



Case for enhancing investment in children in Nepal

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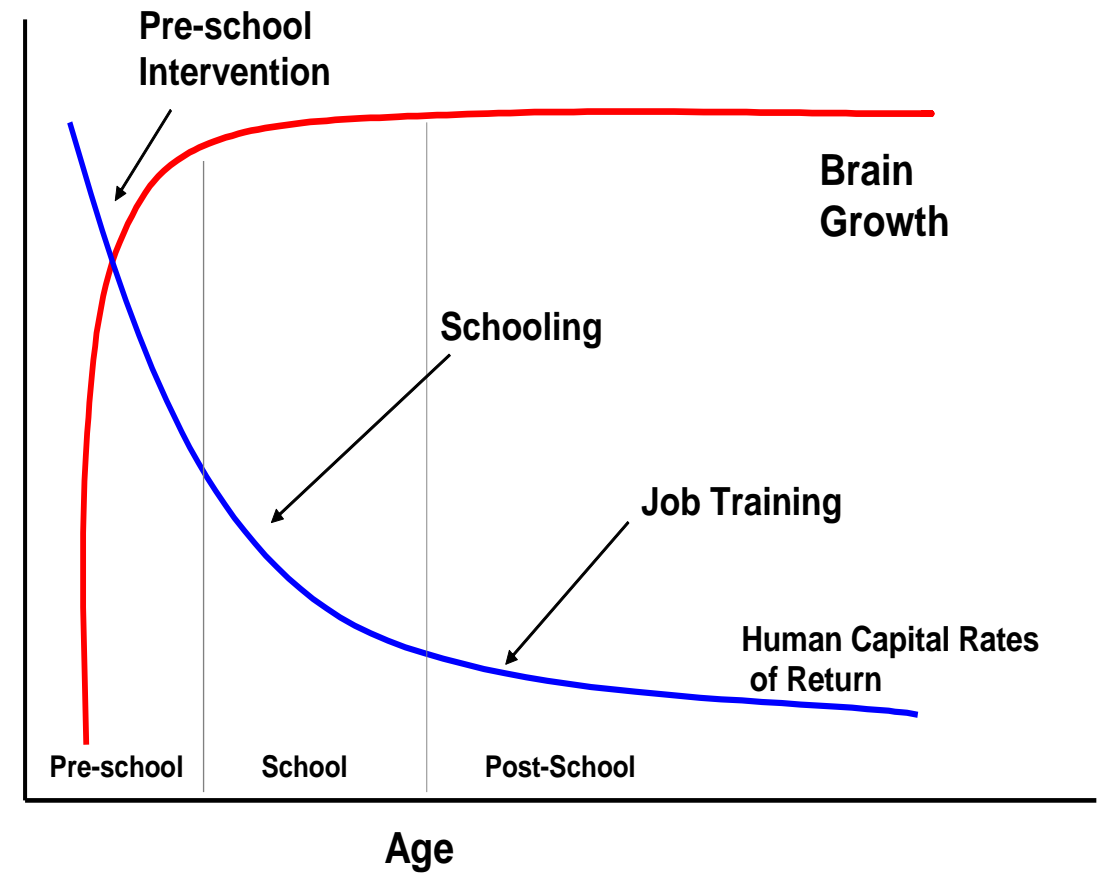
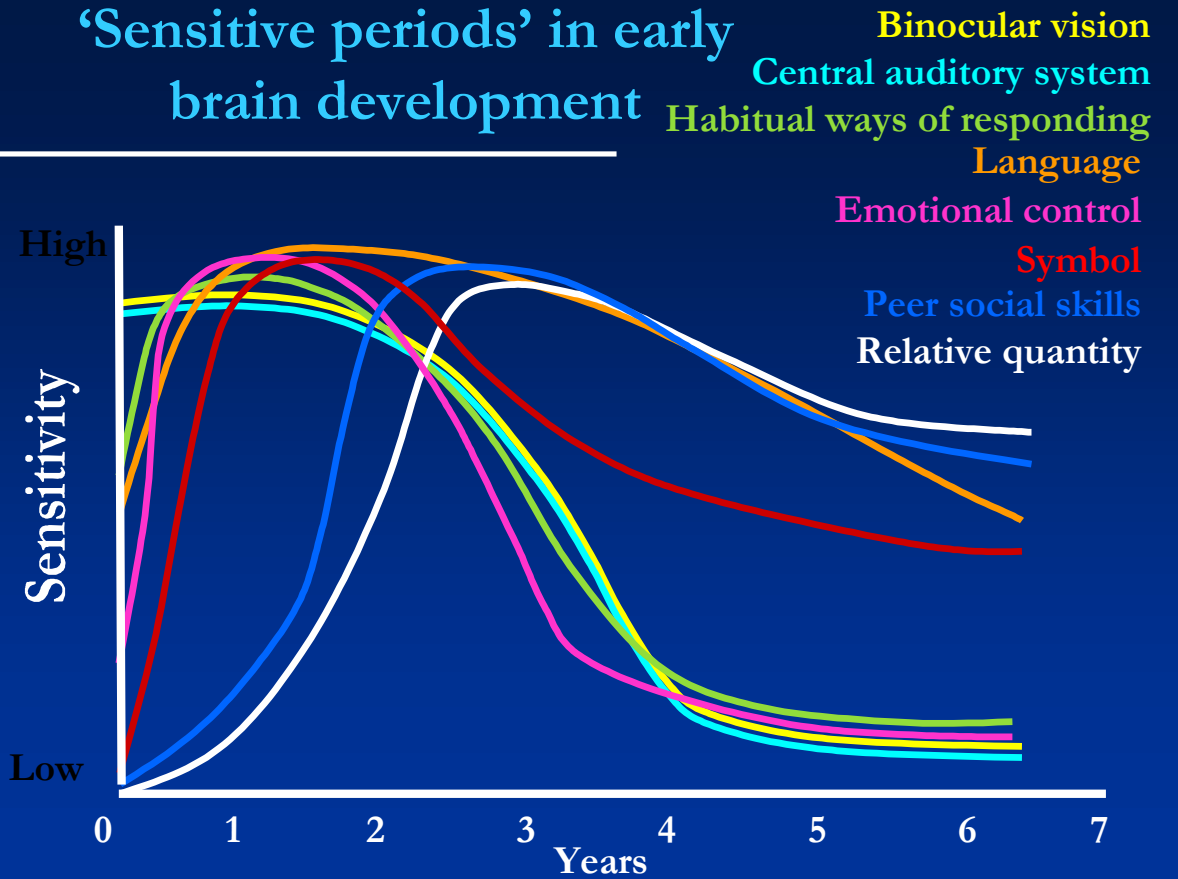
CHILDREN'S MEETING WITH
PARLIAMENTARIANS

20TH NOVEMBER 2020

A combination of reasons- Rights based, Biological and economic

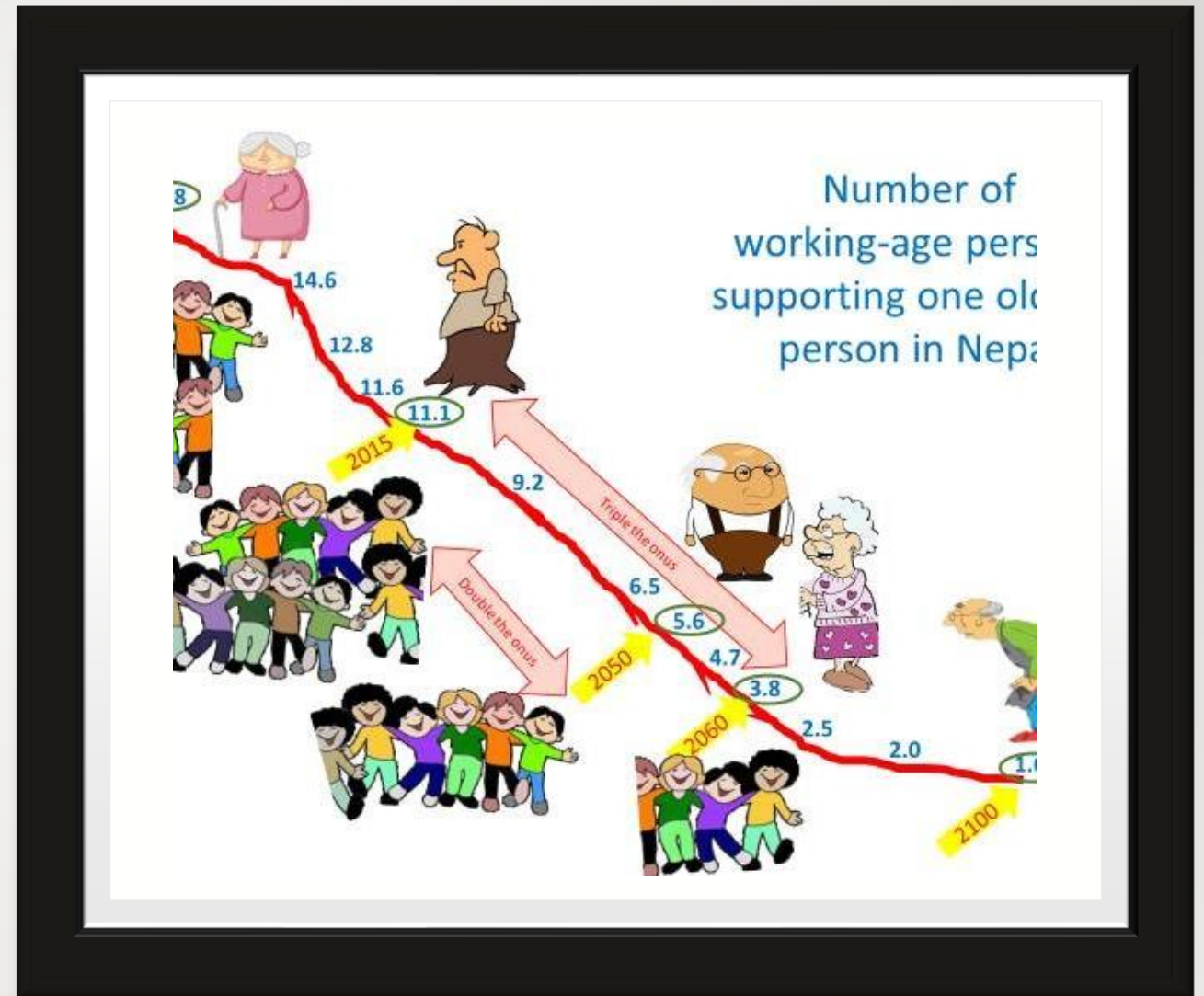
- Copenhagen Consensus recognizes investments in early childhood as the most cost effective

'Sensitive periods' in early brain development



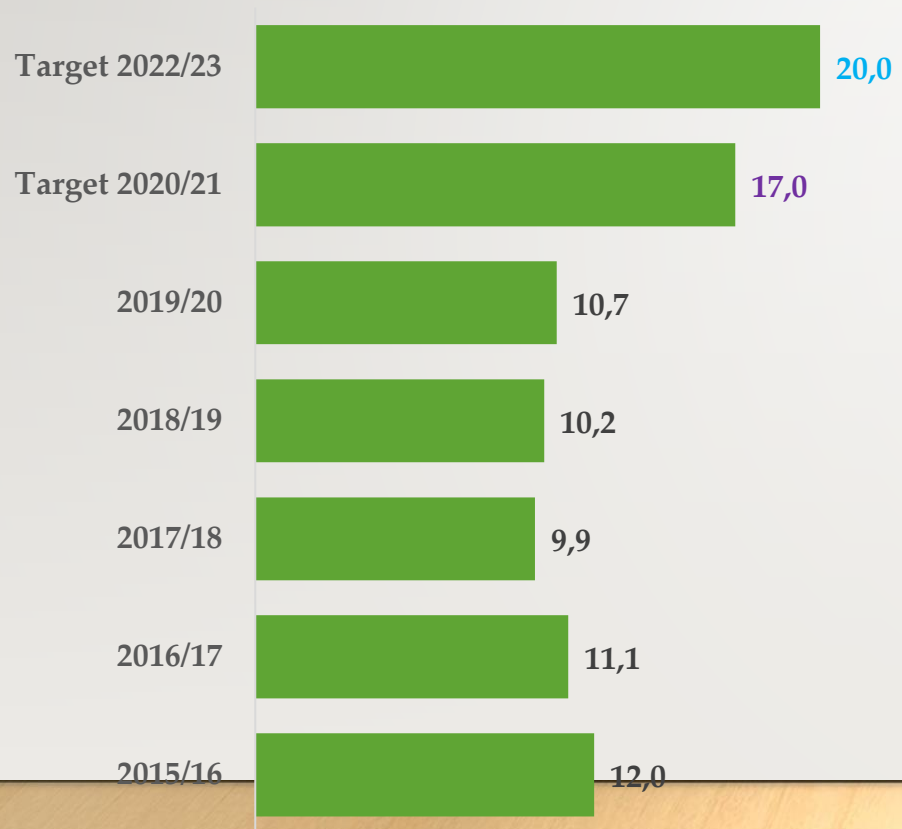
Economic reason: Shrinking demographic window

- Nepal is ageing at a rate faster than many other countries e.g. Japan
- There will be less and less productive adults to support the older population.
- This population needs to have higher capacity- better educated, healthier and able to earn more
- This can only be possible by investing in the growing years i.e childhood

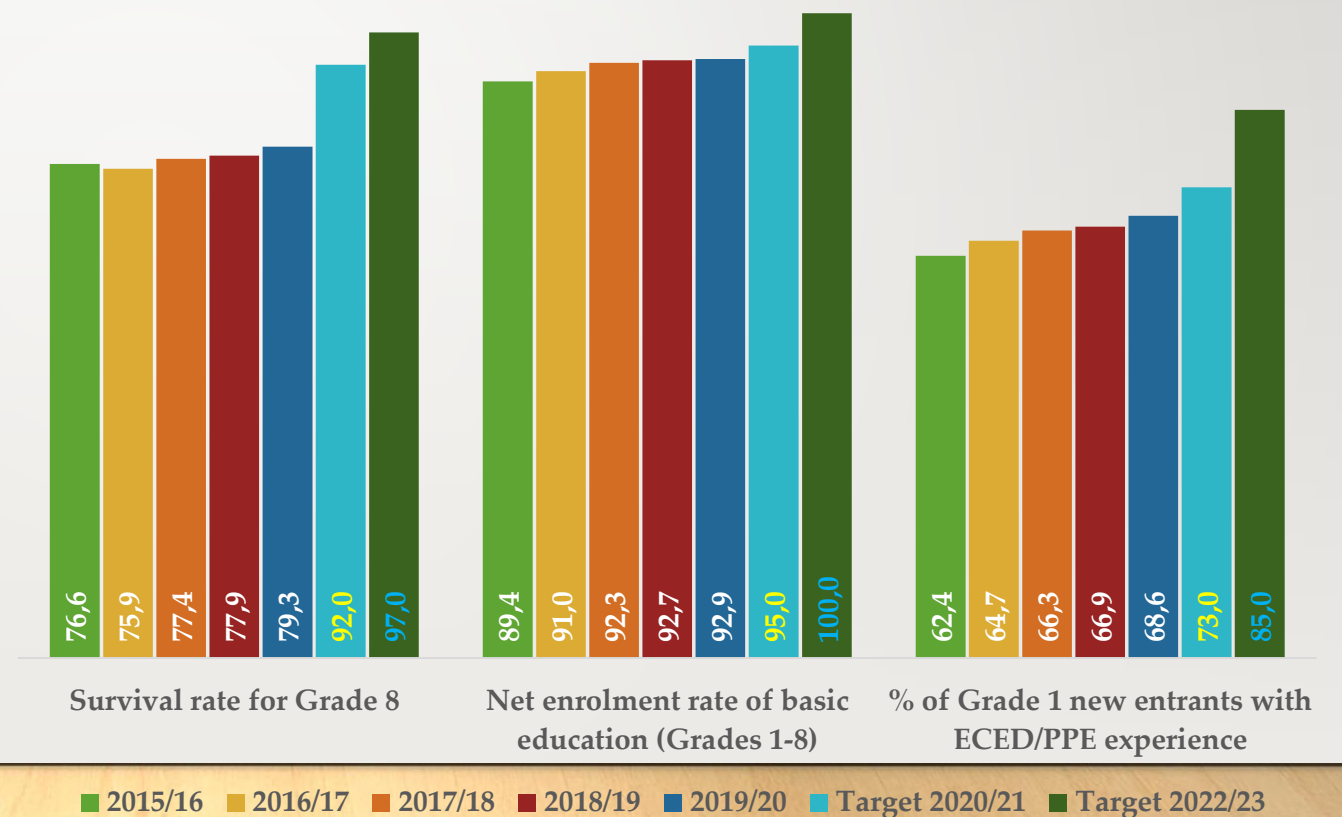


Education sector budget as per cent of national budget in 2019/20 was 11%, still below the levels observed in 2015/16 and off-pace to meet the education for all target of 20% by 2022/23. Movement in some key outcome indicators such as the survival rate for grade 8, net enrollment rate of basic education and the per cent of grade 1 new entrants with ECED/PPE experience – have remained stagnant or improved marginally and off track to meet targets

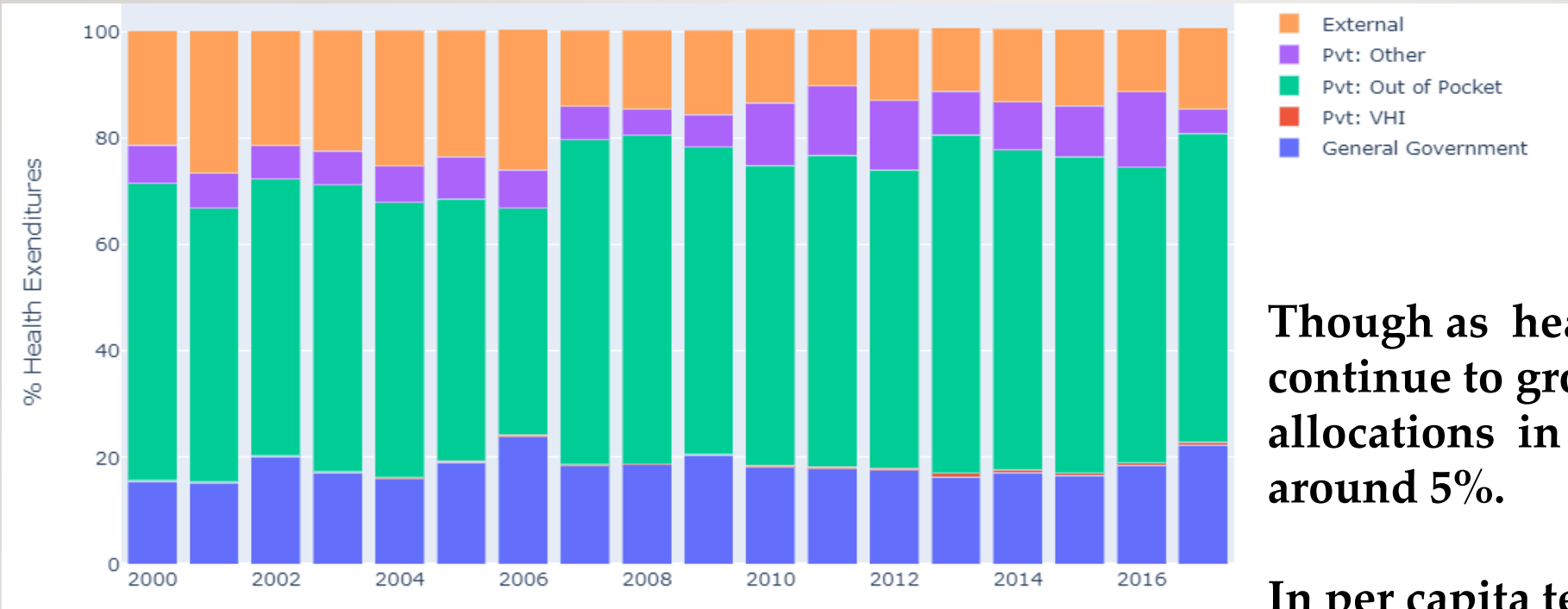
Education sector budget as % of national budget



Select outcome indicators



► Souce: EU-UNICEF Education Sector Budget Analysis 2020)



Though as health expenditures continue to grow the government health allocations in the budget remains around 5%.

In per capita terms, health expenditures are estimated to be USD 48 in Nepal. The government health expenditure per capita is USD 11 while Out Of Pocket Expenses capita is USD 28.

EQUITY IN HEALTH



Those above 70 form about 9% of the population

Children comprise 32% of the population

Social Protection and equity

SP and equity

- The benefit level for Old age allowances, single women, and widows, increased from 500 NPR/month to 1000 NPR in FY 2016/17 and then doubled again to 2000 NPR/month in FY 2019/20.
- At the same time, the benefit levels for endangered ethnic groups and full disability increased from 1000 NPR/month in FY 2014/15 to 2000 NPR/month in FY 2016/17 and then to 3000 NPR/month in FY 2019/20.
- The benefit levels for partial disability also rose from 300 NPR/month to 600 NPR/month in FY 2016/17 and then to 1,600 NPR/month in FY 2019/20. In all these cases the recent benefit increase was 1000 NPR/month.
- Child grants receive the lowest benefit amount. It rose from 200 NPR/month in FY 2014/15 to 400 NPR/month in 2016/17. Since then the benefit level has not risen. Hence unlike the other programs which try to adjust benefit levels (to partially offset inflation) – the real value of the child grant has been falling.
- About 50% of the social protection budget is spent on old age pension, while just about 6% is spent on Child grants

Source: EU-UNICEF Social Protection Budget Analysis 2020

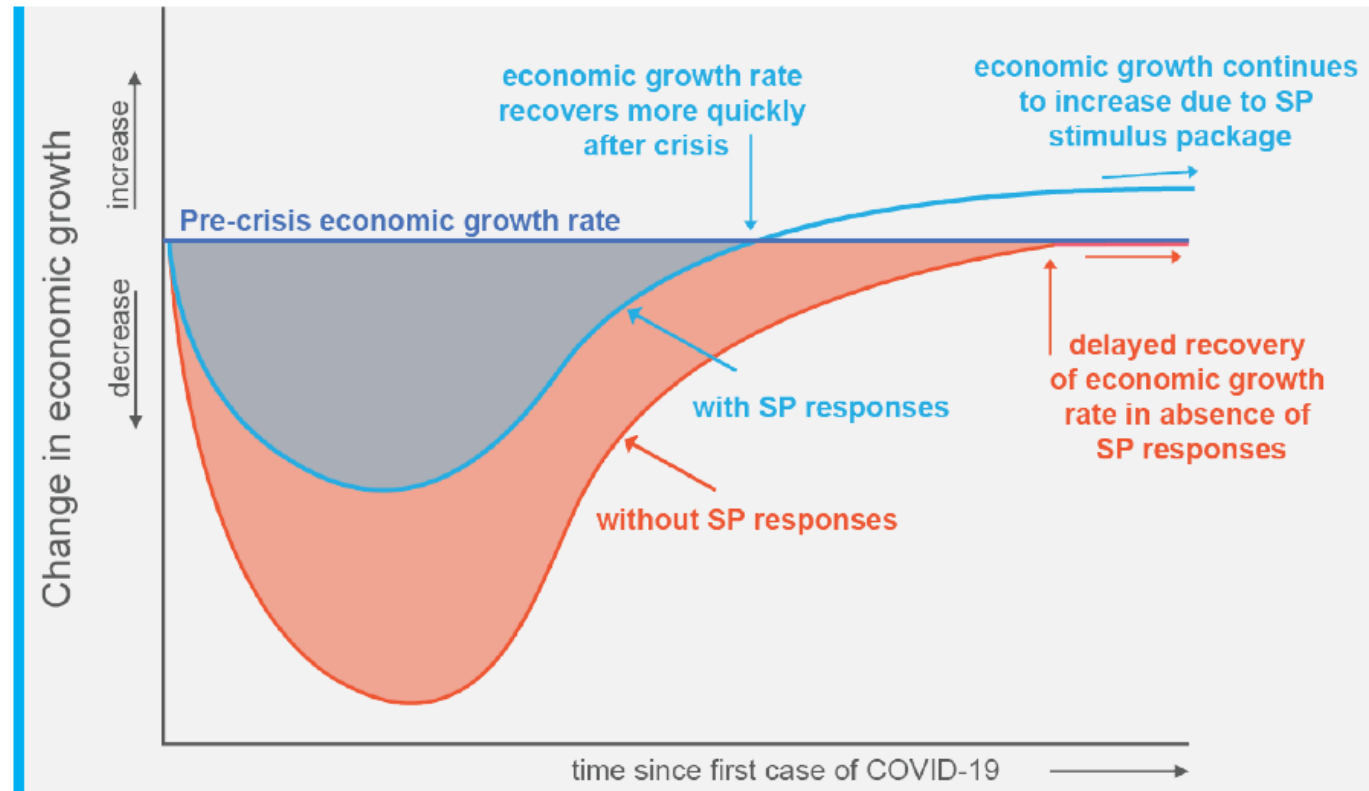


Provision of an emergency life cycle based emergency cash response will cover 96% of the population with less than 2 % of the GDP

- **Emergency child benefit:** every child aged 0-17 years;
- **Emergency disability benefit:** every person with a disability aged 0-59 years,
- **Emergency old age pension:** every person aged 60 years and above.

However, given that Nepal has a comprehensive old age pension already for everyone aged 70 years and above – coverage is only for those aged 60-69 years.⁷⁵

Overall- it means quicker recovery!



Source: Authors' adaptation of a graph that appeared in World Bank (2020).

Key Recommendations

- As government has begun transferring social sector budget to local governments, there needs to be strong focus on capacity development at the sub-national level including through filling in human resources gaps
- Revisiting of the Provincial Resource allocation formula and procedures; stronger link between MPI and federal budget allocation
- Aligning investments to life cycle approach
- Correcting the imbalance in social protection investments
- To speed up national recovery and address increase poverty, provide all children, people with disabilities and older people with a decent transfer for six months, at a cost of around two per cent of GDP,



f LIVE 20 November 2020

WORLD CHILDREN'S DAY

Children's Parliamentarian Session

Child Wellbeing During COVID-19



EUROPEAN UNION

unicef
for every child

The graphic features a stylized illustration of a woman with long black hair, wearing a blue top, shouting into a red megaphone. The background is a bright yellow and white circular pattern. To the right of the illustration, there is a blue rectangular area containing text and logos. At the top right, it says "f LIVE 20 November 2020". Below that is a yellow box with "WORLD CHILDREN'S DAY" in black. Underneath is "Children's Parliamentarian Session" in large white letters, followed by "Child Wellbeing During COVID-19" in smaller white letters. At the bottom left is the European Union flag logo with "EUROPEAN UNION" below it. At the bottom right is the UNICEF logo with "unicef" and "for every child" below it.

Thank you!!