

FINAL REPORT

Assessment of the Regulatory System for Private Sector Engagement in Nutrition in Nepal



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Study Team:

Team Leader	Mr. Kamal Raj Gautam
Nutrition Expert	Dr. Pranil Man Singh Pradhan
Research Associate	Mr. Rajendra Khatri
Field Coordinator	Mr. Ram Prasad Devkota
Research Associate	Ms. Kabita Yadav
Research Assistant	Dr. Ruju Sharma Neupane

Prepared By:

Nepal Development Research Institute
Shree Durbar Tole, Pulchowk, Lalitpur
P.O. Box: 8975, EPC01, Kathmandu Nepal
Email: info@ndri.org.np
Telephone: +977-1-5537362, 5554975

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Dr. Jaya Kumar Gurung
Executive Director
Nepal Development Research Institute (NDRI)

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ACRONYMS

ADS	Agriculture Development Strategy
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DFTQC	Department of Food Technology and Quality Control
DNFSCC	District Nutrition Food Security Coordination Committee
FAO	Food and Agriculture Organization
FMTC	Food Management and Trading Company
GoN	Government of Nepal
JME	Joint Malnutrition Estimates
KII	Key Informant Interview
LMIC	Lower Middle Income Countries
MoALD	Ministry of Agriculture and Livestock Development
MNFSCC	Municipal Nutrition and Food Security Coordination Committee
MoHP	Ministry of Health and Population
MoICS	Ministry of Industry, Commerce and Supplies
MSNP	Multi Sector Nutrition Plan
NAGA	Nutrition Assessment and Gap Analysis
NDHS	Nepal Demographic and Health Survey
NEFOSTA	Nepal Food Scientists and Technologists Association
NFGF	National Farmers Group Federation
NPC	National Planning Commission
OECD	Organization for Economic Co-operation and Development
PPP	Public Private Partnership
SBN	SUN Business Network
SDG	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary
SUN	Scaling Up Nutrition
UNICEF	United Nations International Children's Emergency Fund
UNIDO	United Nations Industrial Development Organization
WFP	World Food Programme
WHA	World Health Assembly
ZHSR	Zero Hunger Strategic Review

EXECUTIVE SUMMARY

Background

The SDG 2030 Goals commit to end all forms of malnutrition and state the responsibility of governments, development organizations, donors, civil society and the private sector for this goal. There is scope to enhance food systems and markets by leveraging the skills, expertise and resources of the private sector, which produces most of the food. Food insecurity is an increasing concern around the world. According to recent data, the total number of food-insecure individuals has increased for several years, with 8.9% of the world's population (~690 million people) experiencing undernourishment in 2019 ¹. According to the Multiple Indicator Cluster Survey (MICS, 2019), the prevalence of moderate to severe stunting among children under 5 years is 31.5%, and that of severe stunting alone is 11.8%. Similarly, the prevalence of wasting, underweight, and overweight is 12%, 24.3%, and 2.6%, respectively². Nepal has faced poor food security and nutritional status for decades and this issue has become even more important due to the COVID-19 pandemic. Nepal has made strong efforts to address the problem of food insecurity and malnutrition. The Government of Nepal has recognized the need for multi-sectoral efforts to improve the nutrition of its citizens.

Objectives

The objective of this study is to analyze the regulatory system and operations, thereby identify loopholes and inadequacies in the enabling environment that hinder private sector engagement in national nutrition and food security programs and to also make recommendations on how to improve private sector engagement.

Methodology

A qualitative data collection approach was designed. As requested by the WFP, national level stakeholders have been included in the study. The design considers the representation from different geographical regions, all three tiers of government, private sectors (small, medium, and large enterprises), cooperatives, civil societies, the policy and acts implementers, associations, I/NGOs, and nutrition initiators.

¹ FAO (2020). The state of food security and nutrition in the world 2020: transforming food systems for affordable healthy diets.

² Multiple Indicator Cluster Survey (2019). Government of Nepal National Planning Commission, Central Bureau of Statistics United Nations Children's Fund.

Results

We collected information through desk review and interviews with 55 key informants. The respondents represented various level of government bodies ($n = 30$), private sectors ($n = 13$; SMEs=4, large enterprises=6, associations=3), cooperatives ($n = 6$), I/NGOs and projects ($n = 5$). In addition to that, there was a representation of the concerned civil society ($n = 1$) and consumer right forum and a law practitioner ($n = 1$).

The review looked at five pillars through which the private sector may have directly or indirectly impacted nutrition outcomes: (1) access to naturally nutritious foods, (2) scale-up of fortified foods, (3) Protecting consumers from consumption of unhealthy and over-processed food (Nutrition awareness), (4) Improving the value chain for safe nutritional foods, from production to market access (Food safety) and (5) Enhance enabling environment for Private Sector engagement in national nutrition program. Analysis of interviews revealed the following main themes: stakeholders' knowledge and experience of multisector working; existing food system-related rules, regulations, and policies; persisting gaps and difficulties in implementation of the rules/regulations; private sector role in nutrition-sensitive and nutrition-specific intervention in targeting vulnerable and food insecure groups; strengths and weakness of private sector engagement in nutrition; Opportunities and challenges for the private sector including SMEs and cooperatives engagement in the operations of subsidized shops; Sustainable structure; and room for improvement.

The findings revealed that the size and type of company influenced its rationale, capacity, and opportunity to invest in nutrition and that the type of engagement may change over time. Most large and national companies recognized nutrition as an opportunity, often leading in their markets, especially for fortified staple foods and condiments. However, most poor consumers have been served by SMEs, micro-entrepreneurs, and informal vendors, who are constrained by cash flow, access to finance, technical expertise, and quality issues.

The legislative framework for ensuring food safety in Nepal is the Food Act 1966. This Act was promulgated half a century ago to maintain proper standards of food by preventing any undesirable adulteration in food items, or subtraction or extraction of any natural quality or utility from food. By now, nearly thirteen acts and related regulations and seven government agencies are directly linked with implementation of food safety related programs. The roles played and efforts made by private food industries and food business operators in adopting food safety assurance systems are also highlighted in these acts. The industries, especially operating on small and medium scales, have not been able to show commitment to food safety.

Fortification of staple foods is the most successful to reduce malnutrition. Mandatory fortification legislation is necessary to achieve scale and reach poor and marginalized consumers, but it requires

enforcement capacity. Public sector investments in pre-competitive research and development have kick-started fortification. Large companies can apply efficient and smart sourcing strategies, combining inputs from local, regional, and global supply chains, but this has remained a challenge for small firms. Proximity distribution channels can be strengthened to facilitate fortified foods reaching the poor. Complex issues in the arguments for and against industrially processed complementary foods for children have hindered progress in increasing access for this vulnerable group.

The private sector plays an important role in improving the nutritional status of the country. Government cannot do the work alone; it needs support from the private sector. Government should see them as complementary, not as a competition for promoting nutrition. Participation of private sectors is required from the policy-making level. Many private sectors are unaware of nutritional policies made in the country. According to the stakeholders, the major strength of engaging the private sector in nutrition programs is that the private sector is where most people access most products and services to meet most of their needs. Including the private sector in the Scaling Up Nutrition (SUN) efforts acknowledge how people live and offer major opportunities to improve nutrition sustainably and at scale.

There is an urgent need for the public sector to collaborate with the private sector to invest in large-scale, continuous, and innovative efforts to establish population-wide norms and preferences for healthy eating. Moreover, such a collaboration should support poor populations in the food choices that they must make daily—to choose naturally nutrient-dense as well as fortified foods.

Despite the enticement of the potential market inherent in a large number of poor consumers, investing in reaching the poorest of the poor is a large barrier for most companies. Nutritional quality comes at a cost, and nutritious foods cannot always be produced and/or sold at volumes that would bring affordable prices. Distributing these foods at subsidized cost or for free requires public sector collaboration—for example, through cash transfers or vouchers. Additionally, the poor may not have access to distribution channels such as modern retail. Proximity distribution networks of a community sales force could help ensure distribution to the most hard-to-reach consumers.

The findings underlined the fact that the marketing of nutritious foods to low-income consumers does not yet lead to profits in the short or medium term. They should invest in sustainable supply chains, including improving the nutrition of their workers, with the expectation of a longer-term return on investments. Though the efficacy of multiple nutritious products developed by the private sector has been proven, data to substantiate the nutrition or business impact of these solutions are currently not being collected in any systematic or meaningful way. Multiple knowledge gaps have been identified in the report, ranging from cost-effectiveness of demand-creation approaches to the effectiveness of policies and legislation to create an enabling environment for a nutritious foods

market that especially targets poor mothers and children.

Conclusion

This study suggests that the multisector approach needs to adapt to take into account the experiences and views of the stakeholders concerned. The SUN Business Network (SBN) for Nepal was launched to initiate the conversation with the private sector on why and how the business community can fight against malnutrition federally, provincially, and locally. Stakeholders recognized potential benefits for businesses in economic returns and the energy and innovation that companies can contribute to combatting malnutrition. However, the government still has to develop clear strategies to ensure that the private sector abides by food production, marketing rules, and regulations, and to raise awareness of the need to manage and avoid gaps at all stages of private sector engagement in food and nutrition scale-up.

1. INTRODUCTION

1.1 Background

Nutrition is an indispensable part of health and development. Better nutrition is related to improved health, more robust immune systems, longevity, and increased productivity. However, today the world faces a double burden of malnutrition that includes both undernutrition and overweight, especially in low- and middle-income countries. The Joint Malnutrition Estimates (JME) published in April 2021 has highlighted the three forms of malnutrition: stunting, wasting, and overweight. According to this report, stunting affected an estimated 22.0 percent or 149.2 million children under five globally in 2020. Similarly, an estimated 5.7 percent or 38.9 million children under five around the world were affected by overweight, and wasting continued to threaten the lives of an estimated 6.7 percent or 45.4 million children under five globally.³

1.2 Nutrition Situation in Nepal

Nepal has faced poor food security and nutrition for decades, and this issue has surfaced more since the COVID 19 pandemic. The Zero Hunger Strategic Review (ZHSR) conducted in 2017-18 found that the country still suffers from severe food insecurity and malnutrition. According to the MoHP (2017), the prevalence of severely food insecure populations in rural areas is 12%, while in urban areas is 9%.⁴ Low farm productivity, limited livelihood opportunities, and weak market connectivity caused by poor infrastructure and geographical heterogeneity, gender and caste disparities are considered underlying causes of food insecurity and under-nutrition in Nepal.⁵ According to the Multiple Indicator Cluster Survey (MICS, 2019), the prevalence of moderate to severe stunting among children under 5 years is 31.5%, and that of severe stunting alone is 11.8%. Similarly, the prevalence of wasting, underweight, and overweight is 12%, 24.3%, and 2.6%, respectively. Compared to 2014 data, the underweight and stunting prevalence amongst children under five has declined in 2019. However, the prevalence of moderately or severely overweight and wasting among children does not show significant improvement in 2019 as compared to 2014. The highest underweight prevalence of 37.4% has been recorded in Karnali Province, followed by Sudurpashchim Province 33.3% and Province 5, 30.7%. The lowest underweight prevalence of 11.1% is reported in Bagmati province.²

Nepal National Micronutrient Status Survey 2016 has revealed that Vitamin A deficiency and Zinc deficiency is prevalent among 4.2% and 20.7% of children of 6-59 months, respectively. 20.5% of adolescent girls, 20.4% of non-pregnant women aged 15-49 years, and 26.8% of pregnant women aged 15-49 years have anemia. Similarly, folic acid deficiency is prevalent among 6.1%

³ UNICEF / WHO / World Bank Group Joint Child Malnutrition Estimates, 2021

⁴ MoH (2017). Nepal Demographic and Health Survey 2016. Ministry of Health. Kathmandu, Nepal.

⁵ MoALD, CBS, WFP, FAO. (2018). SDGs and food security in Karnali: Results from the food insecurity experience scale. Ministry of Agriculture and Livestock Development, Central Bureau of Statistics, World Food Program and Food Agriculture Organization, Kathmandu, Nepal.

of adolescent girls aged 10-19 years and 4.5% of non-pregnant women aged 15-49 years.⁶

Moreover, the current COVID-19 pandemic and its imposed social isolation have worsened the nutritional status of Nepal. One out of 10 households faced livelihood loss, and three out of 10 households faced a reduction in income during the COVID-19 crisis in Nepal.⁷ To overcome these challenges and end hunger in Nepal, a new and refreshed momentum for nutrition has gathered through the World Health Assembly (WHA) targets for 2025 and the SDG targets for 2030. In this regard, Nepal joined the Global Scaling up Nutrition (SUN) Movement on 5 May 2011. The UN Food Systems Summit 2021 has become as an important opportunity for Nepal to examine food systems and to identify pathways for transformation to make it equitable, sustainable and resilient and to achieve the national priority. In line with this, National Planning Commission has organized first National Food Systems dialogues and seven provincial dialogues on the theme “Nepal towards an equitable, resilient and sustainable food system”.⁸ Nepal has shown its commitment by bringing people together, developing a coherent policy and legal framework, aligning programs around a common results framework, developing periodic financial tracking and results framework, further strengthening political commitments, and constantly following SUN Movement's roadmap.⁹

1.3 Policy Integration, Coherence and Governance

The Government of Nepal's policy has prioritized eliminating hunger and malnutrition from the grass root level. It has developed National Nutrition Policy and Strategy to address food-related issues such as malnutrition, micronutrient deficiency, lifestyle-related diseases, faulty food habit, behavior, and misconceptions rooted in Nepalese society (MoHP, 2004). It also confers the establishment of subsidized shops so that the more disadvantaged population in remote areas can get food. Looking back to the history of nutrition in Nepal (Table 1), Government initiatives have been underway for more than three decades, with national nutrition strategies developed in 1978, 1986, 1998, 2004, and 2020. The first National Nutrition Strategy was formulated by the GoN in 1978, which was followed by the Second Nutrition Strategy (1986), also known as the Pokhara Declaration I and II. However, the importance of multisectoral coordination was acknowledged only after a decade with the formulation of the Joint Nutrition Support Program (JNSP) in 1989-1992. Yet, JNSP could not become effective due to the lack of engagement of sectors during its inception. Again in 2004, the single sector-driven National Nutrition Policy was developed by the

⁶ NEPAL NATIONAL MICRONUTRIENT STATUS SURVEY (2016) Government of Nepal. Ministry of Health and Population. Kathmandu, Nepal <https://www.unicef.org/nepal/sites/unicef.org.nepal/files/2018-08/NNMSS%20Report%202016.pdf>

⁷ Maharjan K., & Chaudhary D. (2021). Scenario and Policy of Decent Nutrition and Food Security in the Post-Covid-19 in Nepal. *Journal La Sociale*, 2(1), 10-17.

⁸ Bhandari KP.(2021) "Nepal towards an equitable, resilient and sustainable food system", Food Systems Summit Dialogues Official Feedback Form, Nepal <https://summitdialogues.org/dialogue/35264/official-feedback-35264-en.pdf?t=1629018772>

⁹ SUN Movement (2016) The SUN Movement Strategy and Roadmap (2016-2020). At http://docs.scalingupnutrition.org/wp-content/uploads/2016/09/SR_20160901_ENG_web_pages.pdf

health sector only which was followed by National Nutrition Strategy 2020 .

Despite prioritizing nutrition in policies, expected outcomes were still lacking. Therefore, in 2011 the Nutrition Assessment and Gap Analysis (NAGA) was carried out and was endorsed by the National Planning Commission (NPC). In 2012, the Government of Nepal formed the National Nutrition and Food Security Coordination Committee, chaired by Honorable Member of the National Planning Commission (NPC). This led to the development of Multi-Sector Nutrition Plan I in Nepal covering the period of 2013 to 2017, followed by MSNP II (2018-2022), which sustains the best practices from the MSNP I while also adding new emphasis to achieve Nutrition SDG targets for Nepal such as;

- Gender Empowerment and Equitable focus on those populations disproportionately affected by malnutrition,
- Life cycle approach starting with the Golden 1000 days,
- Forging a strong relationship with the 753 local authorities under the ongoing federalism
- Stronger emphasis on monitoring and accountability for implementation.

This plan also links the health, education, WASH, and agricultural sectors together to craft nutrition. Along with this, the Right to Food and Food Sovereignty Act 2018 declares the right of all Nepali citizens to be free from hunger. Similarly, The Agricultural Development Strategy (ADS 2015-2035) focuses on a competitive commercial agricultural sector and improving livelihoods and access to food and nutrition in the country.

1.4 Effect of Federalism in Nutrition and Food Security in Nepal

A shift of Nepal's unitary government towards federalism after promulgating the constitution in 2015 brings about both challenges and opportunities. During this transition phase, nutrition and food security in Nepal faced significant challenges due to spillover effects among jurisdictions, unclear roles, and responsibilities of local authorities and inefficient human resource management at the local level as per local need. To address the role of local government in nutrition, The Local Government Operation Act (LGOA) 2017 also emphasizes ensuring food and nutrition security. Despite these challenges, federalism is expected to create an enabling environment for better food utilization. It is also expected to create a favorable environment for parallel empowerment of historically disadvantaged and vulnerable groups like women and indigenous communities, for example, social protection and equitable distribution of food resources agricultural production.¹⁰

¹⁰ Chemjong B, KC Y. (2020) Food Security in Nepal: A Review. Rupantaran: A Multidisciplinary Journal. Vol IV, 31-43

Table 1: The timeline of nutrition policies in Nepal from 1978 to 2022.

Historical Milestone towards Multisector Nutrition Plan Approach	
S.N	Policies and Strategies
1	First National Nutrition Strategies (Pokhara Declaration I) 1978
2	Second National Nutrition Historical Strategies (Pokhara Declaration II) 1986
3	Joint Nutrition Support Program (JNSP) 1989-1992
4	National Nutrition Policy 2004
5	National Plan of Action for Nutrition 2007
6	Nutrition Assessment and Gap Analysis (NAGA) 2011
7	Joint SUN Global Movement, May 2011
8	High-level Government Committee for MSNP, September 2012
9	Multi-Sectoral Nutrition Plan I 2013-2017
10	Multi-Sectoral Nutrition Plan II 2018-2022
11	The Fifteenth Plan (2019/20 – 2023/24)
11	National Nutrition Strategy 2020

1.5 Legislative Frameworks in the Food System in Nepal

Legislation regarding food safety and quality in Nepal began as early as 1967 with the adoption of the “Food Act”. The necessity to have a broad SPS mechanism became more urgent after the proliferation of international trade through increased trade liberalization in the 1990s and became more pronounced after Nepal’s accession to the World Trade Organization(WTO) in 2003. Furthermore, the membership of the WTO also made it obligatory for Nepal to have updated legislations that could address the broad SPS concerns and have SPS measures that adhere to international standards. As a result, some legislations were amended, and some laws were introduced to reduce or remove the gaps with international standard.

The main legislative framework for ensuring food safety in Nepal is the Food Act 1966. This Act was promulgated half a century ago to maintain proper standards of food by preventing any undesirable adulteration in food items, or subtraction or extraction of any natural quality or utility from food. The roles of the private sector are specified in legislative frameworks. Private sector major roles comprise of quality assurance of their products in the market providing informative labeling, consumer education and train the managers and food handlers of their own organization.

In Nepal, Food Safety and Quality Control System began from 1961 with the establishment of the Department of Food. The department was converted to Food Research Laboratory in 1965, which in turn had made efforts in bringing Food Act 1963 and Food Regulation 1967. The primary responsibility of the enforcement of above Act and Regulation was given to the Department which later changed its status and name several times until it is known as the Department of Food

Technology and Quality Control (DFTQC) from 2000. So far, the Food Act 1963 has been technically amended four times with the last amendment in 1997; and the Food Regulation has been amended five times. The Act/Rules and the implementing agencies/enforcement authorities are as reflected in Table 2.

Table 2: The Legislations and Implementing Institutions Concerning Food Safety in Nepal

Acts/Rules	Implementing Institutes
Food Act 1966, Food Rules 1970	Dept. of Food Technology & Quality Control(DFTQC)
Consumer Protection Act 1998; Consumer Protection Rules 2000	Dept. of Commerce and Supply Management(DoCSM)
Nepal Standards (Certification mark) Act 1980; Nepal Standards (Certification mark) Rules 1983.	Nepal Bureau of Standards and Metrology(NBSM).
Feed Act 1977 and Feed Regulation 1984	Dept. of Food Technology & Quality Control(DFTQC)
Standard weights and Measure Rules 1978	Nepal Bureau of Standards and Metrology(NBSM)
Animal Health and Livestock Service Act 1998 & Animal Health and Livestock Service Rules 2000	Dept. of Livestock Services (DoLS)
Animal Slaughter House and Meat Inspection Act (1999) and Animal Slaughter House and Meat Inspection Rules 2001	Dept. of Livestock Services (DoLS)
Pesticide Act 1991 and Pesticide Rules 1994	Dept. of Agriculture (DoA), Plant Protection Directorate
Plant Protection Act 2007 and Plant Protection Rules 2010	Dept. of Agriculture (DoA), designated National Plant Protection Organization /National Plant Quarantine Program Office

1.6 Multisectoral Collaboration: Encouraging Public and Private Sector Engagement for Improved Nutrition in Nepal

What is meant by private sector?

“The OECD defines the private sector in development cooperation as organizations that engage in profit-seeking activities and have a majority private ownership. This definition includes financial intermediaries, multinational companies, micro, small and medium enterprises (MSMEs), cooperatives, individual entrepreneurs and farmers who operate in the formal and informal sectors.”¹¹ The private sector is often referred to as the “silver bullet” to finance Agenda 2030. However, the private sector is a very heterogeneous category of actors that ranges from multinational companies to individual farmers.

Private sector Engagement

“Private sector engagement is commonly defined as systematic efforts of development organizations to partner with businesses to achieve development results, given the private sector’s huge potential to act as a driver of sustainable and inclusive economic growth, job creation and poverty reduction.”

Complex and multi-dimensional issues such as the double burden of malnutrition require cross-sectoral and holistic approaches. Multisectoral collaboration requires the engagement of multiple stakeholders from across government and outside government. A range of government ministries representing different sectors needs to work coherently supported by external organizations that are strengthening government-led endeavors to improve nutrition. Several initiatives involving the private sector have made valuable contributions to

improving nutrition outcomes through product reformulation, improved labeling standards, restrictions on marketing, and distribution to vulnerable groups. However, in low and middle-income countries (LMIC) like Nepal, these efforts have concentrated on food safety or fortification of staple foods (flour, rice, oil) and condiments with micronutrients only.¹¹

On the other hand, the private sectors have been found to show less interest in nutrition until and unless it made a business sense and profitable venture for the initiators. The government has recognized the private sector's vital contribution to nutrition and, thus, has included them in MSNP-II. In this regard, a Scaling up Nutrition (SUN) Business Network (SBN) is also being formed to encourage the private sector to take an interest and invest in nutrition. World Food Programme (WFP) has been supporting the Government of Nepal for the involvement of the private sector in nutrition. It also has been providing technical support to Food Management and Trading Company (FMTC) to establish subsidized shops in marginalized regions of the country and to initiate rice fortification programme in Nepal since 2016. With this support, FMTC has already developed implementation guidelines on the establishment of Fair Price Shops. However, rice fortification programme is yet to be implemented in Nepal.

¹¹ Smith BG, Zutphen KG (2019) Harnessing Public and Private Sector Engagement for Improved Nutrition. The NEW Sight and Life Magazine. <https://sightandlife.org/blog/harnessing-public-private-sector-engagement/>

Nevertheless, gaps in the policies, regulations and rightful implementation still exist. For instance, as mentioned in Zero Hunger Strategic Review, the Agriculture Development Strategy (ADS) and MSNP both admit that it is difficult to collaborate between the government and development partners to implement programs. Sometimes, there is redundancy. Therefore, the resources available should be allocated well, and the priorities should be well defined.

1.7 Cooperate Social Responsibility provisions in Nutrition and Food Security

UNIDO has defined Corporate Social Responsibility as a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental, and social imperatives (“Triple-Bottom-Line-Approach”), while at the same time addressing the expectations of shareholders and stakeholders.¹² Though profit is accepted as a prime goal of the business organization, corporate social responsibility (CSR) is an essential concept to maintain harmony and facilitate sustainable development.

The overall CSR penetration in Nepal is relatively low, with many corporations not familiar with its broad concept.¹³ There is a widespread misconception in Nepal that CSR is limited to charity. Therefore, most of the CSR activities in Nepal are socially driven projects that help to empower marginalized communities. While, in reality, CSR reflects concepts broader than that and can also include activities that don’t need large investments and grants.³ Nevertheless, the businesses in Nepal have started to realize its importance and have integrated CSR and philanthropic activities into their day-to-day operations. This consciousness of social responsibility has led them to share their profit with society and engage in multiple social well-being areas. Furthermore, as a part of its CSR, different business organizations and companies are working to promote better nutrition and food security in Nepal.

For example, Chaudhary group has a separate CSR arm known as the Chaudhary Foundation (CF) to conduct activities in six priority areas of Livelihood and Skill Development, Post Disaster Response and Management, Enterprise Development, Education, Heritage, and Spiritual Development and Health and Sanitation. CG Foods, for instance, has been engaged in research and development alongside training of nutritious food production in Jumla district. Through the social business initiatives, CF has incubated and invested in the nutritious food production factor in Jumla, with main objective to address malnutrition among children and lactating mothers of Jumla. Joining hands with National Micro-Entrepreneurs Federation Nepal (NMEFEN), CF provides skills and capacity development training to women micro-entrepreneurs. The promotion and production of organic food is one of its primary concerns.

¹² United Nations Industrial Development Organization, 2021

¹³ Bista A., Bhujel A., Mijar A., Karki S., Legal Provision of CSR In Nepal. Course Hero, Inc.

Similarly, Bhatbhateni supermarket has been supporting the local farmers and entrepreneurs by purchasing their products to sell in its stores. Likewise, an organization named "Nimbus Holdings" works with farmers to increase their productivity, to support their families and invest in their farms to build a stronger economic foundation. The CSR activities of Nimbus include free training sessions for farmers to better manage their livestock, use sustainable farm practices and uplift crop output through modern farming techniques. Nimbus has also employed females under the protection of Maiti Nepal at Nimbus Krishi Kendra; the company owned a one-stop agri-input center.¹⁴ Besides this, various other business organizations have integrated nutrition and food security in their CSR policies.

1.8 Provision of subsidized loans

Nepal Government has introduced various schemes to provide non collateralized subsidized loans, through financial institutions, to small farmers, youth, women entrepreneurs and small and medium enterprises for carrying out income generating activities. For loans provided by Micro finance institutions (MFIs), up to Rs 15 lacs, in agriculture, business and enterprise, are allowed to charge only up to 2 percentage points above their base rate and no further service charges or prepayment fees can be charged on such loans.¹⁵ Similarly, for small and medium enterprises, occupational agriculture and income generating activities in earthquake prone areas,

Nepal Rastra Bank adopted policy of promoting MFIs in districts underserved by other types of financial institutions, which facilitated their growth and expansion. Non-government organizations engaged in micro finance activities were also upgraded to MFIs to ensure enhanced regulation and supervision. Currently, consolidation of MFIs through merger and acquisition is encouraged to strengthen their capital base, improve resilience and enhance capacity to provide financial services in improved and innovative manner. To lower borrowing cost to consumers, Maximum Interest rate cap of 15 percent is implemented on the loans provided by MFIs. Refinance to MFIs is proposed by recently revised refinance procedures, which is expected to further reduce borrowing costs.

1.9 Rationale of the study

The roles and responsibilities of the national, provincial, or local government to generate a favorable environment for the private sector to invest in, are still confusing. It is necessary to clearly show the regulatory framework and support required from different levels of the government to ensure the effective establishment and operation of such subsidized shops.

¹⁴ Prasain K., Gautam N., Shrestha G., CSR Initiatives of Some Companies in Nepal. New Business Age (P) Ltd <https://www.newbusinessage.com/MagazineArticles/view/1665>

¹⁵ Financial Inclusion in Nepal. A Country Paper Presented to A SAARC FINANCE .Nepal Rastra Bank December, 2020

Therefore, it is essential to study the gaps in the regulatory system and other challenges and recognize any governing constraints hindering the private sector from investing in nutrition to increase a suitable environment for private sector involvement in national nutrition programs.

1.10 Objectives of the study

The study's overall objective was to analyze the regulatory system and operations, thereby identifying loopholes and inadequacies in the enabling environment that hinder private sector engagement in national nutrition and food security programs to also make recommendations on how to improve private sector engagement..

Specific objectives

A. Engagement of concerned federal, provincial, and local government authorities, private sector organizations, NGOs, civil societies, farmer, and consumer associations;

1. To study the rules, regulations, and policies related to the existing food system of Nepal.
2. To discuss the existing legislations on the food system of Nepal
3. To identify the limitations in existing legislation for private sector engagement in Nepal's food and nutrition sector.
4. To study the existing distribution mechanisms of subsidized food commodities targeted to vulnerable and food insecure groups and to discuss strengths and weaknesses of the distribution mechanisms with the public and private partners.
5. To identify the challenges and opportunities of operating subsidized shops by the private sector.
6. To discuss and identify the challenges in law enforcement for private sector engagement in subsidized food commodities distribution operations.

B. Involvement of private sectors such as industrialists, traders, SMEs, and cooperatives;

1. To discuss and review the existing rules, regulations, and policies on nutrition
2. To identify problems in the private sector investing nutrition of the poor and marginalized population.
3. To explore the expected policy changes and support from different government bodies and the private sector for nutritional security.
4. To outline the role of public and private organizations in strengthening and expanding the food distribution system to remote parts of Nepal through subsidized shops.
5. To make recommendations and suggestions for enhancing the private sector to engage in nutrition.

1.11 Conceptual Framework

This framework aimed to understand how private sector investments may impact the consumption of a more nutritious diet. The private sector and activities along this pathway from research and development through distribution and sales define a food product's characteristics. The nutritional quality, availability, and affordability (together defined as accessibility), and desirability to the consumer, including aspects of cultural acceptability and the consumer's aspirations, are some of its examples (Figure 1). Jointly, these characteristics ultimately influence the consumer's choice and consumption, as well as nutrition impact.

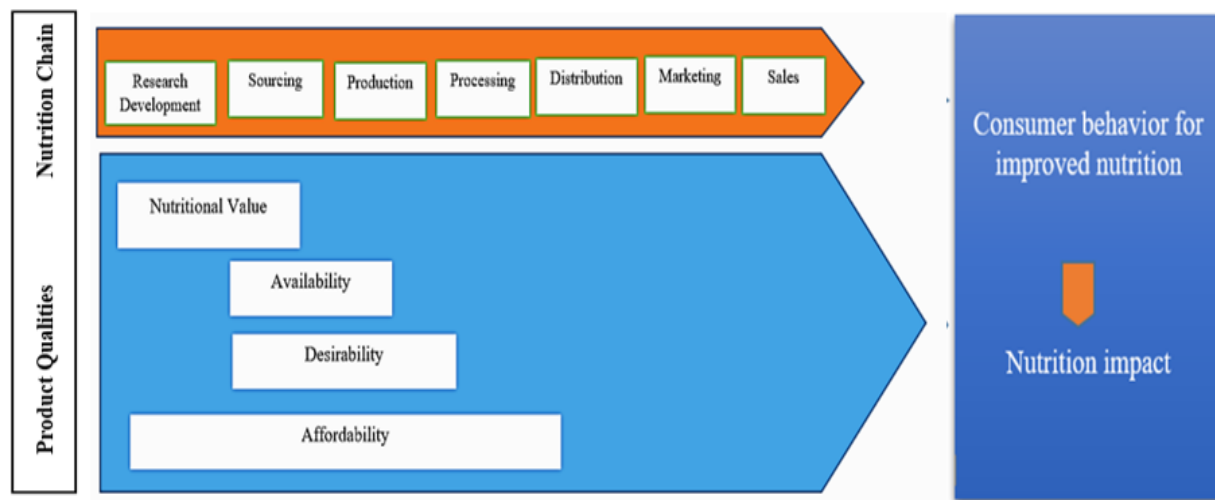


Figure 1: Conceptual framework

2. METHODOLOGY

2.1 Survey Design

WFP, through the SBN program, requested the assessment of the regulatory system and operations to identify loopholes and inadequacy in the enabling environment to the private sector engagement in the national nutrition and food security. In this regard, the qualitative data collection approach was designed. As requested by the WFP, national level stakeholders have been included in the study. The design considers the representation from different geographical regions, all three tiers of government, private sectors (small, medium, and large enterprises), cooperatives, civil societies, the policy and acts implementers, associations, I/NGOs, and nutrition initiators. In this qualitative research, we included the following stakeholders. The detail of the stakeholders and their names are given in Annex I.

Federal Level		Organization	Position	No. of KII
	Federal Government	NPC	Joint Secretary, SUN Government focal point	1
		MoALD	Secretary, Food Security, and Food Technology Division	1
		FMTC	Secretary	1
		MoICS	Industry and Supply Division	1
		DFTQC	DDG of Food technology development and Nutrition Division	1
	Private sector (Association)	Golcha organization (Kathmandu)	Section- Food industry	1
		Chaudhary Group Foundation	General Manager	1
		FNCCI/AEC	Chairperson, Agriculture Enterprise Center	1

		CNI	Vice Chairperson	1
		Flour Miller's Association	Chairperson	1
	NGO/ Project	Federation of Small and Medium Enterprises Nepal	Chairperson	1
		Forum for Protection of Consumer Right Nepal (FPCRN)	Chairperson, Forum for Protection of Consumer Right Nepal (FPCRN)	1
		National Farmers Group Federation (NFGF)	President	1
		Baliyo Nepal Nutrition Initiative	CEO	1
		UNICEF	Nutrition Section, Chief	1
	Civil Society	Nepal Food Scientists and Technologists Association (NEFOSTA)	Member	1
			Total	16

Province level	Province	Organization	Name and Position	No. of KII
	Province 1	Ministry agriculture	Food Security Department officer	1
	Province 2	Ministry of Social Development_Health and population Department	Health Directorate	1

Provincial Government	Lumbini Province Butwal	Ministry of Land management, agriculture and cooperative ministry	Food Security Department officer	1
		Ministry of Social Development_Health and population Department	Senior health education officer	1
		Ministry of Industry, Tourism, Forest and Environment (implemented provincial industrial and market management act)	Department Officer	1
	Karnali Province Surkhet	Ministry of Land management, agriculture and cooperative ministry	Food security depart officer	1
		Ministry of Social Development_Health and population Department	Health and Education Officer	1
		Ministry of Industry, Tourism, Forest and Environment (implemented provincial industrial and market management act)	Secretary	1
	Sudurpaschim Province Dhangadi	Ministry of Land management, agriculture and cooperative ministry	Food security depart officer	1
		Ministry of Social Development_Health and population Department	Public Health Management Officer	1

		Ministry of Industry, Tourism, Forest and Environment (implemented provincial industrial and market management act)	secretary	1
Food Technology & Quality Control office	Lumbini Province Butwal	Food Technology & Quality control office, Nepalgunj	Head of Food technologist	1
	Sudurpaschim Province Dhangadi	Food Technology & Quality control office, Dhangadi	Head of the organization	1
Food Management & Trading Company LTD.	Lumbini Province Butwal	Food Management & Trading Company LTD	Head of the organization (Nepalgunj)	1
	Karnali Province Surkhet	Food Management & Trading Company LTD.	Head of the organization	1
	Sudurpaschim Province Dhangadi	Food Management & Trading Company LTD.	Head of the organization	1
			Total	16
District/ Local level		Organization	Name and Position	No. of KII
Local Government (Implemented Local market Management Act)	Lumbini Province Butwal	Kohalpur Municipality, Banke	Deputy Mayor	1
	Karnali Province Surkhet	Birendranagar Municipality, Surkhet	Deputy Mayor	1
	Sudurpaschim Province Dhangadi	Lamkichuha Municipality, Kailali	Deputy Mayor	1
Cooperatives	Karnali Province Surkhet	Chaurjahari Sana Kisan Krishi Sahakari Sanstha Ltd. Rukum	Chairperson	1
	Karnali Province	Vision Sahakari Ltd, Humla	Chairperson	1

	Karnali Province Surkhet	Kasturi Sahakari Ltd., Khalanga Jajarkot	Chairperson	1
	Sudurpaschim Province Dhangadi	Martadi Sana Kisan Krishi Sahakari Sanstha Ltd. Bajura	Chairperson	1
Food Management & Trading Company LTD. (BO, TO, Sales Counters)	Sudurpaschim Province, Dhangadi	Food Management & Trading Company LTD, Bajhang	Head of the office	1
		Food Management & Trading Company LTD, Mahendranagar	Head of the organization	1
		Food Management & Trading Company LTD. Bajura	Head of the office	1
Private sectors / SMEs	Bagmati Province	Water Mill, Bhardeu Lalitpur	Owner	1
	Lumbini Province Butwal	Kharel Masala Udhyog, Butwal, Shankarnagar	Owner	1
		Sahu Rice Mill, Nepalgaunj, Banke	Owner	1
	Karnali Province, Surkhet	Jumli Water Mills, Jajarkot	Owner	1
		Water Mills, Jajarkot	Owner	1
		Bandali Food Industry, Surkhet	Owner	1
	Sudurpaschim Province, Dhangadi	Godawari flour mill, Kailai	Owner	1
		Yum-yum noodle factory, Kanchanpur	Owner	1
		Biscuit factory, Kailali	Owner	1

District Nutrition and Food Security Coordination Committee (DNFSCC)	Lumbini Province Butwal	Chief of District Coordination Committee, Banke	DCC Chairperson	1
Municipal Nutrition and Food Security Coordination Committee (MNFSCC)	Lumbini Province Butwal	Nepalgunj Sub Metropolitan, Banke	Mayor	1
	Sudurpaschim Province, Dhangadi	Dhangadi Sub Metropolitan, Kailali	Mayor	1
Local NGOS	Karnali Province, Surkhet	SAC Nepal, Surkhet	Executive Director	1
			Total	23
Grand Total				55

Considering the COVID-19 context and time limitations, not all the interviews were held in person. The federal/central level surveys were done in person at Kathmandu in coordination with WFP. However, based on the survey volume in the western part of Nepal, Lumbini, Karnali, and Sudurpaschim provinces, selected districts, and respective palikas were visited physically by the field teams. Considering the optimum resource utilization, the interviews within the provinces were conducted virtually in few cases, which is presented in the work plan.

2.2 Study Respondents

The respondents for this assessment were relevant government entities, civil societies, and the private sector, including SMEs and cooperatives that have the potential to work on nutrition and food security areas, including corporate social responsibilities.

2.3 Data Collection

The study entailed a qualitative approach for conducting the study. In the initial phase, relevant literature such as national, provincial, and district rules, regulations, policies, regulatory system-related reports, and private sector initiatives and plans related to nutrition and food security in Nepal were reviewed. Data collection tools were developed and finalized in consultation with the WFP team. Accordingly, a detailed implementation plan for field activities was prepared, including possible responses to potential disruptions due to travel restrictions. Considering the

scope of this study, KIIs were conducted.

Key Informants Interview (KII)

Interviews were conducted among selected respondents assumed to be good sources of information on prevailing government rules, regulations, and practices in nutrition and food security; especially, business people, program experts, and subject matter experts to have first-hand information on the subject under study.

Workshop

A workshop was organized at the national level with selected experts and stakeholders to validate the desk review and KII findings.

2.4 Data Analysis

The analysis of the qualitative interviews involved group analysis of the interviews conducted throughout the study districts. However, each interview was analyzed for any specific cultural and traditional aspects unique to participants and districts/places/religious groups as relevant. All the interviews that had been audio-recorded were transcribed and translated (as required). The researchers went through each transcript, and field note for analysis. Content (or thematic) analysis method was used as appropriate for analyzing the qualitative information.

2.5 Training of Interviewers

Before data collection, researchers were well oriented with the survey tools and approaches. For this, one-day intensive training was provided to supervisors and researchers by project team members. This training was expected to guide them to understand the questionnaire and use it to get the required data from the respondents. Available background information on the target districts was also made available to the supervisors and researchers. During the training session, researchers were provided with the knowledge of all ethical protocols and codes of conduct relating to conducting any research, especially regarding COVID-19.

2.6 Limitations of the Study

This report's identification and selection process inherently led to an over-representation of the private sector that works in partnership with or is known to the public sector. This may have biased the findings towards companies already operating in public-private partnerships (PPPs). As planned, one of the key informant interviews with the Department of Health Services at the federal level could not be completed due to lack of time availability. Also, the private sectors were reluctant to give detailed information regarding their business models' viability, challenges, and results or lack thereof. In addition to the nutrition-related focus, questions aimed to understand the impact on the business itself, e.g., the commercial viability of marketing a nutritious food and the potential for bringing such to scale, as these factors will ultimately influence whether companies will invest.

3. KEY FINDINGS & THEMATIC DISCUSSION

This section includes an analysis of the qualitative data collected from KIIs of government officials, private sector, I/NGOs, and SMEs/cooperatives about their understanding of the role of the private sector in contributing to improved nutrition and ensuring enabling environment for better employment and inclusions of private sectors on national nutrition and food security programs. This project aims to strengthen the regulatory system and other policy environments for private sector engagement in nutrition in Nepal and identify and prioritize bottlenecks for smooth private sector engagement. The evidence generated and recommendations from this project will act as a foundation upon which various advocacy initiatives will be taken forward, and new plans will be developed for SBN in the future.

3.1 Distribution of Stakeholders

As per the design of the study, 55 Key Informant Interviews (KIIs) were conducted. The respondents represented various level of government bodies (n = 30), private sectors (n= 13; SMEs=4, large enterprises=6, associations=3), cooperatives (n=6), I/NGOs and projects (n=4), those who are working on nutrition. In addition, there was a representation of the concerned civil society (n = 1) and Forum for Protection of Consumer Rights Nepal (n=1). A breakdown of respondents is shown in Figure. 2.

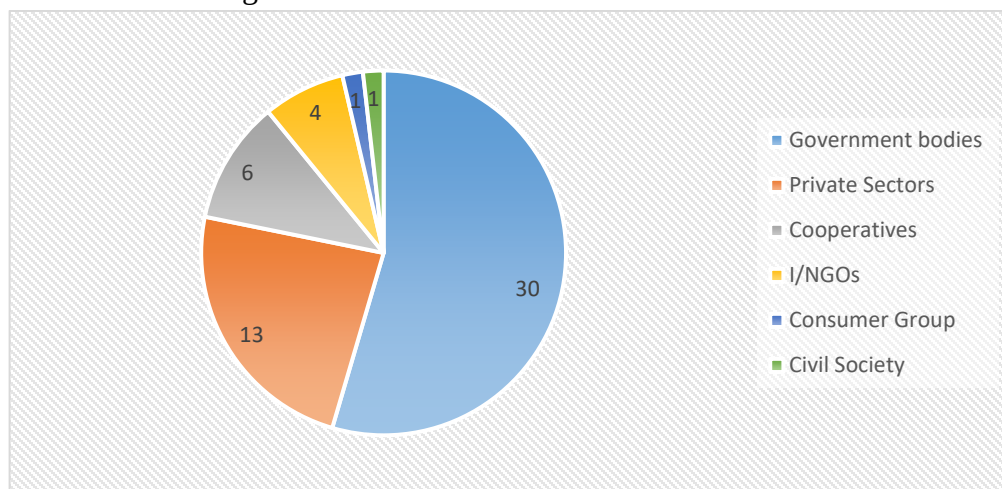


Figure 2: Distribution of stakeholders (n=55)

3.2 Themes arising

The study looked at five pillars through which the private sector may have directly or indirectly impacted nutrition outcomes: (1) access to naturally nutritious foods, (2) scale-up of fortified foods, (3) Protecting consumers from consumption of unhealthy and over-processed food (Nutrition awareness), (4) Improving the value chain for safe nutritional foods, from production to market access (Food safety) and (5) Enhance enabling environment for Private Sector engagement in national nutrition program. Analysis of interview discussions revealed the

following main themes: stakeholders' knowledge and experience of multisector approach; existing food system-related rules, regulations, and policies; persisting gaps and difficulties in implementation of the rules/regulations; role of the private sector in nutrition-sensitive and nutrition-specific intervention in targeting vulnerable and food insecure groups; strengths and weakness of private sector engagement in nutrition; opportunities and challenges for the private sector including SMEs and cooperatives engagement in the operations of subsidized shops; sustainable structure; and room for improvement.

3.2.1 Knowledge and information about the Multisector approach

The majority of government stakeholders were well informed about the benefits of multisector approaches and were aware of national initiatives, including the Multisector Nutrition Plan (MSNP), and 'Sunaula Hazar Din' or Golden Thousand Days (GTD): Community Action for Nutrition. Many stakeholders commonly perceived multisector approaches as an innovative way to address complex public health issues in Nepal. However, most of the private sector respondents were found to have minimal knowledge of MSNP.

“Multisector nutrition plan is a milestone to start coordinated approaches in nutrition improvement in Nepal” (Health directorate, MoSD Province 2).

The importance of existing knowledge and information of multisector interventions aimed at improving overall health was observed among the majority of the stakeholders, especially government and private sector representatives. From the interview, it was observed that the current shift towards multisector initiatives and some capacity-building programs have already been initiated. It was mentioned that nutritional programs for children in the past were targeted primarily for the under-five age group; however, current policies are more integrated and focus on early life. For example, GTD initiatives target the first 1000 days, starting from conception up to a child's second birthday. The level of knowledge and understanding of multisector approaches was relatively low among the private sectors operating locally (i.e. cooperatives at the local level) who requested more information on community awareness programs.

3.2.2 Existing food system-related rules, regulations, and policies

Several interviewees spoke explicitly about the government nutrition-specific programs. The GoN has been implementing the 2018–22 MSNP-II, which is expected to accelerate gains in nutritional outcomes to meet the SDGs for food and hunger and break the cycle of intergenerational poverty and undernutrition in the long term. The government's commitment to reduce malnutrition is visible in other policy documents, including Agriculture Development Strategy (2015-2025), National Health Policy 2014, Food and Nutrition Security Plan of Action (2013-2023), Nepal Zero Hunger Challenge: National Action Plan (2016-2025) and Nepal

Health Sector Strategy (2015-2020). Many participants, mostly from the government, were seen to have knowledge of this policy and mentioned that it is in the initial implementation phase. Some stakeholders even highlighted the constraints and challenges of implementing the policy; they commented:

"It is time-consuming and has broad objectives, there is a lack of coordination among key government sectors and development agencies, limited budget allocation by each sector and donors and many other limitations."

MSNP II has recognised the importance of private sector in improving the nutrition. The increasing consumption of processed foods has certainly stressed the roles and importance of private sector in the food-based nutrition intervention movement in maintaining the demand and supply of healthy but affordable food is very crucial. Private sector has massive roles in improving the nutrition situation by delivering healthier and affordable options.

The National Health Policy 2014 has emphasized promoting quality and healthy food to minimize malnutrition. It has emphasized the roles and responsibilities of the private sector food business operators (industry/trade) to produce health food. It is committed to develop and enact legal framework for junk food control and food adulteration check, epidemiological assessments. It also has set out plans to impart nutritional education, and has emphasized on checking chemical contaminants and toxicants. This is the first time MoHP has considered the food safety concerns and has committed to address the issues beyond medical and clinical nutrition. However, no action has been prioritized, and no program seems to have been set forth so far. The policy seems silent about the food safety related epidemiological database generations.

The GoN's commitment to food and nutrition is also demonstrated by maintaining and reaffirming food security or the right to food as a fundamental right in the Constitution of Nepal in 2006 and 2015. Food sovereignty also has provisions in the Constitution. The Constitution's provisions and various laws and regulations were also supported by Nepal's status as a signatory to various international conventions and agreements.

Under Food Act and Regulations, DFTQC is the apex organization responsible to ensure and enhance the quality and safety of food and feed products in the country. DFTQC is the main regulatory authority and has about 230 staff in total. Among them, only about 150 are involved in technical activities. For inspection system operation, altogether there are 60 staff (30 officers, and 30 food inspectors) stationed across the central, regional and food inspection units of DFTQC. This number of food inspectors is quite difficult to carry out inspections in the food supply chains throughout Nepal. Similarly, in DFTQC there are only 27 officers involved in food laboratories supported by nearly equal number of laboratory technicians.¹⁶

¹⁶ DFTQC 2016. Food Control System and Food Safety Situation in Nepal

Nepal's fourth-year periodic plan 2016/17 – 2018/19 focuses on 10 districts of Karnali, which have been facing a long-term food crisis. The other key expected programs of the government include a national framework for social protection, which also aims to universalize child protection grants (cash transfers) to improve child nutrition and expand maternal services. In the health and agriculture sectors, nutrition and food security have been emphasized in strategies and plans.

The High-Level Nutrition and Food Security Steering Committee and the National Nutrition and Food Security Coordination Committee under the NPC, which were established in 2012, are intended to ensure central coordination of nutrition and food security activities. For effective coordination of activities at the grassroots level, the Nutrition and Food Security Steering Committee exist at the district and local levels.

"In the Health Policy, 2018/19 - there is mention about the production and distribution of quality food. Policies are very good but not implemented. If implemented properly, people will get nutritious food, and health will be improved." (MoSD, Surkhet)

3.2.3 Persisting gaps and difficulties in implementation of the rules/regulations

It is important to highlight the role of the private sector in improving malnutrition. It can use social marketing skills to promote fortified foods, produce different therapeutic foods locally, and support areas such as water, sanitation, and hygiene. The country should execute the provisions it has to restrict the promotion of harmful practices like the use of infant formulas as a substitute for breastfeeding and children-friendly advertisement of processed junk food, which is regarded as empty calories.

"I do not see any gap in policies. I think the main gap hindering effective engagement is the willingness of private sector. They are highly profit-motivated and they don't want to get involved in social responsibilities. They are least involved in awareness generating programs" (Joint Secretary, NPC)

The private sector's involvement in food safety, security and nutrition is limited. Although the Breast Milk Substitute Act exists to regulate the private sector market, the consensus is that the act is not implemented effectively due to lack of human and financial capacity to monitor and enforce, which can be

further undermined by incentives and marketing from infant formula companies. The Chaudhary Group, a private company, developed a product called Instant Meal, which is the first fortified cereal-based blended food. Its production facilities are recognized and approved to produce and distribute fortified blended food in the South Asian region by UN agencies such as WFP and UNICEF.

In Nepal, various policies are developed subsequently and are aligned with the global targets, but many of them have proposed creating coordination committees and horizontal coordination

structures at the federal, regional, district and local levels. These arrangements and institutional mechanisms have to be revisited. Instead of having multiple coordination committees, food security and nutrition coordination committees have to be institutionalized and regularized if that has not already been established.

The majority of stakeholders expressed their view that the Food Act has not been able to totally cover all the areas that need to be considered while coping up with the domestic/international risks and challenges in relation to food safety, production, sales/distributions and consumption of quality food products. Also, this act does not set out a comprehensive food safety regime. The minimum standards for the food products, maximum limits for new additives, contaminants, food packaging materials are not set yet.

Similarly, Food inspection and enforcement activities in Nepal are not risk-based, and do not cover the entire food chain from farm-to-table. Inspection services documents address food quality rather than food safety issues, and sampling and testing is carried out from food quality point of view only. According to the qualification set by Food Act, it is highly challenging for the food inspectors with their current level of qualification to deliver quality service for food inspection as per the need of risk-based inspections.

Private sector involved in fortification process must have a laboratory for testing amount of micro nutrient that is to be added. However, in Nepal laboratories for food testing are under government. There is also very little coordination, or sharing of information and intelligence between the laboratories. Also, none of the private sector laboratories is accredited for food testing. The analytical facilities and arrangements for testing food in the private sector is still considered very weak.

The Nepal Government's Department of Food Technology and Quality Control (DFTQC) has innovated and developed various nutritious foods, but it lacks a private company to produce the products and introduce them to the market. Nonetheless, a few examples exist of private sector linkages with food processing. More research is required to develop locally produced varieties of therapeutic foods to reduce the costs of purchasing the same products internationally.

3.2.4 Role of the private sector in Nutrition specific and Nutrition sensitive interventions in targeting vulnerable and food insecure groups

The field of nutrition and food security demands an effective integration of various sectors within the framework of broader strategies to address the issue of malnutrition and tackle its root causes. Therefore, a more holistic approach is needed that should consider not only the nutritional dimension but also the social, economic, and environmental dimensions of food systems. In the same line, the private sector has long been engaged in initiatives aimed at preventing treating malnutrition, both directly and indirectly. Most importantly, private sectors play an essential role

in improving the value chain for safe nutritional foods, from production to market access. (Figure 3)

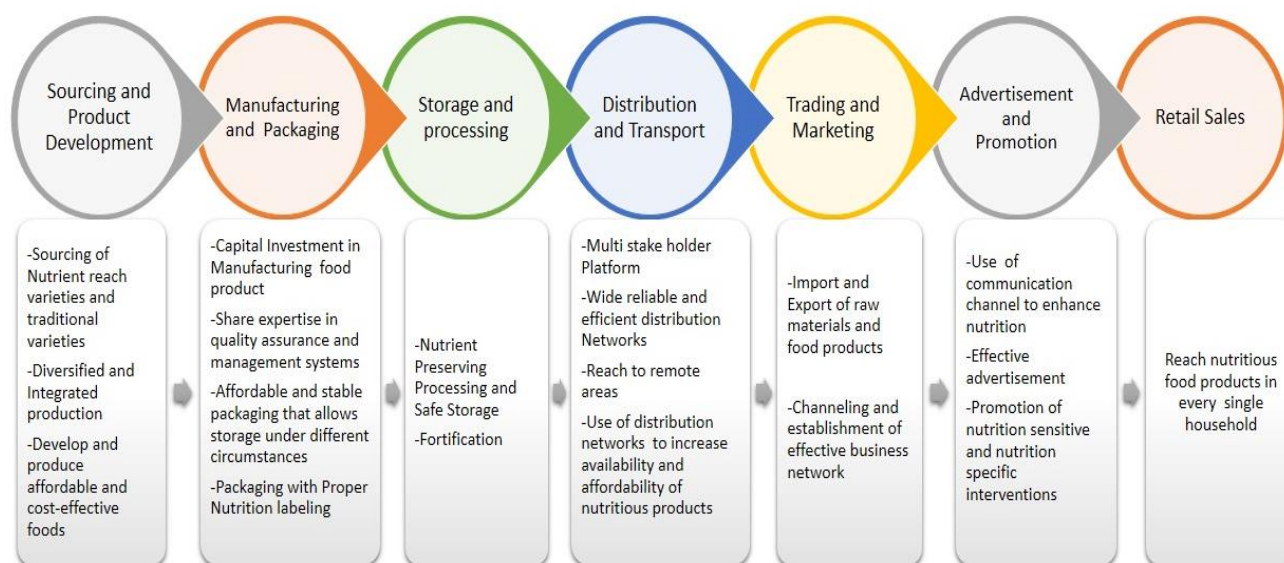


Figure 3:Role of Private Sector in Food Supply Chain

Secondly, the private sector shows both direct and indirect involvement in preventing malnutrition. There are multiple sets of interventions to tackle the symptoms of malnutrition and its root causes. These interventions can broadly be classified into two categories: nutrition-specific and nutrition-sensitive interventions .

Nutrition-specific interventions refer to interventions that address the immediate determinants of fetal and child nutrition and development. These include Vitamin A and zinc supplementation, exclusive breastfeeding, dietary diversity promotion, and food fortification¹⁷. Nutrition-sensitive interventions refer to assistance provided for health interventions that influence the underlying determinants of nutrition¹⁸ .

The following sections will discuss some of the private sector's roles in tackling malnutrition through its involvement in nutrition-specific and nutrition-sensitive interventions.

A. Nutrition- Specific intervention:

There are various initiatives to tackle the direct cause of malnutrition. Some of the nutrition-specific areas are as follows:

¹⁷ IFPRI (2016), Global Food Policy Report

¹⁸ Ruel et.al (2013), Nutrition-Sensitive Interventions and Programmes: How Can They Help to Accelerate Progress in Improving Maternal and Child Nutrition

- Health and nutrition during adolescence, preconception, pregnancy, and lactation
- Maternal dietary or micronutrient supplements
- Promotion of optimum breastfeeding
- Dietary supplementation and food diversification
- Food Fortification
- Nutrition in Emergency

In the context of Nepal, the private sector is playing a crucial role in the production and promotion of fortified food. Food fortification can be defined as the addition of one or more essential nutrients in food to prevent or correct a demonstrated deficiency of one or more nutrients in the population or specific population groups. In Nepal, flour millers must add nutrients in flour as per the Government's Standard Guidelines. Rice fortification is also in the process. Few large companies like Flour Miller Association, Golcha Group, Chaudhary Group Foundation, and other private companies have contributed by producing and promoting fortified food products.

"To eliminate malnutrition, we are working on wheat and flour fortification, flour enriched with micronutrients. We also check the quality of our produced rice wheat flour and other products. We add the needed nutrition, and proper labeling is done for consumers."
Food Industry Section, Golcha Group.

However, the private sector shows limited involvement in other nutrition-specific areas besides food fortification. Other interventions like promoting optimum breastfeeding, maternal dietary or micronutrient supplements, health and nutrition during adolescence, preconception, pregnancy, and lactation are done mainly by the public sector.

"Private sectors are involved in fortification of food. For example, fortified vegetable ghee, fortified flour, fortified rice plan is on pending. Fortified porridge, Fortified Wai Wai noodles are also initiated by Chaudhary Group."
General Manager, Chaudhary Group Foundation.

"Baliyo Nepal provides technical assistance for food fortification. Also, in 2020, Rastriya Banijya Bank funded us to supply nutrition supplements to some areas. Last year we provided nutrition supplements to 10000 students. For example, we provided 2 Lakhs packets of nutritious foods to children." CEO, Baliyo Nepal

B. Nutrition-Sensitive Interventions:

Nutrition-sensitive areas influence the underlying determinants of nutrition. Some of these areas are:

- Agriculture and food security
- Water, sanitation, and hygiene;
- Child protection and schooling;
- Early child development;
- Maternal mental health;
- Health and family planning services;
- Social safety nets; and
- Women's empowerment

"The issue of nutrition security has not been raised yet. There is no coordination between Government and SMEs and also no NGOs has coordinated with SMEs for nutrition." -Federation of Small and Medium Enterprises Nepal, Kathmandu

Implementing nutrition-sensitive interventions requires the coordination and collaboration between multiple sectors, namely; agriculture, education, WASH, local governance, health sectors, and the private sector involved in the related field. The study's finding

suggests that involvement of the private sector in nutrition-sensitive intervention is in the incipient phase. The locally operating private sectors and SMEs reported minimal knowledge regarding this subject and have not received enough government support. Respondents have also linked the issue of food security with the economy and emphasized that the government must ensure food security among the citizen. *"I believe in nutrition security rather than food security. Nutrition is directly related to the economy. Poorest and marginalized people still can't afford it. That work needs to be done by the government. However, we are also working on it indirectly."* a respondent from Baliyo Nepal suggested that the private sector can only support indirectly; it is the government's prime responsibility to ensure food security among citizens, especially among poor and marginalized groups.

On a positive note, some large-scale industries and I/NGOS like Baliyo Nepal, Chaudhary Group, Golcha Group, National Farmers Group Federation (NFGF), Forum for Protection of Consumer Right Nepal (FPCRN), Nepal Food Scientist and Technologist Association Nepal (NEFOSTA) have acknowledged the urgency of such interventions.

"NGOs, Cooperatives, and SMEs can help improve nutrition-sensitive interventions through different campaigns. We need to prioritize demand side as well. A recent example of our work is: Baliyo Nepal has conducted a campaign in Lumbini province before COVID-19. This campaign was quite effective. We even encouraged shops to sell nutritious food and now we are able to engage more than 1000 shops (Baliyo Shops) as nutrition ambassadors. We are trying to bring behavioral change. We also conducted the "Baliyo Nepal Cup- Cricket Tournament" and tried to convey nutrition messages through cricket. Adding to this, we are involved in advertisement of these sensitive issues through media like, radio, television, newspapers." CEO, Baliyo Nepal Nutrition Initiative.

"We are working on implementation of laws and policies on adulterated and expired food products monitoring. Our main work is to organize campaign and awareness among people about nutrition and feeding behavior. Federal government is working on it but cooperation of local and provincial government is also required." Chairman, FPCRN

"NGO/ Cooperatives and SME can also contribute to improvement of nutrition sensitive interventions such as food security and sustainable farming. Our organization facilitates such SMEs and cooperatives." Member, NEFOSTA

"Golcha has been distributing rice seed, and farmers produce rice from the provided seeds and sell it to us. It has become successful to some extent." Food Industry Section, Golcha Group

"We focus on healthy production. Sustainable farming is the main motive of our organization. We provide orientation for farmers about sustainable farming and management of organic fertilizer for farming. Government, private sectors and NGOs should speak up for healthy agriculture production and sustainable farming." President, NFGF

"INGOs can support government in implementing their policies. Existing example is tunnel farming through INGOs. INGOs are supporting in improvement of nutrition sensitive interventions. There are other such interventions like WASH. Working with respective ministries is important." Chief, Nutrition Section, UNICEF Nepal

The respondents from both public and private sectors agree that a functional involvement of the

private sector is vital to improving nutrition through nutrition 'specific' and long-term nutrition 'sensitive' interventions with the collaboration between agriculture, education, WASH, local governance, and health sectors.

3.2.5 Private Sector Engagement on Naturally Nutrient-Rich Foods

The findings revealed that the private sector supports access to naturally nutrient-rich foods such as vegetables, fruits, and animal-based products through production and affordability and increase in demand. Due to seasonal production, these foods tend to be more costly than staple grains and many processed foods; thus, low-income buyers do not consume them as much.

A owner of private firm of Dhangadi expressed “People should be aware about importance of naturally nutrient rich foods . Branding and promotion of organic and locally produced food should be initiated”

In Nepal, smallholder farmers are key food producers, yet members of their households are often malnourished. This is partly due to the difficulty of access to markets to sell their products; the income from this could help them better access health and sanitation services, including nutritious foods they do not produce. At the same time, the urban poor also has difficulty accessing naturally nutrient-dense foods. They have limited possibility of maintaining homestead gardens, procuring much of their food from markets with a limited diversity of fresh foods, and living in constrained food environments that lack cold chains and modern storage and packaging.

Addressing these challenges could be a win-win for consumers and businesses alike. In addition to solving the challenges for consumers, the private sector can provide the necessary processing, storage, trade, and distribution services for fresh foods, products, services, or infrastructure to improve producer and consumer access to markets, services, and inputs.

"In my opinion, some private sectors are already promoting naturally nutrient rich food. The effective way for any sector is to make it affordable and accessible. But unfortunately, everybody cannot afford organic food. Mobilization of SMEs and cooperatives to collect the local products is necessary and to give farmers a platform to sell their food." CEO, Baliyo Nepal Initiative

3.2.6 Strengths and Weakness of private sector engagement in nutrition

a. Strengths

The private sector plays an important role in improving the nutritional status of the country. Government cannot do the work alone; it needs support from the private sector. Government should see them as complementary, not as a competition for promoting nutrition. The participation of private sectors is required from the policy-making level. Many private sectors are unaware of nutritional policies made in the country. The main reason behind this was found to be the communication gap between policymakers and implementers. For the private sector to be engaged in the production and promotion of locally produced foods, the government needs to create awareness among people about nutritious food according to the locality and what is being produced there. Also, the government needs to assure the private sector about the market as they are profit-oriented and produce only when there is demand. Many stakeholders expressed that the involvement of private sector is essential from food processing, storage to waste disposal in the overall process of the food system. Nutrition policy has emphasized the role of private sector. Advertisement and marketing strategy of the private sector is quite effective, and even government can learn from them.

“Private sectors are highly involved in food distribution, manufacturing, processing, distribution, marketing and value addition. Now they are also engaged in nutrition advocacy and providing relief to vulnerable areas. They are the backbone of Nation. They have the power to reach to people.”(MoALD, Province 1)

According to the stakeholders, the major strength of engaging the private sector in nutrition programs is that the private sector is where most people access most products and services to meet most of their needs. Including the private sector in the SUN efforts acknowledge how people live and offer major opportunities to improve nutrition sustainably and at scale. Responsible market-based approaches are needed to provide sustained access to adequate and affordable nutritious products and services at scale to entire populations. Cooperatives have their own members, and they can reach to community people easily, and awareness-raising is easy and fast through them.

b. Weakness

Similarly, weaknesses are a lack of technical support, human resources, and machines with small industries and cooperatives. There is also not enough monitoring of private sector interventions in the market. There is a lack of specialists in the monitoring team. Also, the frequency of monitoring is insufficient and impractical, which happens mostly during festivals only.

"The distribution of food to marginalized communities is a major weakness. Food should be accessible to everyone. Food preservation and food processing is another big challenge of private sector. Quality of food is unchecked and there is no regular monitoring system of private companies." (UNICEF)

"There is Lack of awareness about nutrition. Governments rules and regulation are not strong. Only documenting is not enough. There is lack of effective implementation." (Chairperson, Cooperative Humla)

3.2.7 Opportunities and challenges for the private sector, including SMEs and cooperatives engagement in the operations of subsidized shops

a. Opportunities

The findings revealed that government sectors have also organized programs for subsidized shops. Some local governments are operating subsidized shops. However it could not be sustainable as food support has not reached needy and marginalized community and the subsidies have failed to make their condition better. Therefore, there is need for expanding such programs in more efficient manner focusing on the target population . The local government

" We are operating subsidized shops and the government also have policies regarding subsidized shops. Local governments do have their rules for subsidized shops. We will keep operating subsidized shops. As I already told, for any place where we personally can't reach, we mobilize women and SME/cooperatives to run such subsidized shops. As far as I know SME and private cooperatives are currently engaged in subsidized." FMTC, Federal Level

should mobilize SMEs and cooperatives and other small groups for subsidized shops and distribution part. The current policies and programmes on subsidized shops must be aligned with the overall support framework, including better infrastructure, research, knowledge dissemination, capacity building and market support provision.

Challenges

The government has introduced several schemes, subsidies and grants to support smallholder producers and targeted groups in recent years. However, a large majority of these inputs are often captured by the resource-rich farmers who can actually afford to pay. Ensuring access of these financial schemes for smallholder producers, as well as the poorest of the poor and most

vulnerable to government services and facilities is a challenge in Nepal.

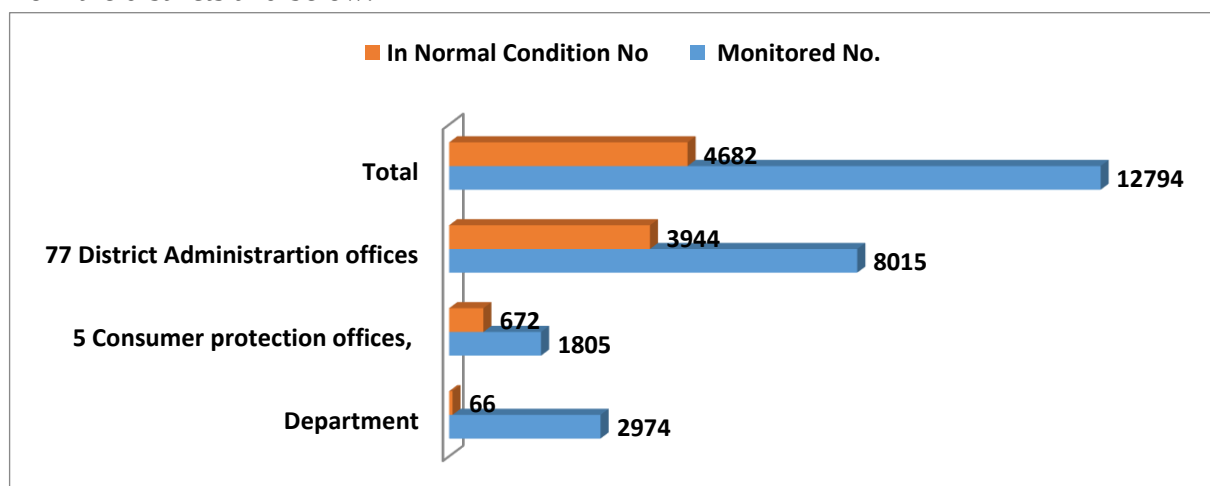
Similarly, the supply management is still traditional and has not been able to provide required food items regularly to the poorest and most food insecure. Instead, most of the people who live in the district headquarters have been benefitting from the subsidized food. Diversion of subsidized food from the targeted people and communities to the other non-targeted areas is prevalent due to political pressures. This diversion of limited resources makes for a challenge.

“To run subsidized shops, there should be a system of 'Rashan card' like one in India, where poor and very poor will get a separate card and will be benefited” (Mayor of Nepalgunj Sub-metropolitan city)

3.2.8 Sustainable structures:

To maintain momentum for nutrition or accelerate progress, structures, and processes for planning, funding, implementing, and monitoring nutrition activities must be in place. Stakeholders have an essential role in ensuring that nutrition is embedded in existing local and national policy and work-planning structures, budgeting processes, and monitoring and evaluation (M&E) systems to ensure sustained commitment to nutrition.

The importance of building nutrition into existing systems especially financing and monitoring and evaluation (M&E) structures was highly emphasized. Building nutrition indicators into monitoring and evaluation strategies and structures seemed a complicated issue in our country (Annex 2). Some of the difficulties included sensitivity on who has to report M&E data to whom across sectors and stakeholder groups and how to develop or strengthen reporting up from the districts and below.



Source: MoICS

Figure 4: Quality and standard monitored and supervised from Gov. agency (2020/21)

"Market monitoring is only done during festivals or when there is news of black marketing. There is no regular schedule or expert team to monitor. Only market is observed instead, product monitoring should be done to ensure each product is of good standard and good for consumption" (Owner, Bandali Food Industry, Karnali)

3.2.9 Room for improvement in policy

Stakeholders expressed some suggestions and recommendations on current plans and policies, and some 'room for improvement' themes emerged from their interviews. Government officials and other private sector organizations highlighted the non-existence of interdisciplinary, transdisciplinary, and collaborative research on multisector projects and programs. Stakeholders emphasized that the dissemination of research findings needs to be integrated and multidisciplinary.

There was a common opinion that current plans and practices are good in the planning phase, but implementation and monitoring was unsatisfactory. Also, the common understanding was

*One of the stakeholder said:
"Malnutrition and under nutrition programs should be integrated in school education curriculum so that children will be aware of it from their early years".*

that the system needs to improve itself, but actually, this study suggests that a genuine initiation to do things differently could bring a positive change.

"Planning and willingness is not enough we must initiate, initiation is not enough we must start, starting is not enough we must accomplish, accomplishment is always not enough we must ensure the quality, ensuring quality is always not enough we

must make a difference, making difference is always not enough we must change, change is always not enough we must transform and transformation is need to be in community people."

It was mentioned that a knowledge-sharing platform i.e. face to face meeting among SMEs/cooperatives is not available in Nepal. Many stakeholders felt that having such a forum to share the best practices and lessons learned would be beneficial for them to increase multidisciplinary and transdisciplinary knowledge. It was also suggested that this could provide additional benefits such as networking opportunities in various sectors to facilitate future coordination.

"Government should recognize cooperatives as an important part and should provide training. Government should also develop a program according to the type of cooperatives like dairy cooperative teaches skills for milk nutrient enhancement." (Mardi small agriculture cooperative, private limited, Bajura)

"Private sector should be promoted, Tax/Vat policies should be updated. Facilitation should be done (like infrastructure development, warehouse, storage). Registration policy should be easy for new industries." (Chairperson, FNCCI)

Case study (Flour Miller Head)- Prem Bahadur Sikari



This is a case of Prem Bahadur Sikari, 69 year old from Bhardeu village. He is a head of water flour mill in Bhardeu village in Lalitpur district. In 2007, the Micronutrient Initiative began working with village millers in Bhardeu village to help them add essential vitamins and minerals to the cereal flour they produce. This project ran for six years in Bhardeu village and was stopped due to accomplishment of Micronutrient Initiative project.

Micronutrient Initiative developed an innovative flour fortification device for the small traditional watermills in the Lalitpur district of Nepal. The device, which does not require electricity or significant additional workload, automatically adds correct doses of iron, folic acid, and vitamin A to grains being milled and is powered solely by gravity. The mixing of nutrients used to be done by him. A local NGO staff used to provide the millers with premix on monthly basis and monitored the fortification activity on regular basis. The addition of key nutrients helped to improve the health and productivity of the people of this area decreasing iron deficiency anemia.

According to him, the community people were made aware about the benefits of mixing of micronutrients to their cereal flour. Community people have taken fortification initiative in a positive way. However, the process could not be continued due to lack of coordination among the three tiers of government.

Fortification process at water flour mill could not be processed ahead due to lack of technical support, human resources, and machines. Also, they do not have good knowledge about fortification and scaling up food nutritive value. For, effective engagement of miller head in nutrition promotion, the government needs to prepare a code of conduct. There needs to be a proper explanation of their roles and what is expected from them. Also, the government needs to provide them subsidies, give a loan with low interest, and appreciate organizations working to promote nutrition in food.

4. CONCLUSION & RECOMMENDATIONS

The SBN for Nepal was launched to initiate the conversation with the private sector on why and how the business community can fight against malnutrition federally, provincially, and locally. Stakeholders recognized potential benefits for businesses in economic returns and the energy and innovation that companies can contribute to combatting malnutrition. However, the government still has to develop clear strategies to ensure that the private sector abides by food production, marketing rules and regulations, and to raise awareness of the need to manage and avoid gaps at all stages of private sector engagement in food and nutrition scale-up.

Recommendations

- **Evidence-based policies to engage the private sector:**

Beyond direct and indirect private sector approaches to malnutrition, it is also vital to have an "enabling environment for tackling malnutrition" and political commitment. Promoting nutrition through food fortification requires solid regulations and enforcement, underlining the importance of the multisector, multi-stakeholder approach and the need for considerable intervention, government capacity, and sufficient interest in pushing an agenda that does not necessarily promote all interests in a similar way. Some private sector operators are likely to oppose regulations that increase their costs while there is no discernible market.

An enabling policy framework should also mitigate the impact of trade policies and tax incentives on smallholder farmers (e.g. by way of safety standards and marketing regulations); support informed food choices through nutrition labelling, dietary guidelines, nutritional education and behaviour change communication; and maximally align the priorities of the private sector with those of the public sector to optimise the positive impacts of joint interventions on all forms of malnutrition.

- **The key role of public policies:**

Public authorities and national governments have a pivotal role to play and need to be in the driving seat to promote effective and sustainable long-term strategies to ensure healthy, nutritious, and diversified diets, adopting relevant legislation and fostering effective nutrition policies. Public authorities should implement policies to guarantee the right to food of their citizens and should ensure legal accountability for any violations.

- **Promote private sector quality laboratory services**

To ensure access to quality safe food, a national food control program should promote private laboratory with properly equipped and capable of undertaking food analysis in routine form. Such a laboratory should be equipped with appropriate equipment and instrumentation, operated by trained and competent analysts utilizing the standard methods, and operating under a laboratory quality management program.

- **Implement a national scheme to provide basic food stuffs at subsidized prices to Households with a below the poverty line (BPL)**

Government and private sector should work together and encourage them to involve in local production by providing them subsidies or technical support. For running subsidized shops, the government needs to develop modern storage structures of adequate capacity in all provinces and it should be run by the private sector as they have spread to different parts of the country. Government should also provide storage and warehouse for preserving locally produced food and marketing should be done to promote local products.

- **The crucial role of small medium enterprise**

It is important to consider small-scale farmers as entirely legitimate private sector actors in the field of agriculture and food systems, as they produce the majority of food but are still the most affected by malnutrition. Initiatives to seek engagement with the private sector should first and foremost be addressed to small farmers, as they should be considered the main drivers of change towards delivering sustainable and positive nutrition outcomes. For the private sector's effective engagement in nutrition promotion, the government needs to prepare a code of conduct. There needs to be a proper explanation of their roles and what is expected from them. Also, the government needs to provide them subsidies, give a loan with low interest, and appreciate organizations working to promote nutrition.

- **Build sustainable structures**

There is a need of coordination, cooperation among three tier of government. Central level should develop guidelines, based on that local level should conduct planning. It is sometimes easier and quicker to build systems for planning, financing and monitoring national multi-sector nutrition action plans outside these existing structures, it is vital to build long-term, systemic commitment for nutrition within them. Consider how to embed nutrition into planning strategy documents, financial reporting systems and M&E mechanisms should be implemented.

- **Create social awareness**

Consumer awareness and advocacy programs need to be actively launched to communicate properly about the consequence of hazards and related health risks to human beings, and such programs should be carried out in collaborative approach working together with private sectors and consumer associations. More thrust should be given for capacity enhancement, service strengthening, consumer awareness expansion campaigns, encouraging farmers to adopt good practices, and motivating food industries/food business operators for adopting food safety management systems.

- **Demand creation**

Private sector has massive roles in improving the nutrition situation by delivering healthier and affordable options. On the other hand, creating demand for nutritious and affordable foods through sustained behavior change campaigns for the demand side needs out-of-box approach. The challenge of supply/demand of nutritious foods needs to be addressed through a new identified role that requires partnerships among all stakeholders, including public, civil society and private sector by using avenues from food- to non-food sectors. This will shift the consumption behaviour and thus increase the demand for nutritious and affordable foods, which in turn, would shift the supply side to manufacture and deliver healthier options at affordable rates.

- **Partnerships and networks**

SMEs or cooperatives that wish to strengthen their business operations and increase their access to technical and financial support whilst contributing to improving nutrition in their country should join the SBN, or join forces with global partners, either Multi National Companies or NGOs.

- Governments should set nutritional guidelines for the procurement of foods for institutional demand (i.e. school feeding) to stimulate the local commercial market by sourcing locally—both inputs and final product. Governments can also work with NGOs to strengthen existing commercial retail channels to distribute these foods.

ANNEXES

Annex I: Sampling strategy and list of key informants

Federal Level		Organization	Name & Position	No. of KII
	Federal Government	NPC	Mr. Kiran Rupakheti, Joint Secretary, SUN Government focal point	1
		MoALD	Mr. Prakash Kumar Sanjel Secretary, Food Security and Food Technology Division	1
		FMTC	Mr. Shreemani Khanal, Secretary	1
		MoICS	Mr. Prem Kumar Shrestha, Industry and Supply Division	1
		DFTQC	Ms. Huma Bakhim Rai, Nutrition Division	1
	Private sector (Association)	Golcha organization (Kathmandu)	Mr. Arun Bam, Section- Food industry	1
		Chaudhary Group	Ms. Merina Ranjit, General Manager	1
		FNCCI/AEC	Dinesh Parajuli, Chairperson, Agriculture Enterprise Center	1
		CNI	Mr. Krishna Adhikari, Chairperson	
		Flour Millers Association	Mr. Ajay Parajuli, Chairperson	1
	NGO/ Project	Federation of Small and Medium	Mr. Bijju Shakya, Vice	1

		Enterprises Nepal	President	
		Consumers Rights Protection Forum and Legal Practitioner	Mr. Jyoti Baniya, Chairperson, Consumers Rights Protection Forum and Legal Practitioner	1
		National Farmers Group Federation (NFGF)	Mr. Nawaraj Basnet, President	1
		Baliyo Nepal Nutrition Initiative	Dr. Atul Upadhaya, CEO	1
		UNICEF	Karan Courtney Haag, Nutrition Section, Chief Nutrition	1
	Civil Society	Nepal Food Scientists and Technologists Association (NEFOSTA)	Pradip Kaji Paudel, Member	1
			Total	16

Province level	Province	Organization	Name and Position	No. of KII
Provincial Government	Province 1	Ministry of agriculture	Food Security Department officer	1
	Province 2	Ministry of Social Development_Health and population Department	Mr. Bijay Jha, Health Directorate	1
	Lumbini Province	Ministry of Land management,	Arjun Khanal, Food Security Department	1

	Butwal	agriculture and cooperative ministry	officer	
		Ministry of Social Development_Health and population Department	Sailendra kumar pandey, Senior health education officer	1
		Ministry of Industry, Tourism, Forest and Environment (implemented provincial industrial and market management act)	Kamal Gyawali, Department Officer	1
	Karnali Province Surkhet	Ministry of Land management, agriculture and cooperative ministry	Raju Bhoj, Food security depart officer	1
		Ministry of Social Development_Health and population Department	Nawaraj Kandel, Health and Education Officer	1
		Ministry of Industry, Tourism, Forest and Environment (implemented provincial industrial and market management act)	Tulasi Prasad Acharya, Secretary	1
	Sudurpaschim Province Dhangadi	Ministry of Land management, agriculture and cooperative ministry	Ghanshyam Chaudary, Food security depart officer	1
		Ministry of Social Development_Health and population Department	Narendra Singh, Public Health Management Officer	1

		Ministry of Industry, Tourism, Forest and Environment (implemented provincial industrial and market management act)	Yagyanath Dahal, secretary	1
Food Technology & Quality control office	Lumbini Province Butwal	Food Technology & Quality control office, Nepalgunj	Gyanendra B. Mandal, Head of Food technologist	1
	Sudurpaschim Province Dhangadi	Food Technology & Quality control office, Dhangadi	Navaraj Dahal, Head of the organization	1
Food Management & Trading Company LTD.	Lumbini Province Butwal	Food Management & Trading Company LTD	Ram Bahadur Bist, Head of the organization (Nepalgaunj)	1
	Karnali Province Surkhet	Food Management & Trading Company LTD.	Madhav Mishra, Head of the organization	1
	Sudurpaschim Province Dhangadi	Food Management & Trading Company LTD.	Injula Basnet, Head of the organization	1
			Total	16
District/ Local level		Organization	Name and Position	No. of KII
Local Government (Implemented Local market Management act)	Lumbini Province Butwal	Kohalpur Municipality, Banke	Sanju Chaudhary, Upa Mayor	1
	Karnali Province Surkhet	Birendranagar Municipality, Surkhet	Mohanmaya Dhakal, Upa Mayor	1
	Sudurpaschim Province Dhangadi	Lamkichuha Municipality, Kailali	Tika Thapa, Upa Mayor	1
Cooperatives	Karnali Province Surkhet	Chaurjahari Sana Kisan Krishi Sahakari Sanstha Ltd. Rukum	Geeta Lamichane, Chairperson	1

	Karnali Province	Vision Sahakari Ltd.,Humla	Naren Singh, Chairperson	1
	Karnali Province Surkhet	Kasturi Sahakari Ltd., Khalanga Jajarkot	Lalit Raj Bhandari, Chairperson	1
	Sudurpaschim Province Dhangadi	Martadi Sana Kisan Krishi Sahakari Sanstha Ltd. Bajura	Sita Baral, Chairperson	1
Food Management & Trading Company LTD. (BO, TO, Sales Counters)	Sudurpaschim Province, Dhangadi	Food Management & Trading Company LTD, Bajhang	Ishwori Dutta Pandey, Head of the office	1
		Food Management & Trading Company LTD, Mahendranagar	Narayan Prasad Kharel, Head of the organization	1
		Food Management & Trading Company LTD. Bajura	Megh Raj Ojha, Head of the office	1
Private sectors / SMEs	Bagmati Province	Water Mill Bhardeu, Lalitpur	Prem Bdr. Sikari,Owner	1
	Lumbini Province Butwal	Kharel Masala Udhyog, Butwal, Shankarnagar	Hari Kharel, Owner	1
		Sahu Rice Mill, Nepalgaunj, Banke	Jawaharlal sahu, Owner	1
	Karnali Province, Surkhet	Jumli Water Mills, Jajarkot	Bhadra Bahadur Oli, Owner	1
		Water Mills, Jajarkot	Diwakar shah, Owner	1
		Bandali Food Industry, Surkhet	Sharad Kafle, Owner	1
	Sudurpaschim Province, Dhangadi	Godawari flour mill, Kailai	Kavish Agrawal, Owner	1
		Yum-yum noodle factory, Kanchanpur	Dipak Bhatta, Owner	1
		Biscuit factory, Kailali	Anamol Agrawal, Owner	1

District Nutrition and Food Security Coordination Committee (DNFSCC)	Lumbini Province Butwal	Chief of District Coordination Committee, Banke	Ajay Kumar Shrivastav, DCC Chairperson	1
Municipal Nutrition and Food Security Coordination Committee (MNFSCC)	Lumbini Province Butwal	Nepalgunj Sub Metropolitan, Banke	Dhawal Shamsheer Rana, Mayor	1
	Sudurpaschim Province, Dhangadi	Dhangadi Sub Metropolitan, Kailali	Nup Bahadur Woda, Mayor	1
Local NGOS	Karnali Province, Surkhet	SAC Nepal, Surkhet	Tika Ram Acharya, ED	1
			Total	23
Grand Total				55

Annex II: Monitored and supervised Firm /Company's during Fiscal Year 2020/21(July 15, 2020-14 July 2021)

Source:MoICS

S.N	Description	Unit	Agency's Involved in Monitoring			Total
			Department	5 Consumer protection offices,	77 District Administration offices	
1	Monitored	No.	2974	1805	8015	12794
2	In Normal Condition	No.	66	672	3944	4682
3	Directed for immediate improvement	No.	1579	759	3598	5936
4	Value of immediate disposed goods	NRs.	37384701	2468558	4927962	44781221
5	Called with causes for interview	No.	397	69	393	859
6	Penalty's	No.	1035	312	304	1651
7	Penalty's Value	NRs.	23982000	9388000	6439245	39809245
8	Sample collected for lab test	No.	37	14	29	80
9	Further action proceeded	No.	19	0	22	41
10	Sealed/Karobar Rokka	No.	38	13	29	80
11	Person/Implements in custody	No.	3	0	6	9

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Annex III: Qualitative Survey Checklists

For Assessment of the Regulatory System for Private Sector Engagement in Nutrition in Nepal Checklist
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Informed Consent

Good _____ and thank you for joining us today.

My name is _____ and this is _____.

We are both part of a team that is studying assessment of the regulatory system for private sector engagement in nutrition in Nepal. Nepal has made remarkable progress in the field of nutrition. According to the Nepal demographic health surveys (NDHSs), stunting among under-five years children has reduced from 57 percent in 2001 to 35.8 percent in 2016. The Government of Nepal has recognized the need of multisectoral efforts to improve the nutrition of its citizens. Therefore, today we want to talk with you about your views on roles and responsibilities of the national, provincial, or local government to generate favorable environment for private sector engagement on national nutrition and food security programs. The information you provide today will help us to improve future programs.

This is an open conversation and there are no right or wrong answers. We want you to share your point of view even if it is contrary from what others have said. This session will take no longer than 60 min and, with your permission, we would like to take a few photographs and to record the discussion, with the only goal of not missing any of your comments. All information you share today will be kept only for ourselves, and used only to identify loopholes and inadequacy in the enabling environment that hinder private sector engagement on national nutrition and food security programs and we will not use any of your names in any report.

General Questions for Government representatives

1. In your opinion, what role does private sector play in improving the national food security and nutrition situation in Nepal?
2. What national policies and regulations are available for private sector engagement on nutrition in Nepal? How do these policies and regulation impact (both positively and negatively) private sector engagement on nutrition?
3. How can public sector support to nutrition interventions such as food fortification, promotion of breastfeeding etc.?

4. In your opinion, what can be done to facilitate the Private sector to play or participate to promote naturally nutrient rich foods?
5. What can be done to facilitate private sector participation in scaling up food fortification?
6. In your knowledge, is any private sector promoting/scaling up nutrition among farmers?
7. What can be done to facilitate private sector to play active role in creating demand for nutritious food among poorest and marginalized consumers?
8. How frequently private sector interventions in market are monitored? Does the frequency of monitoring is sufficient? If not then how can it be improved?
9. In your knowledge What are the:
 - 9.1. Strengths of private sector engagement in nutrition,
 - 9.2. Weaknesses of private sector engagement in nutrition,
 - 9.3. Opportunities of private sector engagement in nutrition and
 - 9.4. Challenges of private sector engagement in nutrition?
10. How should governments incentivize private companies to improve the quality of food products and its distribution? How the policies and regulations in Nepal can be improved for more private sector engagement on national nutrition and food security programs?
11. There is a national level multi sector nutrition plan (MSNP). Are you aware about it? In your opinion, how could Multi Sector Nutrition Plan (MNSP-II) better addressed the role of SME/Cooperative sector?
12. Although MSNP-II has highlighted the role of SME/Cooperative in nutrition, what do you think are the gaps hindering effective engagement of private sector?
13. How can subsidized shops be operated regularly? How can private sectors are cooperatives incentivized for it? What are the current policies or government initiatives for operation of subsidized shops to increase food accessibility and affordability?
14. What are your recommendations for improvement of private sector involvement in nutrition sector in Nepal?

KII for Private sector:

1. Are you aware about the existing food System (Focus on Distribution-Consumer) rules, regulations and policies in Nepal? If yes, what are they? If no, why?
2. In your opinion, what are the roles and responsibilities of private sector in improving the overall nutritional status in Nepal?
3. What do you think is your role as a SME/Large company to improve national nutrition chain? How do you plan to do it?
4. Can you share your experience of working directly or indirectly in food and nutrition business?
5. From the public sector, who do you think are working to support improvement of national nutrition interventions such as food fortification, promotion of breastfeeding etc.? What can you learn from them?
6. How (rules, regulation and policy) can be improved to involve private sector for improvement of nutrition sensitive interventions such as food security, sustainable farming etc.?

7. In your opinion, what can be done to facilitate the Private sector to play or participate to promote naturally nutrient rich foods?
8. Does private sector participate in food fortification process in this area? If yes, in which food item? If no, why?
9. What can be done to facilitate private sector's active role in creating demand and regular demand for nutritious food among poorest and marginalized consumers?
10. How frequently does public sector monitor the business? Is the frequency of monitoring sufficient? If not, how can it be improved? Do they provide any input for the improvement of fortification business?
11. Do Public sector initiate any support like coordination in creating business opportunities in local and provincial level market?
12. In your knowledge What are the:
 - 12.1. Strengths of private sector engagement in nutrition,
 - 12.2. Weaknesses of private sector engagement in nutrition,
 - 12.3. Opportunities of private sector engagement in nutrition and
 - 12.4. Challenges of private sector engagement in nutrition?
13. There is a national level multi sector nutrition plan-II (MSNP-II). Are you aware about it? In your opinion, how could have Multi Sector Nutrition Plan (MSNP)-II better addressed the role of SME/Cooperative sector?
14. Although MSNP-II has highlighted the role of SME/Cooperative sector in nutrition, what do you think are the gaps hindering effective engagement of private sector in nutrition?
15. How can subsidized shops be operated regularly? How can private sectors are cooperatives incentivized for it? What are the current policies or government initiatives for operation of subsidized shops to increase food accessibility and affordability?
16. What kind of support can other large/small private sector including financial institutions provide for private sector to engage in improving nutrition chain?
17. What type of support do you expect from the government to promote private sector engagement in nutrition?
18. What are your recommendations for improvement of private sector involvement in nutrition sector in Nepal?

KII for NGO/ Cooperative/SME (at local level)

1. In your opinion, what are the roles and responsibilities of NGO, cooperative and SME private sector in improving the overall nutritional status in Nepal?
2. How can NGO/Cooperative/SME contribute to direct nutrition interventions such as food fortification, promotion of breastfeeding etc. at local level?
3. How can NGO/Cooperative/SME contribute to improvement of nutrition sensitive interventions such as food security, sustainable farming etc.?
4. In your opinion, what are the effective ways by which private sector can promote naturally nutrient rich foods in sustainable way?
5. How can local level food processor, cooperative scale up food fortification?

6. What is the role of SMEs and cooperatives in scaling up nutrition in the workforce?
7. What role can SMEs and cooperatives play in creating demand for nutritious food among poorest and marginalized consumers?
8. In your knowledge What are the:
 - a. Strengths of SME/Cooperative sector engagement in nutrition,
 - b. Weaknesses of SME/Cooperative sector engagement in nutrition,
 - c. Opportunities of SME/Cooperative sector engagement in nutrition and
 - d. Challenges of SME/Cooperative sector engagement in nutrition?
9. How should governments incentivize *SME/Cooperative* to improve the quality of food products? How the policies and regulations in Nepal can be improved for more SME/Cooperative engagement on national nutrition and food security programs?
10. There is a national level multi sector nutrition plan-II (MSNP-II). Are you aware about it? In your opinion, how could have Multi Sector Nutrition Plan (MSNP)-II better addressed the role of SME/Cooperative sector?
11. Although MSNP-II has highlighted the role of SME/Cooperative sector in nutrition, what do you think are the gaps hindering effective engagement of private sector in nutrition?
12. What kind of support do other large/small private sector including financial institutions provide to private sectors to facilitate engaging in improving nutrition?
13. What type of support do you expect from the government to promote SME/Cooperative sector engagement in nutrition?
14. From SME/cooperative sector, who do you think are making effort to support improvement of national nutrition? What can you learn from them?
15. Can you share your experience of working directly or indirectly in food and nutrition business?
16. What are your recommendations for improvement of SME/Cooperative sector involvement in nutrition sector in Nepal?

Annex III. Glimpse of the survey:



KII with Consumer Right forum_Federal Level



KII with Flour miller association



KII with NPC



KII with NFGF_Federal Level



KII with FMTC_Dhangadi



KII with FMTC_Nepalgunj



KII with Ministry of Industry_Surkhet



KII with Ministry of land management_Surkhet



KII with Public Health Officer_Dhangadi



KII with DFTQC



KII with Mayor



KII with SME_Butwal



National level stakeholder Consultation workshop