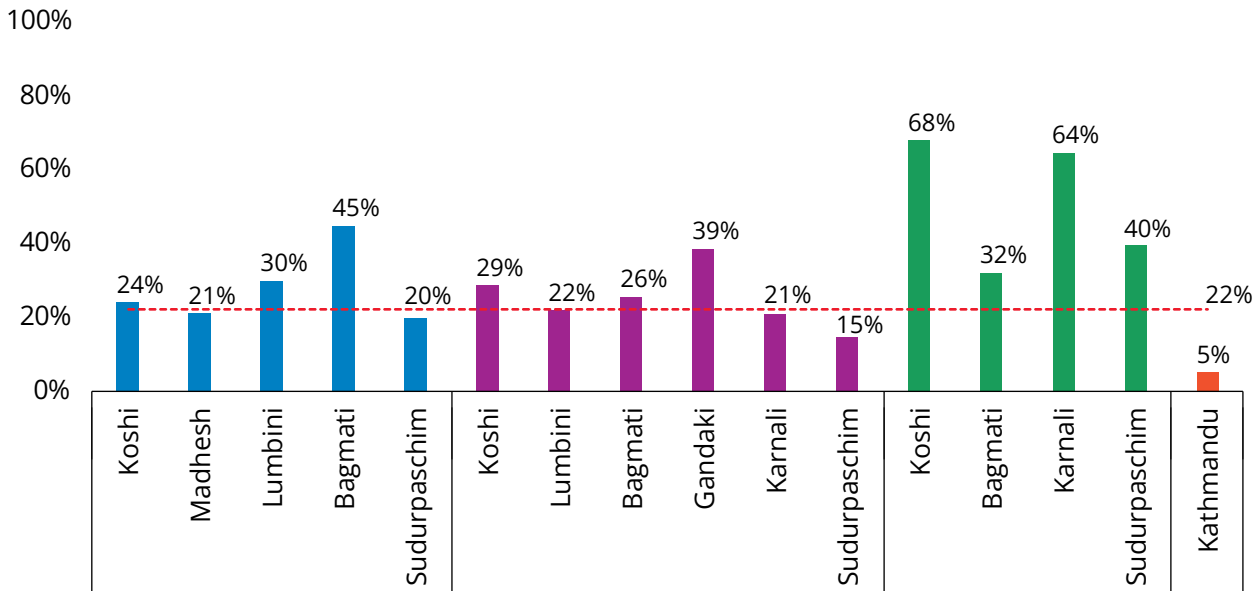
At the national level, the daily cost of an energy-only diet was NPR 141 (USD 1.2) for the five-person household, or NPR 28 (USD 0.2) per capita. The daily cost of a nutritious diet was nearly 2.5 times the cost of an energy-only diet at NPR 341 (USD 2.9) for the five-person household or NPR 68 (USD 0.6) per capita. The cost of the nutritious diet varied across Nepal, as shown in Figure 1. The lowest cost diets were generally found in the Terai. The costs are somewhat higher in the Hills and highest in the more remote Mountainous areas.

Figure 1: Daily household cost of the energy-only and nutritious diets across agroecological zones in Nepal (FNG 2021, using data from 2020)



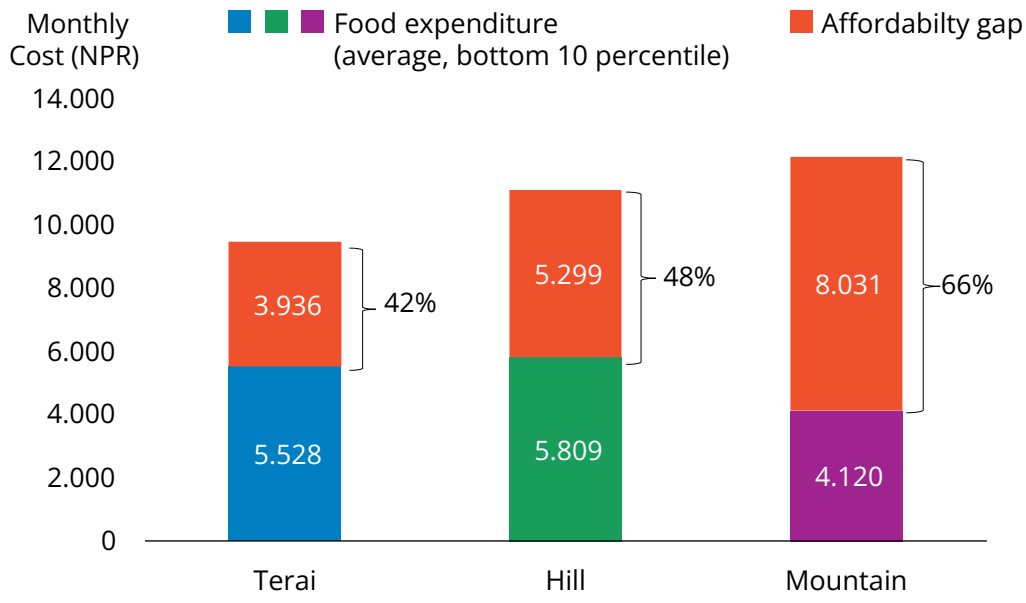
Non-affordability of the energy-only diet was low, at an average of 1 percent nationally. However, on average, at least 22 percent of households would not have been able to afford the lowest cost nutritious diet at the time the analysis was conducted (see Figure 2). Non-affordability rates varied widely across the country. In the Kathmandu area, non-affordability was only 5 percent, reflecting relatively higher consumption levels (a proxy for income) in the largest city of Nepal. In the Hill and Terai zones, non-affordability rates were close to the national average. However, in the Mountain areas of Karnali, Koshi and Sudurpaschim provinces, non-affordability was over 40 percent. Poor transport infrastructure means lower availability and higher prices of nutritious foods – such as meat and fish, which are good sources of calcium, iron and vitamin B12 – in these remote areas, resulting in a higher cost of the nutritious diet.

Figure 2: Non-affordability of the nutritious diet across agroecological zones in Nepal (FNG 2021, using data from 2020)



As shown in Figure 3, out of the three agroecological zones the Mountain areas not only had the highest proportion of households unable to afford the cost of the nutritious diet, but also had the largest affordability gap for households in the bottom decile. The average food expenditure for households in the bottom decile in the Mountain areas covered around a third of the cost of the nutritious diet. This leaves an affordability gap of 66 percent as a proportion of the cost of the nutritious diet. The affordability gap in the other agroecological zones was also found to be substantial – 42 percent and 48 percent in the Terai and Hill areas respectively.

Figure 3: Affordability gap for households in the bottom decile and non-affordability rate (proportion of all households unable to afford the nutritious diet), by agroecological zone (FNG 2021, using data from 2020)

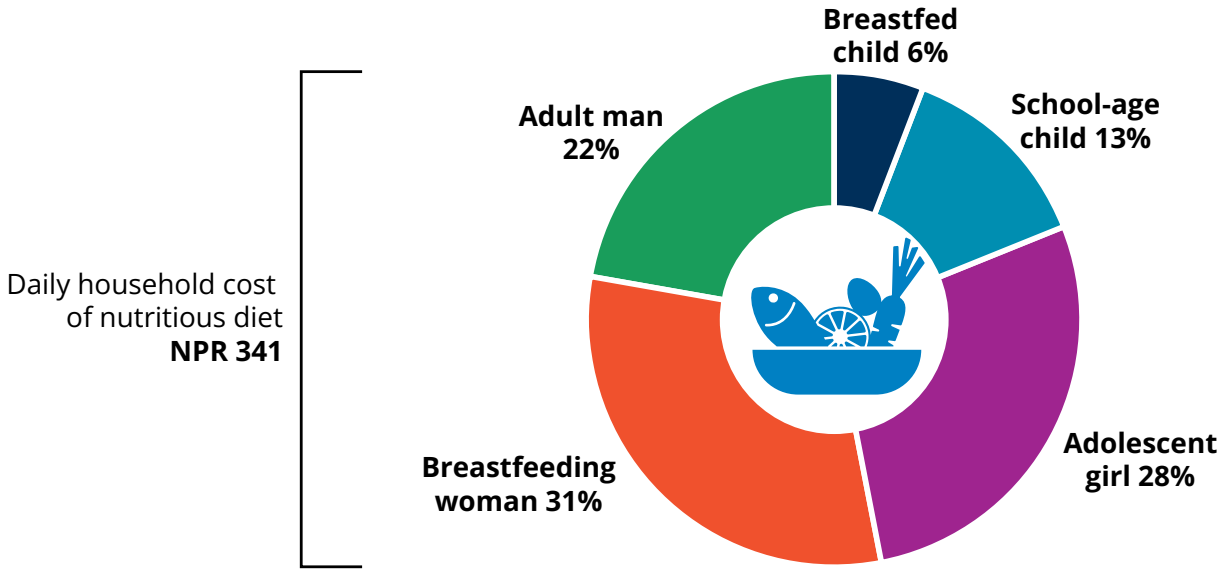


VULNERABLE GROUPS

Adolescent girls and pregnant and breastfeeding women have relatively higher requirements of specific nutrients, such as iron, folic acid and vitamin B12. In the modelled household, the adolescent girl and the breastfeeding woman have the two highest costs of a nutritious diet, and together represent 59 percent of the household's total cost of the nutritious diet (see Figure 4). Actual intrahousehold food allocation may not consider these differential nutrient needs and the corresponding greater need for diversity in the diet (which comes at a higher cost), and therefore targeted interventions, such as supplementation, are often needed to help cover the nutrient requirements of nutritionally vulnerable individuals.

Children aged 12–23 months have the lowest cost of a nutritious diet compared with other members of the household as they consume less food, and the modelled diet assumes optimal breastfeeding which covers a large proportion of their nutrient needs. This age group, however, is nutritionally vulnerable as their smaller stomachs mean that meals must be provided at higher frequency and need to include nutrient dense foods to cover nutrient requirements. Failure to meet nutrient intake during this age also has lifelong consequences (15).

Figure 4: Distribution of the daily cost of a nutritious diet for the modelled household across individual household members (FNG 2021, using data from 2020)



V. Using the FNG to inform social protection programmes

CONTRIBUTION OF SOCIAL PROTECTION TO REDUCING THE AFFORDABILITY GAP

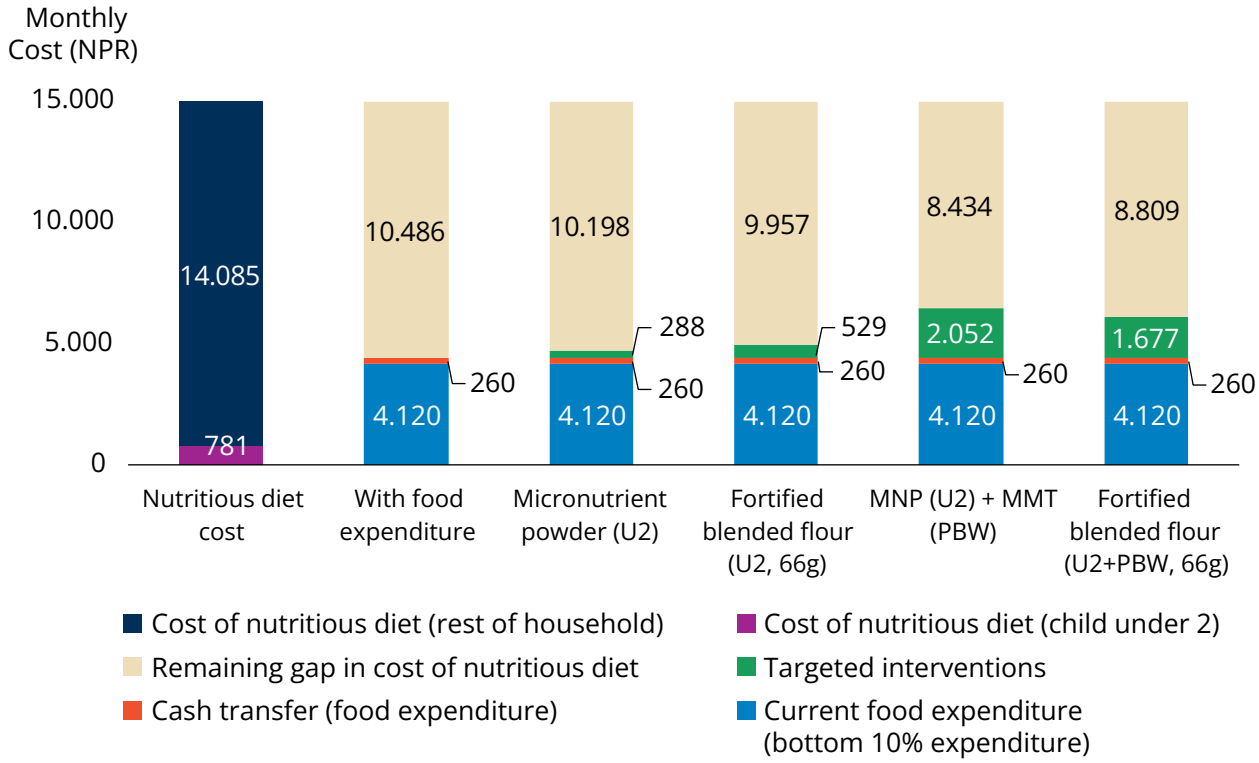
Under the Child Grant, households with children under 5 years are given NPR 400 (USD 3.42) per child per month for up to two children. Figure 5 shows the extent to which the cash transfer covers the cost of the nutritious diet for a child under 2 years and for the household overall, in the Mountain areas of Karnali, one of the provinces where this programme is implemented.

Based on household consumption and expenditure data, it was assumed that 65 percent of the cash transfer is spent on food. The current transfer amount of NPR 400 would only cover 33 percent of the total cost of a nutritious diet for the child under 2 years, and around 2 percent of the total household cost.

The impact of social assistance programmes on reducing the cost of the nutritious diet can be increased by using the social assistance platform to provide other targeted services that reduce the cost of the nutritious diet. To meet its nutrition objectives effectively, the transfer size of the Child Grant would need to increase and/or effective linkages with nutrition services would need to be established. Figure 6 shows the remaining affordability gap in the cost of the nutritious diet for the household, considering current food expenditure – which in Mountain areas of Karnali accounts for 28 percent of the cost of the household nutritious diet – and the addition of nutrition interventions targeted to the child and other members of the household. The provision of a micronutrient powder (MNP) would help cover part of the child's nutrient requirements, and together with the Child Grant cash transfer would represent 70 percent of the cost of the nutritious diet of the child. Providing a fortified blended flour (66 g daily) would help cover a greater proportion of the child's nutritional needs, and together with the Child Grant would fully cover the cost of the child's nutritious diet.

The targeting of the Child Grant programme is currently limited to children; however, it could be extended to pregnant and breastfeeding women to cover the first 1,000 days (from conception to 2 years of age) more comprehensively. The last two bars in Figure 6 show a package of interventions covering children and mothers, and the associated reduction in the cost of a nutritious diet for the household. A package providing MNP to children and multiple micronutrient tablets (MMT) to pregnant and breastfeeding women (PBW) would reduce the household cost of the nutritious diet by 16 percent, while a package of fortified blended flour for the child and pregnant and breastfeeding woman (66 g for each daily) would reduce the cost by 13 percent.

Figure 6: Reduction in the gap in the cost of the nutritious diet by layering the Child Grant cash with nutrition interventions targeted at children under 2 years and pregnant and breastfeeding women



VI. Bridging research with policy and action

A results validation and recommendations formulation workshop focused on social protection as part of the FNG process was held. The following recommendations are based on these discussions:

- Sensitize key decision makers and programme implementers within the social protection sector on why nutrition requirements should be taken into consideration in the design of social protection programmes and identify appropriate entry points for doing so.
- To have an impact on nutrition and dietary outcomes, ensure that the transfer size of social assistance programmes is sufficient to contribute towards meeting the cost of the nutritious diet. The transfer size of the Child Grant programme, which has the objective of improving child nutrition, should contribute substantially to the cost of the nutritious diet of the child being targeted.
- Use existing cash transfer programmes as a platform to deliver nutrition services, such as micronutrient supplementation to mothers and micronutrient powder to children. This could be through direct provision to programme beneficiaries or by using the programme's outreach to improve uptake. Explore the feasibility of adding a conditional transfer alongside the existing transfer linked to the utilization of regular health and nutrition services for mothers and children.
- Improve targeting of social assistance programmes to ensure that limited financial resources available for these programmes are effectively utilized and target those that are most in need (poorest households, households in vulnerable areas, people with disabilities, indigenous people and ethnic minorities).
- Programme design should take into consideration specifics in context, such as different geographical areas and local food systems. For example, in Mountain areas there might be challenges with food availability and high prices; cash transfer programmes should take this into consideration when setting transfer size. Complementary supply interventions should also be considered to strengthen the food systems in these areas.
- Social behaviour change strategies should also be used to complement nutrition sensitive social protection programmes, so that people can make healthier food choices for themselves and for their children while maximizing the nutritional value of the cash transfer. If households were to purchase foods that do not contribute to meeting essential nutrient needs, such as foods high in sugar, unhealthy fats or salt, as well as staples that have a low content of essential nutrients, the impact of the transfer would be lower than assumed in these estimations.

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