

### 3. Theory of Change

The following theory of change (TOC) builds on research in progress that brings together several underlying theories into a holistic framework of the nature, consequences and causes of childhood.

#### **Outcome: By 2022 children benefit from strengthened policies and programmes that address child poverty, vulnerability and exclusion**

To achieve the overall outcome UNICEF will focus on delivering three main outputs:

- By 2022 improved capacity of relevant national institutions for robust measurement, analysis and evidence on reducing child poverty, vulnerability and exclusion, including a strong economic case for building cognitive capital.
- By 2022 strengthened capacity of national and local government to deliver an expanded and improved child-sensitive social protection system.
- By 2022 improved partnerships with and between national institutions and civil society to promote policy change for children.

Child poverty is defined here *as children who lack access to adequate resources to ensure their wellbeing, development and active participation in society.*<sup>2</sup> This definition recognises that children experience diverse conditions and circumstances, thereby requiring different types and levels of age-appropriate resources to achieve an adequate level of well-being, development and participation. Resources include material goods such as food, clothing and housing; care and nurture; guidance, support and education; and opportunities to participate in social, economic and political life. The emphasis on access recognizes that individual children, households and whole communities experience environmental, social, economic and political barriers that can exclude them from resources and opportunities, making it difficult to escape poverty. At the same time, shocks and stresses combined with limited capacity to cope make certain children, households and communities more vulnerable to experiencing short or long-term spells of poverty.

Understanding poverty in this holistic and dynamic way highlights the need for policies and programmes that not only mitigate the effects of poverty but that reduce vulnerability and socio-political marginalization and interrupt the life-course and intergenerational transmission of poverty. The starting point for this is to ensure the systematic measurement and generation of evidence about child poverty and exclusion by national stakeholders. National and sub-national multidimensional child poverty profiles will be critical to understanding the nature of deprivation and inclusion across the country. Child poverty data and fiscal space analyses could direct budgetary allocations on high impact investments for children's cognitive development: nutrition in the early years, ECD and social protection. UNICEF recognises the importance of economic resources to reducing poverty, and to this end social protection is proven means of increasing household resources. Strengthening child-sensitive social protection systems is a concrete intervention to reduce child poverty. Social protection programmes focused on children, the Child Grant for example, should have strong linkages with other key social services such as birth registration, nutrition and ECD to bring about lasting impacts on children's wellbeing.

In order to make best use of robust evidence, policy development processes must be nationally owned and aim to bridge boundaries across different, often disconnected, stakeholders: social and economic; development and humanitarian; government, civil society and citizen. Thus, UNICEF aims to build national capacities in measurement and evidence generation, and stronger partnerships - and coalitions of partners - with the purpose of tying the strands of evidence, knowledge generation, dialogue, and policy change for children.

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<sup>2</sup> This definition reflects and combines aspects of the child poverty definitions in *The State of the World's Children* (UNICEF 2005) and that of the Childhood Poverty and Research Centre (CHIP, 2004).

### **3.1 Measurement, analysis and evidence on child poverty, vulnerability and exclusion**

During the next country programme UNICEF will focus on supporting nationally owned evidence generation that links the issue of child poverty to the wider contextual factors that affect children's lives and identifies solutions to increase resources and investments for social services and high impact interventions. This will be done in a way that is accessible to policy actors with both social and economic perspectives. Embedding a specific focus on child poverty in national evidence and policy processes first requires developing and agreeing a national definition of child poverty and exclusion. UNICEF will work with key national partners, in particular NPC and CBS, to gain consensus around a definition and the most appropriate approach to measurement considering existing standards and capacities in data collection. Where necessary and feasible, changes to survey methodologies will be proposed or new studies commissioned to ensure appropriate data is available for robust measurement, including for particularly marginalized groups including children with disabilities, limited citizenship, and those living in urban slums and other poverty pockets.

The primary strategic objective will be to build capacity within NPC and CBS to systematically analyse and report on the status and trends in monetary and multidimensional child poverty, vulnerability and exclusion. This will be a major contribution to monitoring and reporting progress towards Goal 1 of the SDGs. However, building a case for the reduction of childhood poverty and investment in children requires more than evidence on their direct circumstance. UNICEF will therefore support research on important national and global issues, such as federalism, urbanization, migration and remittances, and how these impact on child poverty and exclusion. A strong understanding of the developments related to federalism is essential to addressing the impacts of the changing governance structure and public finance mechanisms on policies and programmes that have an impact on children's wellbeing.

Completing the evidence on child poverty, UNICEF together with partners, will produce fiscal space analyses that look at broad trends on allocation and spending, and more detailed investment cases for high impact interventions for children. UNICEF and its partners will utilise geographical child poverty profiles and sub-national fiscal space analysis to influence decisions on fiscal allocations and spending in a federal context. Furthermore, UNICEF will work with planners at the sub-national level to ensure that children's needs are visible in local budgets, and that there are ways to monitor allocations and spending. At the central level, UNICEF will work with the NPC and the MOF to develop investment cases and help commit resources for high impact interventions in the early years such as nutrition, ECD and social protection, which are proven to build cognitive capital. A core part of the approach will be in providing technical support to national institutions while drawing on expertise from elsewhere, where appropriate, including through South-South cooperation.

### **3.2 Enhancing and expanding child-sensitive social protection systems**

Enhancing coverage and quality of child-sensitive social protection is identified in the draft National Framework for Social Protection as one of the core strategies for reduction of child poverty and vulnerability and has important links to enhancing outcomes in a range of other sectors. Under this output, UNICEF will focus on specific policies and programmes that have a high impact on reducing child poverty, vulnerability and exclusion and work with other development partners to support core aspects of strengthening the social protection system as a whole. Building on the momentum of recent policy statements and actual reforms of the Child Grant, UNICEF will continue to advocate for timely completion of the proposed expansion, which is planned between 2016 and 2025, and provide demand-driven technical support to strengthen other aspects of policy design and implementation. Specifically, UNICEF will continue to advocate with NPC, MOF and MOFALD to adopt a formal policy to fund the incremental expansion until national coverage is achieved. UNICEF will also work with the relevant national and sub-national government institutions towards implementing a universal Child Grant under a federal structure.

To enhance the impacts of the Child Grant, UNICEF will also focus on a number of strategic areas to strengthen implementation including: use of technology to strengthen information provision and accountability mechanisms; strengthening linkages with other sectors including birth registration, health and nutrition services, and ECE; and supporting a robust evaluation, including impact assessment, of the expanded and enhanced Child Grant. Employing the link with the Child Grant, UNICEF will work with the Government to significantly push up birth registration rates in Nepal. Where opportunities arise, UNICEF will support other

relevant programmes within the social protection system, in particular improving children's access to the disability grant through better disability assessment and registration processes.

UNICEF will work closely with DOCR and relevant development partners including the World Bank, UNCDF and DFID to support broader social protection systems strengthening efforts. UNICEF's comparative advantage is likely to be in assessing and analysing the effectiveness of extending the use of management information systems (MIS) and bank-based payments for the social security schemes from the perspective of beneficiaries. Recognizing the potential of these developments to achieve significant gains in efficiency and accountability, it will be important to understand the extent to which they inadvertently lead to exclusion of more vulnerable groups, including children, and how to mitigate these potentially negative impacts. Building on the experience of the 2015 emergency cash transfers delivered through the social security schemes, UNICEF will continue to advocate for reforms that improve the shock-readiness of the social protection system. In line with recommendations from the Cash Coordination Group (CCG) in 2017, priority areas include formalizing social protection expansion as a potential response mechanism in the national disaster management framework under the Ministry of Home Affairs (MOHA); technical support to DOCR in development of standard operating procedures for emergency response; and building capacity among other humanitarian actors to be able to better support, complement and coordinate with established social protection responses. Across this spectrum of work, UNICEF will continue to be a leading actor in the development partners' Social Protection Task Team (SPTT) which is a central avenue for joint policy-advocacy and pursuing shared objectives towards stronger social protection systems.

### **3.3 Supporting and strengthening partnerships to promote policy change for children**

Transforming evidence into policy requires strong and collaborative partnerships. This output, therefore, focuses on enhancing the space, processes and capacities for promotion of nationally-owned, evidence-based policy making. Core constituencies for UNICEF to engage with include parliament, academia and civil society organizations, with an aim to bring these groups together along with senior civil servants and other decision makers. The role of UNICEF will be to shape the direction of policy dialogue based on evidence generated under output one by building the capacities of specific stakeholders and facilitating more coherent and inclusive policy making processes. This is to ensure that child poverty and other critical children's issues are on the national agenda.

The Parliament will be a key policy partner. UNICEF will work with parliamentarians to increase the visibility of children's issues in Parliament, promote policies and legislations, advocate to their constituencies about child rights and on ending harmful traditional practices, in particular child marriage and influence budgetary decisions that have an impact on children's wellbeing. UNICEF will broaden the engagement with the development partners' community to better leverage resources for children, in particular working with the World Bank through the SPTT to develop joint child poverty analysis<sup>3</sup> and strengthen child-sensitive social protection systems. Specific strategies will include high-level policy dialogue, promotion of champions for child poverty reduction within Parliament and civil society, and supporting a multi-stakeholder platform to drive the evidence, engage in policy dialogues and against the background of ongoing federalization, ensure that children's issues are high on national and sub-national agendas.

### **3.4 Assumptions, risks and mitigating strategies**

Delivering the proposed outputs and transforming them into equitable policy for children depends on a number of assumptions. First, regional and international agendas and frameworks must be supportive of policies to reduce child poverty. The SDGs are an important tool in this regard. Second, at the same time, national policy makers should be receptive to evidence-based policy making and maintain political support for addressing child poverty and exclusion, including through potentially more transformative and political policy approaches. While this can be influenced to some degree by UNICEF, it is vital that there is an adequate existing base of support and political champions for child poverty reduction. There is a much wider range of factors necessary to bring about child poverty reduction than those under the mandate of UNICEF. Thus,

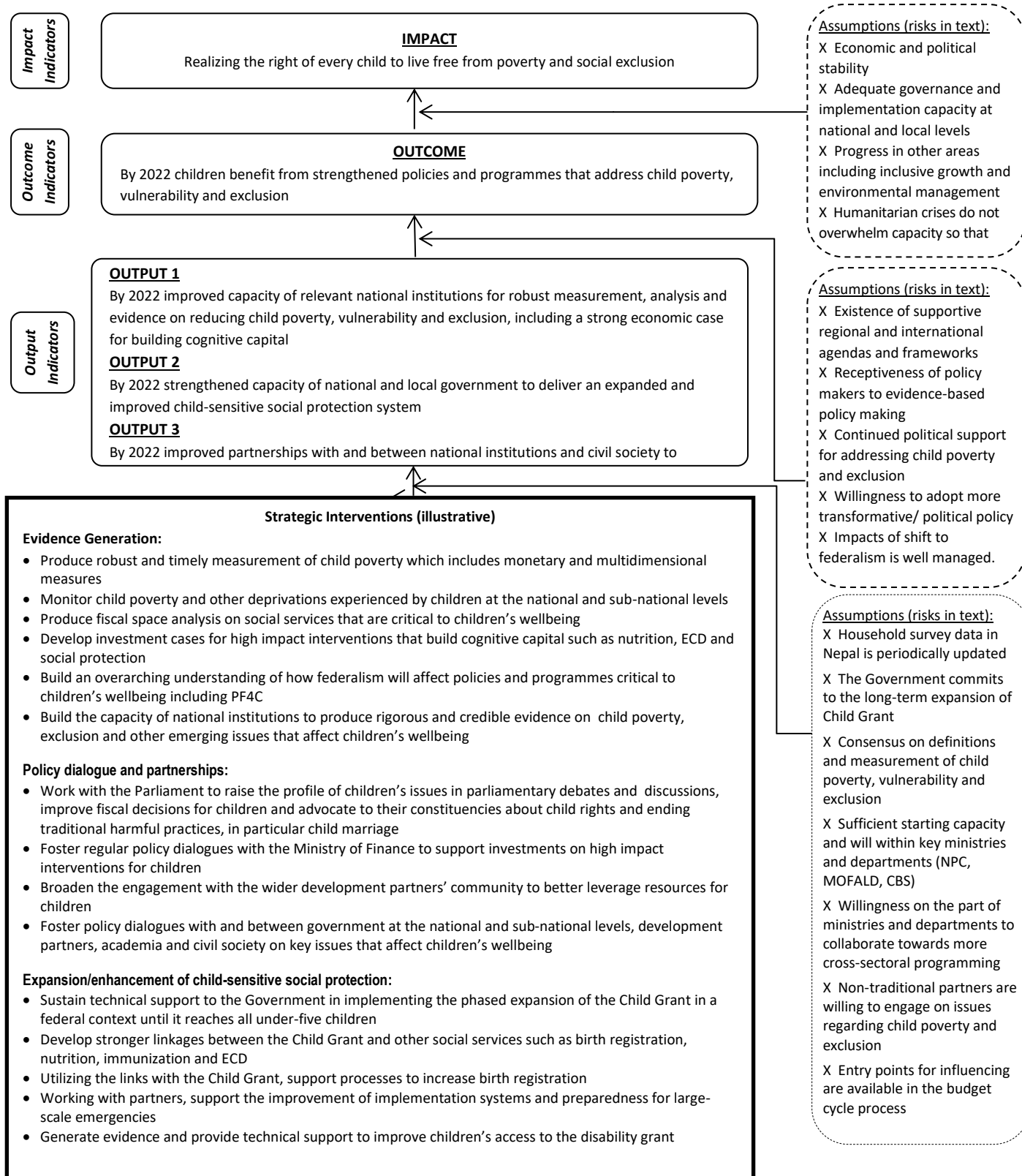
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<sup>3</sup> UNICEF and the World Bank produced a joint report on Child Poverty at the global level

progress in other UNICEF programme sectors as well as in inclusive growth and environmental management will be necessary. This will need to be monitored throughout the country programme to understand potential barriers to progress and ensure responsive programming. Fourth, advancing the child poverty measurement and analysis agenda rests on the assumption that there is sufficient starting capacity (and willingness) within key ministries and departments such as NPC, MOFALD and CBS and relevant agencies at the sub-national level. There must also be some consensus reached at the national and sub-national levels on definitions and measurement of child poverty, vulnerability and exclusion, and periodic updating of national and sub-national survey data. Fifth, expanding and enhancing child-sensitive social protection requires sustained political commitment to see through the expansion of the Child Grant, including its adjustment to implementation under a federal model, as well as willingness for ministries and departments to collaborate towards more cross-sectoral programming. Finally, strengthening and enhancing partnership relies on several assumptions including that non-traditional partners are willing to engage on issues regarding child poverty and exclusion; that entry points for influencing are available in the budget cycle process; and that there is a degree of consensus on the importance of boundary spanning partnerships.

The first of the main risks identified is that of potential economic instability. The unofficial border blockade following the introduction of the new constitution demonstrated how vulnerable Nepal is to economic shocks. A repeat of the 2008 'triple-f' crisis could also have significant consequences. The global official development assistance (ODA) outlook which is dependent on political and economic developments in the developed world also poses a risk. The situation will need to be closely monitored, and UNICEF's work on expanding and enhancing more shock-responsive social protection will put Nepal in a stronger position to introduce counter-cyclical measures and protect consumption of the poorest. Second, political instability remains of considerable concern. Nepal is highly prone to frequent changes of government and political and civil action which causes disruption to all aspects of life. There is also a risk that prolonged disputes over the implementation of the constitution and federalization could lead to political instability, protests and strikes that could turn violent, and paralyze policy implementation. At the very least, it is important that uncertainties and potential impacts of the process are managed and risks to programmes are minimized to the greatest extent possible. Key mitigation measures will include supporting and strengthening ongoing participative processes (including UN coherence) and political dialogues. Third, Nepal is highly prone to natural disasters which may dramatically increase the need for social protection, and the existing human and financial capacities may be insufficient. It is crucial that humanitarian crises do not overwhelm capacity so that progress is slowed or reversed. UNICEF will continue to engage with the emergencies and disaster management sectors to strengthen linkages between social protection and humanitarian response, and to ensure adequate preparedness planning is in place. Fourth, governance and implementation capacity at national and local levels is uneven. In addition, there tend to be frequent transfers of government staff within NPC, MOF and MOFALD and at sub-national level. These issues can and do impede programme implementation and service delivery. Vital mitigation measures will include rapid orientation of transferred staff as well as facilitation of knowledge sharing and learning across local government units.

**Schematic Illustration of the Theory of Change**  
**Social Policy and Economic Analysis (SPEA)**





[REDACTED]

[REDACTED]

**Note for the Record**

Subject: **Environmental Impact Assessment (EIA)**

As part of the development of the [REDACTED] and in accordance with recommended practice, the UNICEF Country Office [REDACTED] has undertaken an initial screening of all proposed activities within each draft programme component to assess their potential impact on the environment.

The Country Office applied the recommended assessment methodology as described in the PPP Manual, Chapter 6, Section 3 (the Manual's 2011 version), namely Checklist 1 "Initial Screening". The completed checklist attached to this note reflects that the Country Office considers that the programme components contemplated in the draft Country Programme Document, submitted to the UNICEF [REDACTED], should have no impact on the environment.

Sincerely,

[REDACTED]

Attachment 1 – Checklist 1 "*Initial Screening*"

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[REDACTED]

### Checklist 1- Initial Screening

Does the proposed programme or project contain activities that fall under one or more of the following categories? If the answer is **NO**, and EIA is not required, and the process is complete

- Extraction of water (e.g., groundwater, surface water, and rain water) NO
- Disposal of solid or liquid wastes (e.g., human faeces, animal wastes, used supplies from a health centre or health campaign) NO
- Use of chemical (e.g., pesticides, insecticides, paint and water disinfectant) NO
- Use of energy (e.g., coal, gas, oil, wood and hydro, solar or wind power) NO
- Exploitation of natural resources (e.g., trees, plants, minerals, rocks, soil) NO
- Construction work above household level (e.g., hospital or school) NO
- Changing land use (deforestation, forestation, and developing industrial housing or recreational centres) NO
- Agricultural production (e.g., growing crops, fish farming) NO
- Industrial production (e.g., small scale town/village workshops) NO

