The Project creates an inclusive and equitable social protection for households with infants and young children.

The Project seeks to strengthen the link between social protection through the child cash grant and improvement in child nutrition.

BACKGROUND AND OBJECTIVES

The Government of Nepal has been implementing the child grant program since fiscal year 2010, with the objective of reducing child malnutrition. The Reducing Child Malnutrition through Social Protection project in Nepal, funded by the Japan Fund for Poverty Reduction, seeks to strengthen the link between social protection through the child cash grant and improvement in child nutrition, and to create an inclusive and equitable social protection system for households with infants and young children. Achievement of this objective would enable mothers from poor families to access and control available resources to benefit their children, including utilizing health and nutrition services as needed. Improvements in infant and young child feeding (IYCF) practices are especially critical for ensuring healthy growth and early childhood development. However, mothers are often unable to adhere to ideal IYCF practices. They also struggle to provide diverse foods to their children, particularly in the resource-limited communities of the Karnali Zone.

The overall objective of this study is to track progress of the IYCF and child grant programs, assess the current coverage and penetration of key messages, and provide an update on the current nutritional status of children in the Karnali Zone. This brief outlines the results of a survey conducted in 2013 evaluating children’s nutritional and health status in the five districts of the Karnali Zone, with special focus on the influence of the child grant program. The survey was developed not only to assess the

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1 Two children up to the age of 5 (per mother) are eligible to receive a cash grant of NRs200 each per month. The program is currently universal in five remote districts of the Karnali Zone and targeted at poor Dalit households nationwide. Dalit are a marginalized caste group in Nepal.

2 The study was conducted by United Nations Children’s Fund in collaboration with the Ministry of Health and the Ministry of Federal Affairs and Local Development in Nepal and funded by the Japan Fund for Poverty Reduction administered by the Asian Development Bank. The study report, *A Cross-Sectional Survey on Reduction of Child Malnutrition through Social Protection Program in the Karnali Zone of Nepal: Linking Infant and Young Child Feeding and Child Cash Grant*, was published in September 2014.
CHILD GRANT PROGRAM

There is widespread overall awareness of social protection schemes, with 98% of households having heard of such schemes and 85% indicating that their household had participated in at least one program within the past 12 months. The average amount received per household from various social protection schemes in the 12 months preceding the survey was NRs2,394. Awareness of the child grant program was high at 98% of households, with little variation by background characteristic. The most common sources of information about the child grant program were informal community contacts (66%) such as friends and neighbors, followed by village development committee (VDC) secretaries (57%) and female community health workers (FCHVs) (35%).

The role of FCHVs in promoting the child grant program varied across districts. About 83% of households reported receiving child grant funds at some point, while 78% had received funds in the preceding 12 months. Receipt of child grant funds was influenced by the mother’s level of literacy and the child’s age. Surprisingly, illiterate mothers were significantly more likely to receive the child grant than literate mothers, and only 57% of children below 12 months old received the child grant. The low rate of receipt of the child grant among children under 12 months is due to inherent problems with the current registration process, which is only done once a year. Receipt in the preceding 12 months was influenced not only by the mother’s literacy level and the child’s age, but also by ethnicity and household wealth, with relatively disadvantaged households and the lowest wealth quintile having the lowest rates.

While the intention is to distribute child grant funds three times a year, only 2% of households had received installments this frequently, while the majority (79%) had received child grant funds only once in the preceding 12 months. One-third of households reported that it had been more than 10 months since they had last received funds, and 38% reported that it had been 7–9 months. Within individual districts, the length of time since last receipt of child grant funds varied significantly.

The average amount of child grant fund received per child was NRs1,479 in the preceding 12 months, which was almost 40% less than the intended NRs2,400 per year per child. The average amount received is slightly lower for the youngest (NRs1,479) and oldest (NRs1,395) children, which is to be expected given that they are either entering or leaving the program and may not collect a full year’s entitlement. However, the relatively low variation by age group suggests that it is not delayed entry into the program that is pushing down the average funds received. More likely, it is the low and infrequent transfer amounts in general. More striking is the difference in the average annual amount received per household by district, from NRs666 in Humla to NRs1,835 in Dolpa, suggesting significant variation in the implementation of the program.

Over 99% of households collected the child grant funds from VDC offices and 1% from the district development committee office. VDC secretaries have distributed funds to 83% of recipients. Overall, 65% of households traveled less than 1 hour to the VDC office, while 27% spent 1–3 hours traveling. The distance to VDC offices was statistically associated with receiving child grant funds. Over 96% of households residing within 2 hours of the VDC office had received the child grant in the preceding 12 months compared to 82% who were residing at a distance of more than 4 hours. The time and cost (both direct and opportunity costs) associated with collecting the child grant are likely to be the main factors rather than information deficits, given the overall high rates of knowledge about the program.

Birth registration is a prerequisite for the child grant program, and birth registration rates for children aged less than 5 years had increased from 40% at the baseline to 90% in the IYCF/Child Grant Survey–2013. However, only 63% of children aged less than 12 months had their births registered. Hence, a large proportion of these vulnerable groups were not able to benefit from the child grant program.

While the mother is supposed to collect the child grant, 23% of households collected funds through fathers, and 6% through in-laws. Of the 17% of households that had not received child grant funds for eligible children at any time, the most common reason for not having done so was that the household had recently applied for child grants, and that there was a significant delay between registration for the child grant program and actual receipt of funds (51%). The second most common reason was that the child’s birth had not yet been registered (32%). Unavailability of VDC secretaries for birth registration also proved to be a constraint. Of households not receiving child grant funds, 8% had made a verbal complaint, while 2% had submitted a written complaint, with 89% of complaints being directed to the VDC secretary.

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1 FCHVs are women who provide voluntary services to their communities on maternal and child health issues, including primary level treatment for diarrhea and pneumonia—two of the primary causes of child mortality in Nepal.
Across all social protection schemes, the majority of social protection resources were used to purchase food (76%), clothing (57%), and household items (49%). Most households reported that NRs200 would be sufficient to purchase on average 3–4 kilograms of rice or wheat, 1–2 kilograms of sugar, or 10–20 eggs. The majority of households used child grant funds to purchase nutritious food for their children (66%). Child grant resources were also used to purchase children’s clothing (59%), household items (49%), medicine (37%), and school supplies (21%). Significant variations in expenditure patterns were seen across districts. Parental literacy rates affected utilization patterns, with households with literate mothers more likely than those with illiterate mothers to purchase nutritious foods. Spending also varied by ethnicity and household wealth. Utilization patterns did not vary significantly in households that had received NRs3,000 at once, compared with those who had received smaller amounts.

The disbursement of child grant funds is made unconditional in order to allow households to purchase items most beneficial to their children, and 83% of households reported that they prefer this method to any other. Nearly 100% of households agree that the child grant program is important, with 57% reporting food support as the top reason. However, it is difficult for families to rely on this support when 54% stated that they did not know when they would be receiving their next installment.

CONCLUSIONS AND NEXT STEPS

**Awareness.** FCHVs and community mobilizers were not consistently involved in raising awareness of the child grant program. This indicates an important opportunity for building staff incentives and quality through training and supervision. Campaigns to increase public awareness of eligibility criteria need to be strengthened.

**Coverage.** Children below 12 months old, who are particularly vulnerable to issues caused by lack of adequate nutrition, had the lowest rates of child grant coverage. This was most commonly due to delayed birth registration. Increasing awareness regarding early birth registration could be accomplished through campaigns targeting families with children below 12 months old and pregnant women. Greater efforts should be made to reach disadvantaged and poorest households as rates of child grant distribution in the preceding year were lowest among these groups. Further exploration of disbursement patterns is critical to ensure high rates of coverage.

**Procurement.** Increasing the frequency for identifying and listing potential beneficiaries may have a significant impact on coverage rates. By increasing the frequency of census updates to every quarter, infants and younger children who may not have been listed in the previous census could benefit from the child grant more quickly. It is also important for VDC staff to ensure that child grant funds are requested and received from the government well in advance of their intended disbursement date to ensure the timely release of funds to families every 4 months.

**Disbursement.** Serious gaps in the disbursement of child grant funds mean that families have received on average less than half the intended amount. Given the significant variation in amount of funds received by each district, the solutions to these gaps will have to be district specific. Improved consistency in the frequency of child grant delivery would allow families to better utilize this support and may reduce periods of food shortages. Increased local awareness of when to expect child grant funds would also assist in this process. Greater community-level outreach is needed to overcome the geographic barriers to child grant disbursement. One alternative strategy could be the development of mobile distribution centers for remote rural wards and villages.

Overall program effectiveness relies on the ability to engage local political leaders in supporting effective implementation. Development of incentives for those leaders, as well as increased accountability and oversight of the procurement and disbursement process, would be important steps to ensure that funds are being properly disbursed. Most districts noted that the social security committee was not functional. This opens up an important area for improvement. Steps need to be outlined to ensure that social security committees are developed and made effective. These committees should then engage in monitoring the implementation of the child grant program and have the authority to handle grievances.

**Utilization.** While the child grant should remain unconditional, greater emphasis should be placed on its use for the purchase of nutritious foods to optimize its impact on child nutrition. Accordingly, steps should be taken to increase the quality and frequency of education provided to mothers’ groups regarding locally available nutritious foods. Greater linkage between the child grant and IYCF practices might be attained by specifically targeting households facing food shortages or with children who are underweight, malnourished, or stunted, to ensure that these children are registered and receiving child grant funds.

**Process monitoring.** The development of a process monitoring system could help identify bottlenecks in the flow of grant support from the VDC to eligible households, providing timely information to authorities and enabling corrective actions.
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In this publication, “NRs” refers to Nepalese Rupees.

**ADB Social Protection Briefs** aim to highlight achievements of ADB projects that support social protection initiatives in developing member countries.

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