

Ministry of Finance

**International Economic Cooperation Coordination
Division**

**COVID-19 Active Response and Expenditure Support
(CARES) Program**

Progress Report

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List of Acronyms

ADB	Asian Development Bank
APVAX	Asia Pacific Vaccine Access Facility
BFI	Bank & Financial Institutions
CARES	COVID-19 Active Response and Expenditures Support
CCD	Credit to Core Capital plus Deposit
CfW	Cash for Work
CMIS	Crisis Management Information System
DAGs	Disadvantaged Groups
DMF	Designed Monitoring Framework
DOC	Department of Custom
EMIS	Employment Management Information Support
FCGO	Financial Comptroller General Office
FY	Fiscal Year
GDP	Gross Domestic Product
GON	Government of Nepal
HMIS	Health Management Information System
IAs	Implementing Agencies
IRD	Internal Revenue Department
LLs	Local Levels
LLP	Loan Loss Provision
MSME	Micro Small, and Medium Enterprises
MOALD	Ministry of Agriculture and Livestock Development
MOHA	Ministry of Home Affair
MOFAGA	Ministry of Federal Affairs and General Administration
MOF	Ministry of Finance
MOD	Ministry of Defense
MOHP	Ministry of Health and Population
MOEWRI	Ministry of Energy, Water Resource and Irrigation
MOLESS	Ministry of Labor, Employment and Social Security
MOWS	Ministry of Water Supply
NeKSAP	Nepal Food Security Monitoring System
NPL	Non-Performing Loan
NRB	Nepal Rastra Bank
NRP	National Relief Program
NRs.	Nepalese Rupees
PMEP	Prime Minister Employment Program
RT-PCR	Reverse Transcription Polymerase Chain Reaction
RWA	Risk-Weighted Assets
SSF	Social Security Fund
SUTRA	Sub-national Treasury Regulatory Application
TA	Technical Assistance
USD	United States Dollar
VAT	Value Added Tax
WHO	World Health Organization

\$ 1.0 = NRs.118

1. Overall Progress, Key Issues, and Next Steps

This section includes a short introductory write-up on the program, the progress so far, the key issues affecting program implementation, and the main next steps. The details for the programs are included in paragraphs 4 to 8.

Program

Managing the development policy and interventions to keep the adverse impact of COVID-19 to a minimum level is the greatest challenge for humanity in this century. National Relief Program (NRP) was launched on March 29, 2020, intending to keep COVID-19 impact minimum and avail this as an opportunity to advance the country's socio-economic development. The tentative cost for the government's National Relief Program is estimated at USD 1.26 billion, with (i) USD 347 million for medical and health response, (ii) USD 359 million for social protection for the poor and vulnerable, and (iii) USD 555 million for economic support for the affected sector. The government has received overwhelming support from development partners, including ADB, to implement the NRP. ADB has contributed USD 250 million towards implementing the COVID-19 Active Response and Expenditures Support (CARES) Program.

According to Aid Management Information System (AMIS), Nepal has received USD 637.51 million from bilateral and multilateral development partners as COVID-19 assistance with a total disbursement of USD 557.68 million as of August 6 2021. Out of the total disbursement¹, ADB tops the list with 44.8% disbursement followed by the World Bank Group with 39.4%. Recently, the WB and the ADB have further provided an additional commitment of USD 75.0 million and USD 165.0 million, respectively, to support the government procuring COVID-19 Vaccines² and related logistics and services. ADB's support to the government is under the Asia Pacific Vaccine Access Facility (APVAX). ADB has further provided a supplementary TA to assist the government in areas, including a) preparing appropriate reporting mechanisms and tools, analyzing the quality of data, including financial data, and providing capacity development of MOF and implementing agencies; b) supporting MOF and the implementing agencies in monitoring and evaluation of key elements of the program, including strengthening of existing systems; and, c) providing implementation and all policy advice on the implementation of the CARES program and medium-term interventions to support recovery after COVID-19 Pandemic.

The project requirements specify that there are four progress reports to be submitted to ADB during project implementation. The first and second semi-annual progress reports were prepared and submitted to ADB in October 2020 and February 2021. This report is the third progress report scheduled for submission to ADB in August 2021. The report covers the period from February 16, 2021, to July 15, 2021. As per the given template, the report lists all COVID-19 related activities and efforts made to cover progress in three reform areas: a) Health system response measures supported-MOHP; b) Social protection for the poor and vulnerable; and c) Economic recovery for affected sectors.

Implementation Progress

The progress on NRP is gradually building up as the accessibility of quality data has increased. The results indicate an encouraging trend in activity-wise progress and corresponding financial performance. Over the last six months, the TA team's activities under the specific guidance of MOF to widen the respective ministries' information system have helped monitor and report the data flow and timely dissemination of quality information. As a result, four out of nine CARES program's Design and

¹MoF's COVID-19 Assistance Portal, <https://amis.mof.gov.np/web/guest/covid-19>, August 6, 2021.

²The assistance has not been entered into the COVID-19 portal of AMIS/MoF.

Monitoring Framework (DMF) indicators have successfully met the targets and have maintained progress. Likely, other indicators may also meet the target once the data are compiled, verified, and validated. The scale of the COVID-19 Pandemic and its possible impacts, including the re-emergence, were beyond predictability. In this context, the DMF targets are optimistic about addressing the potential impact of the pandemic. – see Status against DMF targets.

During the last six reporting months, the re-emergence of COVID-19 with a new variant remained a more significant challenge in managing COVID-19 cases. The situation demanded reactivating the activities and protocols that deprioritized earlier when there was a significant drop in COVID-19 cases. With the onset of the second surge of COVID-19 infections, people panicked due to the scarcity of oxygen supplies and the limited availability of ICUs and ventilators in public and private hospitals. The demand for logistics was managed successfully with overwhelming support received from bilateral and multilateral donor communities. Issuing an order under the Infectious Disease Act 2020, covering the role and responsibilities of health and other sectors, including the public, was instrumental in managing and taking interventions against preventing the further spread of COVID-19. Promulgating the Crisis Management Ordinance to respond to the COVID-19 emergency was another milestone in managing the COVID-19 pandemic.

During the second surge, the number of cases peaked at 117,261 on May 25, 2021, with 246 deaths in a single day on May 19, 2021. The recovery rate dropped to 74.4% on May 15, 2021, but slowly recovered to 94.55% on July 15, 2021. The COVID-19 second surge started to spread in major cities of 14 districts, out of which 9 districts were from bordering districts with India. Later the spread was so extensive that it spread in all 77 districts within 30 days³ from the second surge of COVID-19.

Following the second surge, the government increased the surveillance at the southern border by closing 22 border crossing points and opening only 13 border checkpoints for border crossings. After establishing isolation centers at these checkpoints, isolation rules, including screening migrant returnees, were imposed. The construction responsibility of isolation centers at these checkpoints, including one at the Nagdhunga, the entry point of Kathmandu Valley, was given to the Nepal Army.

For managing the second surge of COVID-19, the targeted activities included a) activating isolation centers at the Port of Entry (POE); b) instruction to isolate the asymptomatic cases for 10 days at isolation centers and the hospitalization of symptomatic cases; c) strengthening surveillance at Points of Entry (PoE); d) strengthening health desks and check-up at international Port of Entry (PoE), and e) launching a publicity campaign to increase awareness to follow public health standards and avoid mass gatherings and meetings. The oxygen supply crisis, which appeared momentarily, was handled efficiently to ensure oxygen availability in sufficient quantities by enhancing the production and distribution system. The international community/donors played a key role in supporting the government to address logistics, including installing additional oxygen capacity during the second surge of the COVID-19 Pandemic. In addition, the Ministry of Health and Population has also played a pioneering role in issuing the COVID-19 related publications to appraise the health workers, including the protocol for the treatment of Mucromyosis, post-Covid-19 symptoms caused by a fungal infection.

For the fiscal year 2021/22, the government has significantly increased the allocation for health sector budgets. Out of NRS. 122.7 billion (USD 1.05 billion), the government has earmarked 30.56% of its expenditures to control and contain the COVID-19 Pandemic, including the vaccination program.

³Mid-March to mid-April, 2021

The vaccination program launched on January 27, 2021, could not proceed as planned for reasons beyond the government's control. The external factors, including India's ban on vaccine supply, have greatly affected the program schedule to vaccinate 22.2 million people by December 2021. Recently, the vaccination program has received a boost following the vaccine arrival from China (procured 4.0 million and gratis 1.6 million doses of Vero cell), the USA (1.6 million doses of J&J), Japan (1.6 million doses of AstraZeneca), and Bhutan (0.3 million doses of AstraZeneca). Among the total vaccinated people, 4,684,509 have received a single dose, and 3,364,157 have received a second dose covering a 15.17 % of the targeted population by August 15, 2021.

Regarding progress on social protection for the poor and vulnerable, the final audit for COVID-19 related expenditures is at the concluding stage, with 665 out of 753 local levels reporting and updating their financial data regularly through SuTRA. Out of the data received, 9,712 health and frontline workers (59.50% of beneficiaries are women) have received financial incentives. MOFAGA is currently engaged in various capacity-building measures at provinces and local levels to address a) COVID sensitive service delivery, b) hospitality and GESI, and COVID-19 related awareness to local representatives.

Against the CARES program's target of maintaining below the 4.6 million households under the insecure food category, 2.8 million households (65.71 % malnourished pregnant and lactating women) remained unchanged during the reporting period⁴. As of August 15, 2021, the number of households receiving food relief packages stands at 1.899 million. Among those receiving the food relief packages, the highest and lowest number of households were from Province no. 1 and Karnali Province.

On the employment front, the response to the call given to the unemployed of the informal sector is overwhelming. 1.12 million People have registered for employment in two fiscal years under PMEP. So far, 278,477(46.88% women and 60.75% individuals from DAG) have received employment in FY 2019/20 & 2020/21. The average number of days employed under PMEP is estimated to be 67 days per person per year.

On the economic recovery front, as of Mid-July 2021, the status of concessional disbursement loans with interest subsidy has been extended to 104,109 firms/individuals, amounting to NRs. 161.44 billion (USD 1.36 billion). The BFIs have now started extending business continuity loans. As of mid-July, BFIs have extended business continuity loans of NRs. 736.8 million (USD 6.24 million) to nearly 35 borrowers.

Under the refinancing scheme, the total approved amount of refinancing stands at NRs. 148.75 billion (USD1.26 billion) in mid-July 2021. A total of 48,890 borrowers have benefitted from the refinancing facility. As per the sample data (which is yet to be validated by NRB) reported by BFIs, at least 50000 women-led MSMEs out of 145,747 total borrowers benefitting from the economic recovery program had received concessional loans, including nearly 2450 MSMEs led by women from disadvantaged communities.

The government announced⁵ a major tax rebate and exemption on the FY 2020/21 to businesses poorly affected by the COVID-19 Pandemic. These include a) 90% tax exemption to businesses with less than NRs. 2 million turnover and income of NRs. 0.2 million; b) 75% tax exemption to the business with turnovers of NRs. 2 to 5 million; c) 50% tax exemption to a person having business transaction up to NRs. 10 million, and d) charging 1% tax for businesses like hotels, travel, trekking, film business (production, distribution, and screening), party palace, media house, transportation, and aviation business having transaction above NRs. 10 million in the fiscal year 2020/21.

⁴WFP Nepal, Country Brief June 2021

⁵ Budget Announcement for FY 2021/22, MOF, GON

Implementation Challenges

With the resurgence of COVID-19, cases started to rise from early March 2021 and peaked on May 25, 2021. The imposition of prohibitory order in late April 2021 was selective and based on cases registered in that area. Kathmandu Valley saw its restricted mobility imposed until June 22, 2021, and gradually softening down after monitoring the downward trend of COVID-19 cases.

The implementation challenges in the health sector were mainly on demand and supply of medical supplies in the face of the rapid resurgence of the second wave. These challenges include a) ensuring an adequate supply of logistics including PPEs; b) managing additional demand for ICUs and ventilators; c) procurement of enough vaccines for the targeted population in a complex and competitive environment; d) managing online registration of COVID-19 vaccination; e) obtaining total expenditures record including financial incentives disbursed to health and frontline workers; and, f) handling an increased number of positive cases and enforcement of public health standards. The government has been making all efforts to manage these challenges promptly.

There are major challenges to getting an overall picture of the progress in social protection, as information systems remain not fully interfaced with other similar programs. The reliance on particular data/information may not be sufficient evidence to get the actual progress. It may result in not reflecting the actual progress made in this sector so far. In addition, timely entry of physical progress and financial information into EMIS and SuTRA, respectively, by all the LLs, has been difficult because of a lack of local ownership/partnership.

On the economic recovery front, the challenges lie in evaluating the impact of economic relief measures (concessional lending, refinancing, and business continuity), including support to MSMEs, their category, leadership, and operational status.

Next Steps

The task ahead for the health sector is to prepare itself for an anticipated third surge of COVID-19 infections. The government is making all efforts to vaccinate a maximum number of people to minimize further human casualties. Digital registration of vaccine and vaccination information is already in progress. The other task is to provide a certificate to vaccinated people, which remains a challenge to the government. In addition, the government is seeking recommendations from two studies: i) universal health insurance coverage and ii) health infrastructure assessment. The findings from these studies are expected to input the government in institutionalizing reforms in the health sector.

In the social security sector, the government has initiated to update data collection procedures on a large scale to include local-level data in a disaggregated format. The existing CMIS system would be updated to support interoperability with other management information portals in coordination with stakeholders, and the capacity of local-level staff would be enhanced to operate CMIS. On employment generation, the government focuses on scaling up PMEP and operationalizing Employment Service Center (ESC) in each LLs. It is the means to generate productive employment in the country by creating a pool of registered unemployed people from where the prospective employer (government or private sector) can meet their labor force requirement. The "Cash for Work" study could be a crucial input for reviewing and incorporating policy inputs for the Prime Minister Employment Program. In addition, the proposed study on unconditional food support during the COVID-19 initial lockdown period and aftermath would support revising the policy framework at LLs by drawing lessons and best practices.

The next step in economic recovery is to assess the effectiveness of economic relief measures during the COVID-19 pandemic. A field-based study is planned to measure the outcomes of the CARES Program,

namely "at least 90% of MSMEs that received support under the National Relief Program remain operational" and identify key policy imperatives for economic recovery. It helps establish MSMEs' operational status and subsequent progress on economic reform areas outlined under the CARES design and monitoring framework (DMF).

The CARES program has made significant progress in data collection, analysis, and dissemination following international practices and norms within a short period. The CARES Program closes on July 15 2022. Within the six months of the closing of the CARES Program, the government is obligated to prepare and submit a project completion report (PCR) to ADB. The TA team assists MOF in preparing the PCR and completing the other tasks assigned, including

- a) finalization of the "Cash for Work" study by August 2021;
- b) finalization of "Unconditional Food Support" in collaboration with MOFAGA and WFP currently expected by November 2021,
- c) compilation of cash incentives data/information provided to frontline medical workers and volunteers by October 2021, and
- d) finalization of a study on the effectiveness of economic relief measures by November 2021.

2. Status against DMF Targets⁶

Indicators	Target	Jan 15, 2021	Progress as of August 15, 2021
Outcome: COVID-19 pandemic adverse impacts on health systems, livelihoods, poverty, employment, and economy mitigated			
a. COVID-19 positive cases contained below 10,000 (30 April 2020 baseline: 57)(MOHP)	<10,000	266,816	39,298 active cases with 1,292 deaths (33.50% women) out of 807,402 total cases (45.69% women). The recovery is 84.55% (dropped by 13.11% in 6 months). Source: SitRep#553, MOHP & SitRep#68, WHO country office Nepal
b. Food insecure population remain below 4.6 million (February 2019 baseline: 4.6 million)(MOALD)	<4.6 million	2.8 million	2.8 million (65.71 % malnourished pregnant and lactating women) face inadequate food consumption. (Source: WFP Nepal country brief, June 2021) Target achieved.
c. At least 90% of MSMEs that received support under the National Relief Program remain operational (April 2020 baseline: 0)(NRB)	=>90%	NA	The total outstanding concessional loan extended to 104,109 borrowers includes 46,057 borrowers for selected agriculture and livestock businesses, 55,551 women entrepreneurs. 2501 borrowers in the other remaining eight sectors as of Mid-July 2021.
Reform area 1: Health system response measures supported			
1a. by August 2020: Testing capacity increased to at least 3,000 tests per day (April 30 2020 baseline: about 500 tests per day)(MOHP)	=>3,000 tests per day	Maximum – 7,791 tests per day (June 29, 2020) ⁷	June-July 2020: 5,012 tests per day achieved (average) August-September 2020: 10,592 tests per day achieved (average) October-November 2020: 11,730 tests per day achieved (average) December 2020: 6,282 tests per day achieved (average) January-February 2021: 3,921 tests per day achieved (average) March-April: 5,304 tests per day achieved (average) May-June: 16,986 tests per day achieved (average) July: 12,545 tests per day achieved (average) August (1-15): 15,440 tests per day achieved (average)

⁶ Source: Design and Monitoring Framework DMF, Countercyclical Support Facility Loan Nepal: COVID-19 Active Response and Expenditure Support Program, ADB,

⁷ Site Reports: <https://covid19.mohp.gov.np/>

Indicators	Target	Jan 15, 2021	Progress as of August 15, 2021
			<p>23,226 RT-PCR tests on a single day (highest) were achieved on 21 May 2021.</p> <p>58 public and 38 private medical laboratories are authorized to carry tests covering all 7 provinces. (Source: MOHP, SitRep #553) (Source: MOHP, SitRep#113 - #553) Target achieved.</p>
1b. By August 2020: Quarantine space for at least 200,000 people with separate wards for women and men, set up in all 7 provinces (April 30 2020 baseline: 49,334)(MOFAGA)	=> 200,000 people capacity	Total number of quarantine Centre 6,304 with 205,003 beds ⁸	<p>6,304 quarantine centers with a bed capacity of 205,003 as of the first week of July 2020.</p> <p>Based on the review at 15 sample local governments, separate wards for men and women were maintained in all the quarantine centers.</p> <p>278,137 people have returned home after using these quarantine facilities. Among the users, 14.74% are women. Source: CMIS/MOFAGA Target achieved.</p>
1c. By August 2020: Financial incentives provided to at least 70,000 health and frontline personnel responding to COVID-19, of whom at least 70% are women (April 2020 baseline: 0)(MOHP)	=> 70,000 people F = 70%	10 health institutions have disbursed financial incentives to 2,794 health and frontline personnel (56.3% female),	<p>10 health institutions have disbursed financial incentives to 4,070 health and frontline personnel (59.31% women)⁹ Among the 83 local levels reported to MOFAGA, 76 have provided financial incentives to 5,642 health and frontline personnel (59.50% women). Report collection and compilation of reports from remaining local levels is in progress. Source: MOHP and MOFAGA</p>
Reform area 2: Social protection and relief programs delivered			
2a. By August 2020: Food assistance distributed to 1 million poor and vulnerable households. (April 2020 baseline: 0) (MOFAGA)	=> 1 million households	1.885 million households	<p>1.899 million households (5.483 million people) have received food assistance¹⁰. Source: CMIS/MOFAGA Target achieved.</p>
2b. By July 2021: Employment	=> 500,000	104,050	278,477 (55.7% of target achieved) have

⁸ Crisis Management Information System (CMIS), Ministry of Federal Affairs and General Administration (MOFAGA), 06 July 2020

⁹ MOHP has compiled the financial incentives amount but yet to prepare the report of disaggregated data (sex and DAG) of health and frontline personnel provided financial incentives

¹⁰ On an average 13.5 kg rice, 1.25 kg Dal, 0.74 liter oil, 0.85 kg salt, 0.26 kg sugar, 1.7 soap, 1.17 kg other food items and 0.4 kg vegetable/fruit per household (Calculated by dividing distributed total amount of different categories of food by the total number of beneficiary households).

Indicators	Target	Jan 15, 2021	Progress as of August 15, 2021
support provided through the Prime Minister's Employment Program to at least 500,000 unemployed people, comprising at least 50% women (including women returnee migrant workers) and 25% individuals from disadvantaged groups (April 2020 baseline: 0)(MOLESS)	unemployed employed F: => 50% D: => 25%	persons have been employed on a wage basis in FY 2019/20, and 5,847 persons in FY 2020/21 (as of Nov,2020)	received employment from PMEP during 2019/20 and 2020/2021 (46.88% women ¹¹ and 60.75% individuals from DAG) ¹² FY 2019/20- total 104,050 (women 45.13% and DAGs 59.8%) FY 2020/21- total 174,427 (women 47.92% and DAGs 61.32%) Source: EMIS-PMEP, MOLESS
Reform area 3: Economic support for affected sectors implemented			
3a By July 2021: Concessional Lending extended to at least 10,000 affected MSMEs, of which at least 30% are women-led MSMEs and at least 50% of women-led MSMEs are women from disadvantaged groups (2020 baseline: 0)(NRB)	=>10,000 affected MSMEs F => 30% DF => 15%		The initial assessment shows that 145,747 MSMEs were benefited from the concessional lending against the target of 10,000 MSMEs. It has provided to 50,513 women-led MSMEs and 2,450 from DAG Source: NRB

¹¹Data not maintained on employed women returnee migrants in EMIS

¹²As per report of EMIS-PMEP/MOLESS, 15 August 2021

3. Macroeconomic and Financial Sector Performance

This section describes the macro-economic performance in terms of expected GDP growth and its main drivers, with changes in 6 months, and an analysis of the financial sector performance, including assessing non-performing loans.

The Monetary Policy for the fiscal year 2021/22 released on August 13, 2021, reports that Nepal has maintained the overall macro-economic and financial stability due to the successful implementation of the economic recovery program, despite COVID-19 resurgence.

In FY 2019/20, the economy contracted by 2.1%, and the Central Bureau of Statistics (CBS) estimated the growth in FY 2020/21 to be 4.01 % instead of 7.0% projected in the budget speech¹³. However, as stated in the Current Economic Situation of the Country report issued by MOF, given the second wave of the pandemic in the fourth quarter of the fiscal year, achieving even the revised growth target is challenging. Besides the COVID-19 pandemic, the Situation Report identified some structural constraints to the sustained growth in the economy. The salient constraints are inadequacy of domestic and foreign investment in the productive sector; trading sector-centered investments; high cost of production; lower capacity of government to make capital expenditure; decoupling of economic growth and job creations; unequal distribution of a dividend of economic growth; persistence of informal sectors in the economy.

The report also highlights the dwindling contribution of manufacturing/production sectors to the national economy as a challenge for long-term growth. In recent years, the production-oriented industrial sectors were 5.1% only, which showcases the weak foundation of the economy's sustained growth¹⁵.

But the monetary policy anticipates the prospect of short-term economic growth to improve with the rapid increase in vaccinations rate, coupled with improved agricultural produce on the back of favorable weather, availability of advanced seed and chemical fertilizer, and access to agricultural credit in the country. However, the Monetary Policy and the Situation Report falls short of mentioning any specific growth target for the upcoming fiscal year. The capital formation during FY 2020/21 is estimated to be 27.3% which was 28.4 % in the previous fiscal year¹⁶. The consumer price inflation during FY 2020/21 was 3.60% which was well within the inflation target of 7%. On a year-to-year basis, consumer price inflation was 4.19 %¹⁷.

Federal government expenditure and revenue stood at NRs. 1180.95 billion (USD 10.0 billion) and 938.32 billion (USD 7.95 billion), respectively¹⁸. Of the total expenditure, recurrent expenditure was Rs. 851.68 billion, and capital expenditure was Rs. 228.30 billion. Recurrent and capital expenditure constitute 72.11 % and 19.33 %, respectively¹⁹. The Current Economic Situation of the Country Report issued by MOF highlights that low capital expenditure is primarily due to the unrealistic budget projections and lack of fiscal discipline, as evident in the higher expenditure outlay in the last month of the fiscal year. For example, the five-year average expenditure during the last month (Mid-June to Mid-July) was 23.10 % of the total expenditure. In FY 2019/20, last month's expenditure share was 22.23%.²⁰ The report highlights the tendency for expenditure commitment without confirming the source of funds²¹.

¹³ [Press Release on National Accounts Statistics of FY 2077-78](#), Central Bureau of Statistics

¹⁴ [Budget Speech of Fiscal Year 2020/21](#), Ministry of Finance

¹⁵ [Current Economic Situation of the Country Report 2021](#), Ministry of Finance

¹⁶ [Monetary Policy 2078-79](#), Nepal Rastra Bank

¹⁷ *ibid*

¹⁸ *ibid*

¹⁹ *ibid*

²⁰ [Current Economic Situation of the Country Report 2021](#), Ministry of Finance

²¹ *ibid*.

Similarly, the revenue collected is increasingly inadequate to make recurring expenditures. This is even though revenue collection relative to GDP is rising. The Situation Report states that the revenue-to-GDP ratio has risen in the last five years from 19.8 % in FY 2015/16 to 22.0 % in FY 2020-21. This has led to a rising fiscal deficit, which has contributed to rising public debt²².

During the fiscal year, the Government of Nepal mobilized the gross internal loan of NRs. 224.01 billion (USD 1.89 billion) with NRs. 36.90 billion (USD 0.32 billion) principal repayments. The amount constitutes 4.4% of the Gross Domestic Product (GDP)²³. In the last five years, total public debt has increased 250 % from NRs. 698 billion (i.e., 22.7% of GDP) to NRs. 1729 billion (i.e., 40.5% of GDP)²⁴. The report highlights that rising public debt to GDP might create a risk of a higher cost of future funds, crowding out of private investment and that significant portion of revenue allotted for paying back principal and interest²⁵.

The Situation Report states that there is a huge gap between the foreign assistant estimation and actual realization. In FY 2015/16, the foreign assistant realization was 1.49 billion against the estimation of NRs. 3.2 billion or 49.3% of the target. In FY 2020/21, the realization was only NRs. 1.63 billion, which constitutes 45.2 % of the estimation of NRs. 3.60 billion²⁶.

In the external sector, exports have increased 44.4% to reached NRs. 141.12 billion, and imports increased 28.7% to reach NRs. 1539.84 billion during FY 2020/21²⁷. The merchandise trade deficit has increased by 27.3%. Remittance inflow during FY 2020/21 has registered growth of 9.8% to reach NRs. 961.05 billion. The current account deficit was NRs. 333.67 billion, and the balance of payment surplus was NRs. 1.23 billion during FY 2020/21, which was NRs. 33.76 billion and 282.41 billion, respectively, the previous fiscal year. The country's foreign exchange reserve is NRs. 1399.03 billion (USD 11.75 billion), and the reserve is sufficient to cover the prospective merchandise and service imports of 10.2 months²⁸.

In the financial sector, both domestic deposits and credit show upward trends during FY 2020/21. BFIs deposit mobilization increased by 21.4 to reach NRs. 4662.73 billion. The deposit mobilization increment was 18.7 with an amount of NRs. 3839.73 billion in the previous fiscal year. Similarly, credit disbursement by BFIs to private sectors increased by 27.3 to reach NRs. 4084.81 billion. Such credit disbursement in the previous year was NRs. 3209.79 billion with an increment of 12%. Despite the pandemic, the non-performing assets of commercial banks, development banks, and finance companies remained at 1.5%, 1.5%, and 6.2% in mid-July 2021 compared to 1.8, 1.5, 6.2 % during the previous fiscal year²⁹.

BFIs have extended concessional lending of NRs. 161.44 billion to 104,109 borrowers by Mid-July 2021. Among these loans, NRs. 106.98 billion was extended to 46,057 borrowers in the agriculture and livestock sectors and NRs. 50.98 billion was extended to 55,551 women entrepreneurs. Under the remaining eight concessional lending schemes,³⁰2501 borrowers withdrew NRs. 3.48 billion only³¹.

²² *ibid.*

²³ [Monetary Policy 2078-79](#), Nepal Rastra Bank

²⁴ [Current Economic Situation of the Country Report 2021](#), Ministry of Finance

²⁵ *ibid.*

²⁶ *ibid.*

²⁷ [Monetary Policy 2078-79](#), Nepal Rastra Bank

²⁸ *ibid.*

²⁹ *ibid.*

³⁰ They are Educated Youth Self-employment Loan; Project Loan for Youth-Returnee Migrant Workers; Dalit Community Business Development Loan; Higher, Technical and Professional Education Loan; Housing Loan for Earthquake Victim; Loan to Textile industries; Loan to training by CTEVT approved institution, and Youth Self-employment Loan.

³¹ [Monetary Policy 2078-79](#), Nepal Rastra Bank

Similarly, by mid-July 2021, 48,890 borrowers have enjoyed refinancing facility NRs. 148.75 billion. NRs. 0.96 billion business continuity loan was approved, of which NRs. 0.74 billion as disbursed³².

Overall lending to MSMEs³³ was NRs. 327.80 billion, constituting 10.1 % of the credit portfolio; to agriculture, sectors were NRs. 425.83 billion (13.2%) and to energy sector NRs. 194.13 billion (6 %).

On the capital market, the NEPSE index at Mid-July was 2883.4, and market capitalization has recorded an increment of 123.7 % to reach Rs 4010.96 billion from the previous fiscal year-end amount of Rs. 1792.76 billion³⁴.

Although the negative impact on the economy by COVID-19, the major financial and macroeconomic indicators are largely stable and favorable. With the rapid increase in the availability of vaccines and the increasing rate of people getting vaccinated, the growth prospect has improved. Still, the economy is facing the possibility of the third wave of the pandemic and other structural challenges. The rising oil prices subdued aggregate domestic demand, weak import-export ratio, and volatility in exchange rates may pose constraints to rapid economic recovery.

Table: Key Financial Indicators

Table 1: Major Financial Indicators³⁵

Particulars	Mid-March 2020	Mid-July 2020	Changes	Mid-Jan 2021	Changes (Mid-July 2021 – Mid-January 2021)	Mid-July 2021	Changes (Mid-Jan 2021 – Mid-July 2021)
	1	2	3	4	5 = 4-2	6	7 = 6-4
A. Credit, Deposit Ratios (%)							
Total Deposit/GDP	104.33	104.43	0.10	113.73	9.3	111.10	-2.63
Total Credit/GDP	93.04	86.89	-6.15	97.21	10.32	97.86	0.65
Total Credit/ Total Deposit	89.18	83.21	-5.97	85.48	2.27	88.08	2.60
CCD Ratio#	76.66	69.58	-7.08	74.94	5.36	76.32	1.38
Fixed Deposit/Total Deposit	49.01	47.9	-1.11	48.52	0.62	46.70	-1.82
Saving Deposit/Total Deposit	30.41	31.12	0.71	32.85	1.73	33.59	0.74
Current Deposit/Total Deposit	8.00	10.2	2.20	8.55	-1.65	10.35	1.80
Call Deposit/Total Deposit	11.40	9.85	-1.55	9.04	-0.81	8.37	-0.67
NPL/ Total Loan	1.77	1.89	0.12	1.84	-0.05	1.48	-0.36
Total LLP/Total Loan	2.31	3.58	1.27	2.31	-1.27	2.48	0.17
Deprived Sector Loan/Total Loan	7.00	6.61	-0.39	7.59	0.98	8.25	0.66
B. Liquidity Ratios (%)							
Cash & Bank Balance/Total Deposit	9.90	12.21	2.31	10.47	-1.74	9.51	-0.96
Investment in Gov.	10.12	13.57	3.45	14.46	0.89	15.22	0.76

³² Ibid.

³³ Defined as loan amount of less than Rs. 10 million.

³⁴ [Monetary Policy 2078-79](#), Nepal Rastra Bank

³⁵ Current Macroeconomic and Financial Situation-English (Based on Annual data of 2020/21), Nepal Rastra Bank

Particulars	Mid-March 2020	Mid-July 2020	Changes	Mid-Jan 2021	Changes (Mid-July 2021 – Mid-January 2021)	Mid-July 2021	Changes (Mid-Jan 2021 – Mid-July 2021)
	1	2	3	4	5 = 4-2	6	7 = 6-4
Securities/Total Deposit							
Total Liquid Assets/Total Deposit	22.64	27.9	5.26	26.78	-1.12	26.18	-0.60
C. Capital Adequacy Ratios (%)							
Core Capital/RWA	12.15	12.01	-0.14	11.56	-0.45	11.12	-0.44
Total Capital/RWA	13.97	14.16	0.19	13.86	-0.27	14.19	0.33
D. Financial Access (Number)							
No. of Deposit Accounts	31,112,194	32,454,204	1342010	34671949	2217745	37,770,985	3099036
No. of Loan Accounts	1,498,467	1,544,059	45592	1601958	57899	1,702,195	100237
E. Interest Rate of Commercial Banks (%)							
Wt. Avg Interest Rate on Deposit	6.77	6.01	-0.76	5	-1.01	4.76	-0.24
Saving	4.78	4.16	-0.62	2.78	-1.38	3.01	0.23
Fixed	9.74	9.02	-0.72	8.01	-1.01	7.72	-0.29
Call	4.32	2.37	-1.95	0.98	-1.39	0.93	-0.05
Wt. Avg Interest Rate on Credit	11.8	10.11	-1.69	9.09	-1.02	8.43	-0.66
Total Deposit & Lending (NRs.in Million)							
Deposits NRs.	3,614,357	3,933,738	319,381	4,284,220	350482	4740066	455,846
Loan and advances (Including Bills Purchased) NRs.	3,223,216	3,273,096	49,880	3,662,120	389024	4174616	512,496
Deprived Sector Loan NRs.	196,254	201,610	5,356	243,275	41665	293414	50,139

4. The Implementation of COVID-19 Response Measuresⁱ

This section provides detailed description of the implementation progress of the COVID-19 response measures, in terms of (i) prevention and treatment, (ii) social protections, and (iii) economic support. This is expected to cover the National Relief Programs.

4.1 Health and Medical Support

Response Action	Implementing Agency
a. Building additional quarantine and hospital bed capacity	MOHP
b. Establishing laboratories with PCR testing capacity	MOHP
c. Instructing private hospitals with a capacity of 50 or more beds to prepare isolation wards to treat suspected COVID-19 patients	MOHP
d. Scale-up critical care bed capacity	MOHP
e. Introducing a health insurance scheme for medical personnel	MOHP
f. Providing additional financial incentives to medical and health personnel	MOHP

Implementation Progress, Challenges and Next Steps.

Progress on Implementation

- A total of 5,591 quarantine centers with 176,716 beds were established at the country's various locations spreading in all 7 provinces (province-wise shown in Annex A) by June 22 2020, when the border crossings of the migrants were at the peak. 1,195 additional quarantine centers with 55,307 beds were added by August 27 2020, to cater to the additional demand. Demand for quarantine beds reached a maximum on June 10 2020. Then it started dropping at the rate of 5.7% in June, 4.4% in July, 1.26% in August, 0.64% in September, 2.47% in October, 4.34% in November, 1.18% in December, and 2.75% in the first 2 weeks of January 2021.
- The demand for isolation beds started to rise steadily from the last week of July to the third week of October (4% in August, 0.59% in September, and 3.63% in October. The demand started declining since the last week of October at the rate of 2.51% in November, 3.16% in December, and 2.56% in the first two weeks of January 2021 (Annex B). People have preferred to stay in home isolation in recent days. Among the 39,298 active cases as of August 15 2021, 35,018 are in home isolation, and the remaining 4280 are in institutional isolation. Currently, only 419 persons are in quarantine³⁶.
- During the last six months reporting period, there have not been any major changes in the use of quarantine. The details of quarantine occupancy during the early period of COVID-19 are given in

³⁶SitRep#553, MOHP, GON

Annex C.

- As per a recent sample survey³⁷, the quarantine and isolation centers have maintained wards separately for men and women (Annex D). All the LLs have allocated beds for women in the separate wards. The share of allocated beds for women was 16.11% of the total quarantine beds.
- The quarantine centers with the required number of beds were managed as per the Provinces' varying demands. The utilization factor for beds in quarantine centers in Sudurpachim is the highest (32,88 %), while it is nominal for Bagmati Province (4.61 %). (See Annex A).
- Initially, the RT-PCR test started with only one public laboratory. The RT-PCR testing laboratories increased from 1 to 26 numbers by July 15 2020. The test of charge for RT-PCR in public laboratories was free. After issuing protocol on June 22 2020, the government allowed private testing laboratories to conduct RT-PCR tests. The private laboratories, when allowed, started charging NRs. 6,000 for a single test but later reduced the charge to NRs. 2000 following the government's intervention. During the reporting period, RT-PCR testing laboratories have increased from 26 to 96 in number. Currently, 58 public and 38 private medical laboratories are authorized to carry RT PCR tests covering all 7 provinces³⁸. The time taken to deliver the test results has considerably reduced from an earlier 24 hours to 4 to 5 hours now.
- The highest RT-PCR tests and the highest number of positive cases were observed at 23,226 and 9,483, respectively, on May 21 2021, and May 11 2021. The lowest number of RT-PCR tests (1,900) done in a single day was on February 13 2021, and the lowest number of positive cases (47) in a single day was on March 6 2021. Similarly, the maximum percentage of positive cases (50.36%) and the minimum percentage of positive cases (1.33) in a single day were on May 10 2021, and March 6 2021, respectively. The percentage of positive cases against the number of PCR tests remained on average 30 to 50.36% during the last week of April to the last week of May 2021. Although the positive cases for men remained higher than women, the increase rate among women is significant from 34.96% on January 16 2021, to 40.12 % on August 15 2021. (Annex E).
- The number of recovered cases surpassed the daily positive case from October 2020 to March 2021 and May to June 2021. However, the positive cases exceeded the recovered cases from July 2021, and it is continued so far (Annex F)
- The highest positive cases were observed among 25-34 year age group people, followed by the 35-44 and 15-24 year age group, and the 55-64 age group has the highest deaths, followed by 65-74 and 45-54 year age group. The Case Fatality Ratio is the highest in 85 years or above, followed by 75-84 and 65-74 year age groups. (Annex G).
- COVID-19 incidence (per 100,000) in Nepal is lower than the Maldives among the 11 South-East Asian Region (SEAR) countries. Maldives has the highest COVID-19 incidence among the SEAR countries. (Annex H).
- The positive cases among men continuously decreased from 94% on June 1 to 60% in the first week of November 2020, then remained constant until April 2021. Conversely, the rate of women positive cases continuously increased from 6% on June 1 2020, to 40% in the first week of November (Annex D). Similarly, women's deaths also increased from 29.87% of the total deaths in the second week of January to 33.40% in the first week of August 2021.³⁹

³⁷ A telephonic sample study (11 LLs) and field survey (15 LLs) carried out by CARES TA team covering 26 local levels. 15 local levels had managed 12,841 quarantine beds in the total 291 centers.

³⁸ 9 in Province 1, 10 in province 2, 49 in Bagmati, 5 in Gandaki, 12 in Lumbini, 4 in Karnali and 7 in Sudurpaschim province

³⁹ Situation Update #40 and 68- Coronavirus Disease 2019 (COVID-19) WHO Country Office for Nepal

- The average tests⁴⁰ for January, February, March, April, May, June, July, and August are 34.97, 22.98, 27.10, 53.78, 151.51, 107.52, 97.22, and 115.80 tests per 1000 per week. It represents the rising pattern of average weekly tests until the end of May, which recovers until July and rises in August.
- The average positive case rate for January, February, March, April, May, June, and July 2021 is 7.32, 3.49, 2.99, 16.93, 40.03, 23.48, and 21.24%, respectively, of the total test performed at that time (Annex I).
- As a result of the second surge of COVID-19 Pandemic, the demand for ICU and ventilators started sharply increasing from last week of April 2021 and peaked on 01 June 2021 with total use of 1491 ICU beds and 404 ventilators. The utilization of ICUs and ventilator in Kathmandu valley on June 01 2021, was 566 ICUs (74.91%) and 281 ventilators (58%).⁴¹The current use is 311 ICUs (67.52%) and 141 ventilators (60.28%) as of August 15 (Annex J).
- The construction of 250 new hospitals⁴² (5-15 bedded) in 396 local levels is in progress. These hospitals provide additional 3,345 beds at local levels covering all seven Provinces.
- LLs and health institutions have provided risk allowance/financial incentives to the targeted health and frontline workers, especially during the last trimester of the fiscal year 2076/77. Ten federal-level health institutions have reported the number of health workers who received financial incentives. Information from 83 local levels shows that 5,642 health and frontline personnel, including 1,407 FCHV (48.75% of total FCHV), have received financial incentives. The local levels' information has represented all provinces, two-thirds of districts (scattered to 50 districts), three ecological regions, and rural municipalities and municipalities. As per the reports received from federal and local institutions, 9,712 people received an allowance, with 59.50% women. Likewise, in the category: 10.55% were doctors, 22.24% were nurses, 3.56% were Lab Technicians, 15.55% were Paramedics, 15.32 % were FCHV, and 32.84% were others than the specified categories Annex K. The compilation of complete data is in progress.⁴³

Other implementation progress/updates

- So far, Nepal has received 4.748 million vaccines on a grant from India, China, the USA, and under COVAX facilities as of July 15 2021. With the procured 6.0 million vaccine doses from India (AstraZeneca - 2.0 million doses) and China (Vero cell - 4.0 million doses), Nepal has yet to receive 1.0 million doses from India. Japan has announced 1.6 million doses of vaccines (AstraZeneca) to Nepal as a grant. China has pledged to supply an additional 1.6 million doses of Vero cell on a grant basis. The World Bank has provided USD 75 million, and ADB has provided USD 165 million for vaccine procurement and management.⁴⁴
- Out of the total targeted population of 22.17 million, 4,684,509 people have been vaccinated with a single dose(August 15 2021). It constitutes 21.13% of the total targeted population for vaccination. The population receiving the second dose of vaccination has now reached 15.17% of the targeted population. (Annex L)
- The MOHP developed "Risk Allowance Management Directives to the Personnel Involved in the

⁴⁰SitRep #342 to #553, Ministry of Health and Population, Government of Nepal

⁴¹SitRep #342 to #553, Ministry of Health and Population, Government of Nepal

⁴² 30 in Province One, 71 in Province Two, 83 in Bagmati Province, 21 in Gandaki Province, 38 in Lumbini Province, 24 in Karnali Province 22 in Sudurpaschim Province.

⁴³ Data reported from 17 federal health institutions to MoHP and 83 local levels to MoFAGA

⁴⁴ Press releases from MOHP

Treatment of COVID-19 Patients, 2077” and circulated it to all local levels and health institutions for implementation.

- During the reporting period, the government has undertaken the following activities for the COVID-19 response to cope with the second surge and to ensure uninterrupted delivery of routine non-COVID health services:
 - 3-months rolling plan Operationalized to implement COVID-19 response effectively.
 - Issued new directives related to health security and quarantine of passengers arriving in Nepal following the drop in COVID-19 cases in early March).
 - Relaxation on quarantine procedures for foreigners coming to Nepal who've taken both shots of COVID-19 vaccine with a recent RT-PCR test report
 - The study on the Sero-prevalence of SARS-CoV-2 has concluded that a 50% of people are susceptible to COVID-19.
 - The screening process at Port of Entry (POE) strengthened with the facilities of testing for COVID-19 to facilitate the public health interventions during the case management process.
 - With the recent surge in COVID-19 cases, MOHP has issued a circular to manage positive cases at hospital and isolation centers based on the presence of symptoms identified at PoEs:
 - Incident Command System (ICS) reactivated from Mid-March to cope with the second surge of COVID-19 Pandemic.
 - An order was issued based on the Infectious Diseases Act 2020 covering health and other sectors, including the responsibility of the public for the prevention and management of the COVID-19 Pandemic.
 - Promulgation of COVID-19 Crisis Management Ordinance to respond to COVID-19 emergency
 - Donor's support solicited to increase the capacity of oxygen production and its equitable distribution in sufficient quantities.
 - Prepared and issued COVID-19 related guidance/publications:
 - "Protocol for Collection of Samples for PCR Testing at Home, 2078,
 - Pocket Book on "Clinical Management of COVID-19 in Healthcare setting" (Second Edition), and "Criteria for the use and determining the requirement of medical oxygen, 2078"
 - Pocket book for people in home isolation (Nepali Language)
 - A protocol on Case Investigation and contact tracing (CICT) during COVID-19 Community level transmission (Nepali Language)
 - Treatment guideline for Mucormycosis (English Language)
 - Mucormycosis Surveillance reporting format (English Language)
 - Operationalization of COVID-19 Prevention Micro Containment Plan following the guideline on "Order on Prevention and Control of the Second Surge of COVID-19

Implementation Issues:

- To ensure an adequate supply of logistics, including PPEs, during the second surge of COVID-19.
- To manage additional demand for ICUs and ventilators to cope with the demand during the second surge of COVID-19.
- To collect financial expenditures records, including financial incentives disbursed to health and frontline workers. 83 LLs and 17 federal health institutions have so far submitted the records of financial incentives provided to the frontline health workers and volunteers.
- To make people aware and conscious of the emerging new variants of COVID-19. A publicity campaign has been launched, and publicity materials developed and distributed.
- To enforce the public health standards to limit the spread of COVID-19 cases and ensuring vaccination to the targeted population – procurement, storage, distribution, site management.
- To manage online registration of COVID-19 vaccination program to streamline the record-keeping as well as certification.

Next Steps:

- Further, strengthening the case investigation and contact tracing at all levels and preventing/managing the further spread of COVID-19 cases.
- Increased coordination with the Ministry of Home Affairs and MOFAGA on a) cross-border management, b) increasing the coverage for Antigen Tests, and c) managing isolation facilities.
- Increasing the coverage of digital registration of vaccination information with disaggregated data.
- Facilitating health studies: universal health insurance coverage and health infrastructure assessment. Based on these concept report’s recommendations, further studies are to be identified and carried out.
- Continued capacity development programs for health workers
 - for further reinforcing the existing communication/awareness program for the general public
 - to enforce public health standards and
 - for an effective roll-out COVID-19 vaccination.

4.2. Social protection for the poor and vulnerableⁱⁱ

Response Action	Implementing Agency
a. Mapping and registration of the poor and vulnerable people	MOFAGA/ LLs
b. Food distribution to the poor and disadvantaged people	MOFAGA/ LLs
c. Instructing firms to pay wages during the	MOLESS

lockdown period	
d. Contributing to employer and employee shares for the social security fund (SSF) for at least 1 month	MOF, MOLESS
e. Registering returnee migrant workers and potential migrant workers	MOLESS, LLs
f. Providing returnee migrant workers and potential migrant worker with employment support	LLs, MOLESS
g. Extending employment support to informal sector workers	LLs, MOLESS

Progress and Challenges by MOFAGA, MOLESS, and MOF on Implementation Progress, Challenges, and Next Steps.

- 2.8 million Population (65.71 % malnourished pregnant and lactating women) have been identified under poor and vulnerable.⁴⁵MOFAGA/CMIS have reported that 1.899 million households (5.483 million people) have received food assistance. Food relief beneficiaries are the highest in Province one and the lowest in the Karnali Province.⁴⁶(Annexes M).
- The average quantity of food provided to the poor and vulnerable households⁴⁷ during the first and second surge of the COVID-19pandemic was in line with the provisions made in the “Model Standard for Providing Relief Support to the Workers of unorganized Sector and Helpless, 2076⁴⁸”. The average food distributed per household is the highest in Sudurpaschim province and the lowest in the Bagmati Province (Annex N).
- 573 local levels have registered 331,631 returnee migrant workers (women returnee: 13.09%). The largest share of returnee migrant workers is in Sudurpaschim province (40.4%), while the Bagmati province has the lowest returnee migrant.⁴⁹(Annexes O)
- The government has contributed to employer and employee shares for the social security fund (SSF) for the last 4 months of FY 2019/20.⁵⁰ Total beneficiary employers are 1,130, and the beneficiary employees are 194,457 (with 31.94% women). The government contributed NRs. 0.98 billion (8.37 million USD) to the fund for employees, constituting 26% of women (Annex P). During the budget presentation for FY 2021/22, the government has further announced⁵¹ an additional 2 months’ (Mid-May to mid-July, 2021) contribution for SSF on behalf of the eligible employer.
- Out of the total 752, 803 registered unemployed in EMIS for PMEP employment, PMEP/MOLESS set up a target to employ only 200,000 people on a wage basis⁵². However, 174,427 unemployed were provided PMEP jobs in FY 2020/21, which shows a significant gap between demand and supply of employment opportunities in PMEP.
- 278,477 persons have received employment from PMEP on a wage basis during FY 2019/20 and

⁴⁵Country Brief, June 2021 of WFP Nepal

⁴⁶21.11% households in Province one, 20.71% in Province two, 18.35% in Bagmati Province, 8.20% in Gandaki Province, 16.03% in Lumbini Province, 6.91% in Karnali Province and 8.68% in Sudurpachim Province

⁴⁷ The vulnerable people as defined by MOFAGA/GON for Covid-19 related food assistance

⁴⁸30 kg rice, 3 kg dal, 2 packet salt, 2 liter cooking oil, 4 piece of soap and 2 kg sugar per household of workers and helpless

⁴⁹ Province one 4.7%, Province two 7.5%, Bagmati Province 3.6%, Gandaki Province 4.8%, Lumbini Province 26.5%, Karnali Province 12.6% and Sudurpachim Province 40.4%.

⁵⁰ Budget Speech, FY 2020/21, MOF, GON

⁵¹ Budget Speech, FY 2021/22, MOF, GON

⁵² Budget Speech, FY 2020/21, MOF, GON

2020/21 against the target of 500,000 persons. Among those beneficiaries, 46.88% were women and 60.75% individuals from DAG communities. Employment was provided from PMEP to 104,050 unemployed in FY 2019/20, of which 45.13% were women, and 59.80% were from DAGs. In the case of FY 2020/21, 47.92% women beneficiaries and 61.32% DAGs were involved in PMEP/CFW opportunities out of 174,427 beneficiaries. The total number of beneficiaries is highest (20.98%) in Sudurpashim Province with 71 days average employment and lowest in Province two (8.77%) with 58 days average employment. (Annex Q.)

Other Implementation Progress:

- As reported by 76 LLs, 5,642 health workers and frontline personnel (59.50% women) have received financial incentives amounting NRs 187 million.
- CMIS is under customization for collecting and disseminating COVID-19 disaggregated data targeting its second surge.
- MOFAGA communicated regularly with LLs to effectively apply mitigation measures to control COVID-19 cases during the second surge.
- MOFAGA circulated to all LLs for carrying out voluntary pre-registration on COVID-19 vaccination.
- MOFAGA communicated to all LLs to regularly update COVID-19 death cases of municipal staff and the representatives into the CMIS.
- ToR for Unconditional Food Support Study has been prepared and updated, incorporating lessons learned from the second surge of COVID-19 and the occurrence of flood and landslides during this COVID-19 pandemic.
- MOLESS released the conditional federal grant assistance of NRs.10.76 billion (USD 91.965 million) to LLs to implement an employment program to provide a minimum of 100 days of employment to 0.2 million people in FY 2020/21.
- MOLESS prepared a guidance note on “Minimum care to be taken to mitigate COVID-19 infection risk while conducting the PMEP” and circulated to all LLs.
- PMEP/MOLESS conducted virtual orientation events to Chief Administrative Officer, Finance section chief, Employment Coordinator, and Technical Assistant of all provinces totaling 3,491 participants regarding the plan of action, target of the program, physical & financial progress, EMIS entry, and wage payment through bank.
- PMEP/MOLESS improved EMIS to generate reports with disaggregated data in terms of sex and caste/ethnicity. It also instructed to all LLs for timely completion of the web-based performance evaluation of the Employment Coordinator using revised evaluation criteria.
- PMEP/MOLESS has revised the minimum daily wage rate from NRs 517 to NRs 577 for Cash for Works (CfW) employees of FY 2021/22.
- PMEP/MOLESS conducted Cash for work (CfW) study in collaboration with ADB and the World Bank to review its delivery chain and provide necessary recommendations for future intervention.

Implementation Issues:

- Due to remoteness, all LLs have difficulty reaching out to reliable internet connections. Out of 753 LLs, only 510 LLs have regularly maintained data updates on CMIS and 743 LLs have regularly been updated in EMIS. Reaching to LLs not connected to reliable internet for CMIS and EMIS

updates and financial data remains an issue.

- Completion and timely entry of the financial information into EMIS and CMIS by all the LLs remains an issue.
- Completing disaggregated and complete financial incentives provided to health and front-line workers from LLs is yet to be completed.
- Effective operationalization of existing CMIS and extending its outreach, including digital access, is yet to enhance. The need for improvement/upgrading of CMIS to maintain all disaster-related information, including complete COVID-19 information, has been realized by its stakeholders.
- LLs have yet to integrate the PMEP activities and local-level planning steps taking wider ownership of the program.
- Facilitate the effective implementation of PMEP; a bridging mechanism between federal, provincial, and LLs yet to be adequately designed.
- There is a significant gap between employment demand and actual supply; upscaling the employment target under PMEP to meet the remaining demand is an issue.
- Activation of Employment Service Centers (ESC) to work as a resource center to coordinate with non-governmental employment providers and explore employment opportunities within the respective LLs is yet to materialize.

Next Steps:

- To complete the compilation of financial incentives information provided to health workers and frontline personnel from all LLs.
- To upgrade CMIS and EMIS and make them interoperable with another information system (IS) at the local level.
- Coordinate with local levels to conduct the food support study (incorporating lessons learned from the second surge of COVID-19 and the *occurrence of flood and landslides during this COVID-19 pandemic*).
- To develop and apply a bridging mechanism between federal, provincial, and LLs to facilitate the effective implementation of PMEP.
- To strengthen the PMEP delivery process based on the recommendation of the CfW study as appropriate.

4.3 Economic support for affected sectors (USD 555 million)ⁱⁱⁱ

Response Action	Implementing Agency
a. Allowing deferred tax filing for at least 1 month	IRD
b. Waiving all customs duties on medical equipment	DOC
c. Allowing debt rescheduling until the end of FY 2020/21	NRB
d. Instructing banks to provide an interest rate discount to borrowers who repay on time	NRB

e. Extending loan repayment of short-term working capital loans	NRB
f. Instructing banks to relax the loan amount ceiling and approve loans within 5 days for tourism and transport businesses	NRB
g. Allowing banks to count loans to health facilities for COVID-19 treatment as qualifying toward priority sector lending requirements	NRB
h. Lowering the mandatory cash reserve ratio and reducing the interest rate on the standing liquidity facility rate	NRB
i. Providing a refinancing facility for affected small and medium-sized enterprises, and returnee migrant workers and potential migrant workers	MOF, NRB
j. Providing a grant subsidy for the transport of agricultural produce	MOF, MOFAGA
k. Discount in electricity and water-supply charges	MOF, MOEWRI, MOWS, MOCIT
Progress and Challenges by MOF and NRB on Implementation Progress, Challenges, and Next Steps.	
<ul style="list-style-type: none"> On the economic recovery front, the outstanding refinance facility provided by the NRB at a concessional rate for promoting productive sector activities and export amounted to NRs.18.38 billion (USD 155.7 million) in mid-March 2020⁵³, the outstanding refinance amount increased to NRs. 127.09 billion⁵⁴ (USD 1.07 billion) with an increment of NRs. 108.71 billion (USD 921.2 billion) during COVID-19 impacted Period. There has been a significant six-fold increase in refinance activities during the COVID-19 impacted period, helping the economy's early recovery. The outstanding concessional loan is NRs. 161.44 billion (USD 1,368.13 million) extended to 104,109 borrowers as of mid-July 2021⁵⁵. The concessional loans of 32,448 borrowers with NRs. 59.56 billion (USD 504.74 million) were extended from Mid-July 2020⁵⁶. The concessional loan amount increased significantly by NRs. 101.88 billion (USD 863.39 million) in the review period indicates that the massive economic support for affected sectors has happened. The total outstanding concessional loan includes 46,057 borrowers for selected agriculture and livestock businesses, 55,551 women entrepreneurs (53.35% of total borrowers), and 2,501 borrowers in other eight sectors as of Mid-July 2021⁵⁷. The Refinance Procedure, 2020, and Business Continuity Loan procedures were issued and implemented during the period. Business continuity loans extended to COVID-19 affected tourism, cottage, small and medium industries for salaries to workers and employees in line with 'Business Continuity Loan Procedure, 2020'. Under this provision, a loan amounting to NRs 736.8 million (USD 6.24 million) was disbursed against the approved loan NRs. 956.7 million (USD 8.10 million) as of mid-July 2021⁵⁸. 	

⁵³ [CMEs-Eight-Months-Final-Compilation-English-2076-77.pdf \(nrb.org.np\)](#)

⁵⁴ [Current-Macroeconomic-and-Financial-Situation-Nepali-Based-on-Eleven-Months-data-of-2077.78.pdf \(nrb.org.np\)](#)

⁵⁵ [Current-Macroeconomic-and-Financial-Situation-English-Based-on-Annual-data-of-2020.21-1.pdf \(nrb.org.np\)](#)

⁵⁶ <https://www.nrb.org.np/red/current-macroeconomic-and-financial-situation-tables-based-on-annual-data-of-2020-21/>

⁵⁷ [Current-Macroeconomic-and-Financial-Situation-English-Based-on-Annual-data-of-2020.21-1.pdf \(nrb.org.np\)](#)

⁵⁸ [Current-Macroeconomic-and-Financial-Situation-English-Based-on-Annual-data-of-2020.21-1.pdf \(nrb.org.np\)](#)

- As per the instruction of the NRB⁵⁹, BFIs extended the loan repayment period for two years to 199 borrowers for hard-hit tourism sectors and businesses with loans amount NRs. 20.86 billion (USD 177.78 million). Similarly, loan repayment period of 7,688 for the group of less affected borrowers' loan of NRs. 30.3 billion (USD 256.77 million) was extended for 6 months, loan repayment period of 7,878 for the group of moderately affected borrowers' loan of NRs. 28.27 billion (USD 239.57 million) was extended for 9 months up to Mid-April, 2021, and a loan repayment period of 4,012 for the group of hard-hit borrowers' loans of NRs. 14.27 billion (USD 120.93 million) was extended for 1 year, i.e. by Mid-July, 2021⁶⁰.
- Restructuring and rescheduling of loans NRs 129.21 billion (USD 1,095 million) have been permitted to 21,717⁶¹ of the group of hard-hit borrowers of the COVID- 19 based on their business plan.
- The grace period for repayment was provided for 993 borrowers for loans worth NRs. 52 billion. Among those, low-impact businesses were 174 borrowers (NRs. 3.95 billion) for six months; medium-impact businesses were 321 (NRs. 18.41) for nine months; and high-impact borrowers 498 (NRs. 29.63 billion) for one year⁶².
- The additional working capital loan for high-impact businesses to restart the operations 20 %over their initial working capital was provided to 16182 borrowers. Rs. 14.24 billion such additional credits were provided through BFIs⁶³.
- The borrowers using periodic credit were provided 10% additional loans using the same collateral. 7269 such borrowers were provided NRs. 9.36 billion loans⁶⁴.
- NRB provided the firm-level disaggregated data on the format prescribed by MoF. The initial assessment shows that 145,747 MSMEs were benefited from the concessional lending against the target of 10,000 MSMEs. It has provided to 50,513 women-led (34.65% of total MSMEs) and 2,450 from DAG.
- Monetary Policy of NRB released on August 13 2021, for FY 2021/22, focuses on the relief and recovery of economic sectors affected by the pandemic considering the third surge. The policy provisions including a) extending the deadline of repayment of loans for concessional and refinance facilities; b) restructuring and rescheduling of the loans to help businesses affected by the COVID-19 pandemic and c) providing specific support⁶⁵to the group of badly affected sectors (restaurants, party palaces, public transportation, educational institutes, and entertainment venues) with due consideration for streamlining their businesses.
- The monetary policy further specifies conducting an independent review to ensure the effectiveness and utilization of refinancing, business continuity loan, and concessional loan provided for the economic recovery of professions and businesses affected by the COVID-19 epidemic. Further, the policy makes it mandatory for the BFIs to maintain a separate account of interest on loans to be paid by hotel, travel, trekking and aviation sectors until mid-July 2022 to

⁵⁹issued instruction to support the implementation of monetary policy 2020.

⁶⁰ <https://www.nrb.org.np/contents/uploads/2021/08/Monetary-Policy-2078-79-1.pdf>

⁶¹ ibid

⁶² ibid

⁶³ ibid

⁶⁴ ibid

⁶⁵in addition to restructuring and rescheduling, the other incentives extended to them include payment on installment.

qualify for a rebate on additional interest to be charged as a penalty.

- For FY 2021/22,⁶⁶ continuity has been given to the refinancing facility being provided by Nepal Rastra Bank at a five % interest rate for the affected entrepreneurs. The scope of concessional loans provided to MSMEs, commercial agriculture, youth entrepreneurs, women entrepreneurs, and persons returning from foreign employment are eligible for loan period extension. An amount of NRs. 13 billion (USD 110.17 million) has been set aside for this purpose.
- One of the critical challenges for the economic recovery is to provide relief to the business community and the taxpayers at large. The government has extended the time of filing of the VAT and Excise duty up to July 10 2021, on the lockdown period considering the prevailing environment on COVID-19 Pandemic⁶⁷.
- The government has exempted the custom duties on 17 categories⁶⁸ of goods, including medical supply equipment. The government also provided the tax rebates to the taxpayers' different categories for the FY 2019/20 those highly affected due to COVID-19; and it is continued for FY 2020/21. Total tax relief amount pertaining to the Income Year 2019/20 was NRs. 2.19 billion (USD 18.61 million) and the waiving custom duties up to July 15, 2021, were NRs. 2,032.90 million (USD 17.22 million)⁶⁹.
- The total affected taxpayers received tax discounts amounting NRs. 2.19 billion (USD 18.61 million) as per the following details⁷⁰:
 - a. 448,753 taxpayers with turnover up to 20 lakhs have benefited from the amount of NRs. 1,523.8 million (75 % discounts on the applicable tax),
 - b. 20,060 taxpayers with turnover-based taxpayers (turnover exceeding 20 lakhs to 50 lakhs) 2058) got the relief of tax of NRs. 211.8 million (50 % discounts on the applicable tax),
 - c. 51,243 taxpayers with turnover up to NRs. 10 million received tax relief of NRs. 404.3 million (25 % discount on the applicable tax)
 - d. 283 taxpayers related to hotels, travel, trekking, transportation, or airlines with turnover more than NRs. 10 million received tax relief of NRs. 56.3 million (20 % discounts on the applicable tax)
- Tax rebate and exemption pertaining to the FY 2020/21 to the industries and businesses affected by the COVID-19 pandemic has been made in a budget statement as follows:
 - a. Taxpayers with an annual turnover of 20 lakh per annum and an income of NRs. 2 lakh and paying tax as per Section 4 (4) of Income Tax Act are provided 90 % exemption in applicable tax.
 - b. Taxpayers having transactions from 20 lakh to 50 lakh and paying tax as per Section 4(4Ka) of the Income Tax Act are provided with 75 % exemption in tax.

⁶⁶Budget speech FY 2021/22, MOF, GON

⁶⁷ [934843821.pdf \(ird.gov.np\)](https://ird.gov.np/934843821.pdf)

⁶⁸Medicine in essential part 30, HS code 39.26, 62.07, 62.08, 62.10 and 62.11 in medical and surgical items (PPE), Viral Transport Media, PCR. Test Kit, R.D.T. Test Kit, P.C.R. Reagent and Extraction its, Surgical Gloves, Face Mask, Digital Infrared Thermometer (Thermal Gun), Ventilator, Portable PCR machine, Protective goggles.

⁶⁹ Department of Customs

⁷⁰ Economic Review, FY 2020/21, MOF

- c. A person with business transactions up to 1 crore shall be provided 50 % exemption on tax applicable as per the income tax act.
- d. Hotel, Travel, Trekking, Film Business (Production, distribution and screening), party palace, media house, transportation and aviation business having transaction above NRs. 1 crore shall be subject to 1% tax in the fiscal year 2020/21.

- NRB issued a circular to the provision of loan repayment period extension for a maximum of one year by maintaining 5% loan loss provision in case of non-repayment of additional loans (20% of working capital and 10% of term loans) provided by the BFIs for restoration during the Covid 19 epidemic.
- Electricity discount provided for the lockdown period from March 15 to July 15, 2020, the discounted amount of NRs 2,218.84 million (USD18.80 million) was provided to consumers and industry as reported by Nepal Electricity Authority (NEA). The government has announced the full exemption of the demand charge and tariff of electricity to all types of drinking water and irrigation consumer committee, including partnership, co-financing, 100% electricity tariff discount to those consuming up to 20 units per month, 50% to those consuming up to 150 units, and 30% to those consuming up to 250 units. In addition, electricity demand charges exemption will be provided to manufacturing industries, hotels, and film industries for the duration of the prohibition.

Implementation Issues

- There has been a delay in forming the NRs. 50 billion funds to support the business continuity loan. Following loan disbursement guidelines approved by NRB and issuing instructions to the BFIs, the loan disbursement has commenced with limited borrowers. So far, NRB has contributed only NRs. 1.54 billion to the fund. The timely build-up of the fund remains a challenge to attract targeted business communities to avail the opportunity.
- The final assessment of the disaggregated data compiled from BFIs remains to be assessed to understand the benefits received by the beneficiaries, including women and DAGs of various sectors.

Next Steps:

- MOF and NRB have reiterated the business communities on increased/additional support to COVID-19 severely impacted sectors, including tourism. Additional relief measures like additional waiver of electricity charges and drinking water tariff for industries/households for the lockdown period are under the government's active considerations.
- Consultation with selected borrowers and/or BFIs and field visits by the TA team. It is necessary to a) validate the data received from BFIs; and b) have additional information and insights on the implementation process. The quantitative and qualitative data analysis of concessional lending will be carried out.

5. Overall Financial Progress of the Countercyclical Program;

(This section provides the details mentioned above, the table provides actual financial expenditure for the reporting period as well as the cumulative expenditures. Since the program covers multiple budget years, this will provide an overview of actual expenditures since March 2020 to July 2021.)

Figures in million unless otherwise mentioned						
Activities	Total financial Progress NRs				Total NRs	Remarks
	FY 2019/20	FY 2020/21 (First 6 months)	FY 2020/21 (2nd 6 months)	Total FY 2020/21		
Health Care						
LG & Provincial expenditures on Quarantine, tracing & tracking, equipment (MOFAGA)	6,775.85	4,751.12	2,431.33	7,182.45	13,958.30	Local, Provincial and Federal level Covid Fund, Source FCGO & MOFAGA
Expenditures on prevention, testing, outreach and tracing and tracking (MOHP)	3,134.16	782.35	6,478.74	7,261.09	10,395.25	Source: MOHP & FCGO
Expenditure on Equipment and establishing laboratories (MOHP)	2,451.16	529.87	1763.28	2,293.15	4,744.31	Source: MOHP & FCGO
Incentives to medical front line personal (MOHP)	124.90	182.55	1040.52	1,223.07	1,347.97	Source: MOHP and 75 LLs reported to MOFAGA. note b)
Sub totalNRs.	12,486.07	6,245.89	11,713.87	17,959.76	30,445.83	
USD	104.05	52.93	99.27	152.20	256.25	73.84 % out of total NRP estimation of USD 347
Social Safety & Welfare						
Food support to an estimated 1.3 million workers in the informal sector and poor households(MOFAGA)	886.02	113.05	0.00	113.05	999.07	Represent 272 LLs, Source CMIS
Government contribution to social security funds	180.06	804.02	0.00	804.02	984.08	
Employment scheme for unemployed workers through the PMEP	7.90	10,769.90	0.00	10,769.90	10,777.80	Source MOLESS, note a)
Sub total NRs.	1,073.98	11,686.97	0.00	11,686.97	12,760.95	
USD	8.94	99.04	0.00	99.04	107.98	
Economic Recovery						
Programs related to supporting affected MSMEs	-	-	-	6,640.00	6,640.00	Interest subsidy to the concessional loan as of Mid-April, Source NRB
Exemption on custom duty & tax relief	198.29	2,603.58	1,427.23	4,030.81	4,229.10	Custom duty exemption up to 15 July 2021. Source Custom Department & IRD
Discount on Electricity & Water and subsidy for the transport of agriculture produce(MOF)		2,218.84	-	2,218.84	2,218.84	Demand charges exempted to the Tourism sector are yet to be provided.

						Source: NEA
Other				0.00	-	
Sub total NRs.	198.29	4,822.42	1,427.23	12,889.65	13,087.94	
USD	1.65	40.87	12.10	109.23	110.89	
Total NRs.	13,758.34	22,755.28	13,141.10	42,536.38	56,294.72	
Total USD	114.64	194.75	112.32	360.48	475.12	

Note a) LLS reported expenditures NRP 7,244.64 (USD 61.92) million in SuTRA, made entry of NRP 6,011.32 (USD 51.37) million expenditures in EMIS against the budget received reported NRP 10,785.13 (USD 92.18) million pertaining to the FY 2020/21.

b) Incentives to front- line medical personal (MOHP) reported as per the amount released to the hospitals to provide the incentives pertaining to the FY 2020/21. The actual amount may vary after complete reporting from the hospitals/Institutions. The incentive paid amount by 75 LLS included as per their report.

c) The exchange rate 118 per USD is used for currency conversion to FY 2020/21

6. The Achievement of Poverty, Social, and Gender Targets and, as Feasible and Based on Sex-disaggregated Data, the Program's Impact by Gender;

This section provides specific write-up and elaboration on DMF targets (as summarized in para 2) and other relevant achievements and possible impacts, explicitly focusing on poverty, social and gender

Overall/Outcome Targets:

On the outcome targets for COVID-19 pandemic adverse impacts on health systems, livelihoods, poverty, employment, and economy mitigated, three target indicators have been identified. The first outcome target is to keep COVID-19 positive cases under 10,000 proved to be critical in the context of the widespread observance of the COVID-19 pandemic. So far, the number of cases covering the initial and second surge of COVID-19 has recorded 1,292 deaths (33.50% women) out of 807,402 total cases (45.69% women). The second surge was more damaging than the first spread of COVID-19 and the emergence of various variants of COVID-19, including Delta. Out of the total positive case registered, around two-thirds cases were recorded during the second surge.

The second outcome target of keeping the food insecure population remaining below 4.6 million. The WFP Nepal Country Brief of June 2021 reports that 2.8 million (65.71% malnourished pregnant and lactating women) are only facing inadequate food consumption. It is mainly due to the food support program launched by the government immediately after the announcement of the first lockdown. A study on unconditional food support study commissioned in collaboration with WFP details the specific status of the food insecure population. **Target Achieved**

The third outcome target of providing support under the National Relief Program (NRP) to at least 90% of MSMEs to remain operational is currently under examination with the data available from the NRB. The current status report that the outstanding concessional loans of NRs. 161.44 billion (USD 1,379.82 million) have extended to 104,109 MSMEs borrowers. The initial assessment suggests that the target is likely to achieve following its validation.

Outcome on the three reform areas:

- **Reform area 1: Health system response measures supported:** Out of three targets, two met the target in this section.

1a) Testing capacity increased to at least 3,000 tests per day (April 30, 2020, baseline: about 500 tests per day) has achieved the target. The targeted indicator underestimated the potentials of the COVID-19 pandemic. 23,226 RT-PCR tests on a single day (highest) achieved was on May 21 2021. All along, the average number of RT-PCR tests has maintained above 3,000 tests per day. The government gradually mobilized 58 public and 38 private medical laboratories to carry COVID-19 tests covering all 7 provinces. **Target Achieved**

1b) Developing quarantine space for at least 200,000 people with separate wards for women and men, set up in all 7 provinces by August 2020 has achieved the target. There were 6,304 quarantine centers established with a bed capacity of 205,003 as of the first week of July 2020. Based on the review at 15 sample local governments, separate wards for men and women were maintained in quarantine centers. 278,137 people have returned home after using these quarantine facilities. Among the users, 14.74% were women. **Target Achieved**

1c) Financial incentives provided to at least 70,000 health and frontline personnel responding to COVID-19, of whom at least 70% are women by August 2020: 10 health institutions have

disbursed financial incentives to 4,070 health and frontline personnel (59.31% women)⁷¹. Among the 83 local levels reported to MOFAGA, 76 have provided financial incentives to 5,642 health and frontline personnel (59.50% women). Report collection and compilation of reports from remaining local levels is in progress.

- **Reform area 2: Social protection and relief programs delivered:** Out of two targets, one met the target in this section.

2a. By August 2020: Food assistance distributed to 1 million poor and vulnerable households. (April 2020 baseline: 0) (MOFAGA) 2b. By July 2021: 1.899 million households (5.483 million people) have received food assistance⁷². **Target Achieved**

2b. Employment support provided through the Prime Minister's Employment Program to at least 500,000 unemployed people, comprising at least 50% women (including women returnee migrant workers) and 25% individuals from disadvantaged groups: 278,477 (55.7% of target achieved) have received employment from PMEP during 2019/20 and 2020/2021 (46.88% women and 60.75% individuals from DAG)⁷³. Although 573 LLs have reported the status of the returnees migrants (331,631 returnee migrant workers including 13.09 % of women returnee as of August 15 2021), there is no supportive evidence that these returnees migrants were listed for employment support under PMEP. – see Annex O

- **Reform area 3: Economic support for affected sectors implemented:**

3a. By July 2021: Concessional Lending extended to at least 10,000 affected MSMEs, of which at least 30% are women-led MSMEs, and at least 50% of women-led MSMEs are women from disadvantaged groups. The initial assessment shows that 145,747 MSMEs benefited from the concessional lending against the target of 10,000 MSMEs. It has provided to 50,513 women-led MSMEs and 2,450 from disadvantaged groups.

Food Security impact: 5.45 million poor and vulnerable populations have benefitted from the food relief program. This support has produced an immediate effect on reducing hunger and malnutrition of lower or even no-income groups of people. In support of these people, 272 LLs reported a total expenditure of NRs.999.07 million (USD 8.34 million).

Poverty impact: With the proactive and continuous support from the government, poor people, including other segments of the society, have the opportunity of free RT-PCR test and treatment support to the positive cases with normal conditions. The three-tier governments' collaborative work became possible to trace the poor households in providing support, which ultimately contributed to mitigating potential severe effects on the ultra-poor and ultra-vulnerable people. The Multidimensional Poverty Index (MPI) Report⁷⁴ 2021 depicts that the persons deprived in any of three MPI indicators out of ten, namely, nutrition, improved drinking water, and cooking fuel, are more vulnerable to the COVID-19 pandemic. Concerning one of the MPI indicators, the government has announced the FY 2021/22 budget to provide free water supply for domestic consumers up to 20,000 liters annually to improve the hygiene and sanitation of the citizens by ensuring quality drinking water service. Consumers who are using the water supply through Nepal Water Supply Corporation, Kathmandu Upatyaka Khanepani Limited (KUKL), and

⁷¹MOHP has compiled the financial incentives amount but yet to prepare the report of disaggregated data (sex and DAG) of health and frontline personnel provided financial incentives

⁷²On an average 13.5 kg rice, 1.25 kg Dal, 0.74 liter oil, 0.85 kg salt, 0.26 kg sugar, 1.7 soap, 1.17 kg other food items and 0.4 kg vegetable/fruit per household (Calculated by dividing distributed total amount of different categories of food by the total number of beneficiary households).

⁷³As per report of EMIS-PMEP/MOLESS, 15 August 2021

⁷⁴Multidimensional Poverty Index (MPI) Report 2021 published by National Planning Commission

Local Levels will get the tariff discount facility. The government is waiting for these water utility agencies to submit the claim to compensate the relief to consumers.

Economic impact, unemployment: The Central Bureau of Statistics predicted an annual economic growth rate of 4.1 % for FY 2020/21; given the second pandemic surge in the fourth quarter of the fiscal year, achieving the growth target was challenging. The economic growth rate is estimated to be positive in 2020/21 compared to last year's negative by 2.1 %⁷⁵.

The significant adverse impact of the COVID include: a) decrease in the total government revenue by 4.3 % in 2019/20 as compared to the FY 2018/19, however, it is increased in 2020/21 compared to 2019/20 b) limitations on creating new jobs due to lockdown, c) increased risks for the original investment, d) Job losses especially in the tourism and hospitality industry, e) rise in unemployment, f) negative balance in the current account and g) significantly decreased by 80.7 % in tourist arrival in 2020. Some efforts to compensate for the pandemic's effect include creating refinancing funds to support the affected sectors, tax reliefs exemptions and discount in utilities, and budget allocation of NRs.11,216.90 million (USD 95.87 million) in 2020/21 and NRs. 12,540 (USD 106.27 million) in 2021/22 to create 200,000 new jobs in each fiscal year under PMEP⁷⁶.

A) Health impact and targets

RT-PCR Test: The number of RT-PCR Tests performed in the country by August 15 2021, were recorded as 4.153 million tests since the beginning of the COVID-19 pandemic. 58 public and 38 private medical laboratories authorized by the government performed these RT-PCR tests covering all 7 provinces⁷⁷. Out of the overall test results, the number of positive cases was 807,402 (19.44% of the total tests performed). Similarly, the total number of death cases out of positive cases was 10,292 (1.274% of positive cases reported), one of the lowest global COVID-19 statistics. As of August 15 2021, the total recovered patients are 682,682, with a recovery rate of 85.55% less than the global figure of 89.4%.

Quarantine Management: LLs had actively worked in quarantine management from tracing the first COVID positive case in the country. 205,003 beds were available in the 6,304 quarantine center as of the first week of July 2020 against the program target of 2, 00,000 beds. In 15 sample LLs, 12,841 beds were available in quarantine centers, whereas 16.11% of beds were allocated for females. However, the demand for quarantine service decreased from July 2020 due to the increased practice of staying back in home isolation. The home isolation practices were encouraged to reduce the pressure in health centers so that serious cases of COVID-19 infection could get hospital beds as and when needed. The LLs have reported the total expenditures NRs. 7,661.87 million (88.17%) out of the total available amount NRs. 8,689.22 million in the Crises Management Fund in FY 2019/20 dedicated to the quarantine management and food for relief work. The total expenditure for quarantine management and food support for the FY 2020/21 is NRs. 7,295.50 million (USD 61.82 million) against the budget provision of NRs. 11,421.42 million (USD 96.79million). The total financial progress as of July 15 2021, is 63.88 percent.

⁷⁵ based on data presented in Chapter 3

⁷⁶ based on data presented in Chapter 4.

⁷⁷ 9 in Province 1, 10 in province 2, 49 in Bagmati, 5 in Gandaki, 12 in Lumbini, 4 in Karnali and 7 in Sudurpaschim province

B) Social protection impact and targets

Food relief: Against the target of providing food support to one million poor and vulnerable households, the government, through municipalities, has provided food to 1.899 million poor and vulnerable households covering 5.483 million populations. 2.8 million (65.71 % malnourished pregnant and lactating women) face inadequate food consumption as of July 2021. The identified food insecure population is 39.13% less than the maximum limit (4.6 million) stipulated in the DMF of the CARES program.

Social security fund (SSF): NRP targets to provide the employer and employee shares for the SCF for at least one month. The progress is quite encouraging and exceeding the program's target. The government provided NRs 984.08 million for the four months (Chitra, 2076 to Ashad, 2077) to contribute to the social security fund on behalf of 194,457 workers of 1,130 establishments/firms severely affected by COVID-19. The government has announced two further monthly contributions to SSF on behalf of the employer to compensate for the work loss during the second lockdown.

Employment programs: MOLESS has implemented the Prime Minister's Employment Program (PMEP) to provide employment support to unemployed people, including persons from the informal sector and the returnee migrant and potential migrant workers. A total of 1,122,359 unemployed people had applied at respective Employment Service Center of LLs for FY 2019/20 and 2020/21 Cash for Works employment opportunity under the PMEP. Employment was provided from PMEP to 174,427 persons in FY 2020/21 and 104,050 persons in FY 2019/20 on a wage basis. A total of 278,477 (46.88% women and 60.75% individuals from DAG) persons received employment against a target of 5,00,000 persons benefitting from PMEP in the two years. MOLESS has disbursed NRs.10,769.90 million (USD 92.05 million) to the local levels this fiscal year. LLs reported expenditures NRs. 7,244.64 (USD 61.92) million in SuTRA, and 6,011.32 (USD 51.37) million expenditures in EMIS.

B) Social protection impact and targets

Food relief: Against the target of providing food support to one million poor and vulnerable households, the government, through municipalities, has provided food to 1.899 million poor and vulnerable households covering 5.45 million populations. 2.8 million (65.71 % malnourished pregnant and lactating women) face inadequate food consumption as of July 2021. The identified food insecure population is 39.13% less than the maximum limit (4.6 million) stipulated in the DMF of the CARES program. A study on "Unconditional Food Support" is under the preparatory stage to assess the performance of the food support program and the lessons learned in delivering these food packages to the poor and vulnerable.

Social security fund (SSF): NRP targets to provide the employer and employee shares for the SCF for at least one month. The progress is quite encouraging and exceeding the program's target. The government provided NRs 984.08 million for the four months (Chitra, 2076 to Ashad, 2077) to contribute to the social security fund on behalf of 194,457 workers of 1,130 establishments/firms severely affected by COVID-19. The government has announced two further monthly contributions to SSF on behalf of the employer to compensate for the work loss during the second lockdown. The initiatives have also supported the government to register additional contributory employers and employees into the SSF network.

Employment programs: MOLESS has implemented the Prime Minister's Employment Program (PMEP) to provide employment support to unemployed people, including persons from the informal sector and the returnee migrant and potential migrant workers. A total of 1,122,359 unemployed people had applied at

respective Employment Service Center (ESC) of LLs for FY 2019/20 and 2020/21 Cash for Works employment opportunity under the PMEP. Employment was provided from PMEP to 174,427 persons in FY 2020/21 and 104,050 persons in FY 2019/20 on a wage basis. A total of 278,477 (46.88% women and 60.75% individuals from DAG) persons received employment against a target of 500,000 persons benefitting from PMEP in the two years. MOLESS has disbursed NRs.10,769.90 million (USD 92.05 million) to the local levels this fiscal year. LLs reported expenditures of NRs. 7,244.64 (USD 61.92) million in SuTRA, and 6,011.32 (USD 51.37) million in EMIS.

The government has issued policy directives to create a pool of registered unemployed people from where the prospective employer (government or private sector) can fulfill their labour force requirement as per the need. The PMEP is working towards harmonizing the supporting activities on how effectively government-run programs/projects and the private sector can access the employment service center to provide employment opportunities at all tiers of government.

NRB reported that⁷⁸ 1,93880 migrant workers took up foreign employment during 11 months of FY 2019/20. For the same reporting period in FY 2020/21, there has been a 56.9% drop in foreign employment.

C) Economic support impact and targets

Support to Affected MSMEs: NRB bank has already identified sectors/subsectors based on the severity of COVID-19 impact as categories by the government based on the severity of the effect on business. NRB has published refinance procedure 2077, Concession Lending Guideline 2075, and Business Continuity Lending Guideline 2077. In FY 2020/21, the outstanding refinance amount reached to NRs. 127.09 billion, and the outstanding concessional loan NRs. 161.44 billion extended to 104,109 borrowers, including 55,551 women entrepreneurs. The initial assessment shows that 145,747 MSMEs benefited the concessional lending. Business continuity loan of NRs. 736.8 million extended to COVID-19 affected tourism, cottage, and MSMEs for salaries to workers and employees in line with procedure. The loan repayment period for two years extended to 199 borrowers for hard-hit tourism sectors and businesses with loans amount NRs. 20.86 billion. Similarly, a loan repayment period extended to 7,688 less affected borrowers, 7,878 moderately affected borrowers, and 4,012 hard-hit borrowers were in the review period.

The monetary policy announced on August 13 2021, has created a framework to provide a) concessional loans, b) refinancing the business, c) credits for a business operation to COVID-19 affected business, d) moratorium, e) loan restructuring, and f) loan scheduling to support MSMEs' revival. The objective of the economic package was to provide relief to both big business houses and the MSMEs. However, the government announced a fund of NRs. 50,000 million (USD 416.67 million) to provide financial support to the MSMEs affected due to COVID-19 lockdown is yet to become fully functional, even after elapse of one year of the announcement. There has been minuscule disbursement under this window.

Subsidies: As per the budget survey, the last year, the government announced 25 % of transport subsidies through the LLs to transporting agricultural products to the nearest market centers. Providing subsidies is yet to be functional.

Extending Time for Filing VAT: For the interim period between mid-May to mid-June, the government provided relief to the taxpayer by extending the date of filing and depositing VAT to the third week of July 2021.

⁷⁸ Current Macroeconomic and Financial Situation-Tables (Based on Eleven Months data of 2020/21)

Tax relief: The government announced a major tax rebate and exemption on the FY 2020/21 to businesses poorly affected by the COVID-19 pandemic to boost an early economic recovery. These include a) 90% tax exemption to the business with less than NRs. 2 million turnover and income of NRs. 0.2 million; b) 75% tax exemption to the business with NRs. 2 to 5 million turnovers; c) 50% tax exemption to a person having business transaction up to NRs. 10 million, and d) charging 1% tax for businesses like hotels, travel, trekking, film business (production, distribution, and screening), party palace, media house, transportation, and aviation business having transaction above NRs. 10 million in the fiscal year 2020/21. The total estimated tax relief amount would be around NRs. 3.5 billion (USD 29.66 million).

The exemptions of customs duties on 17 categories, including medicines, health items, and equipment imported as per the approved standards for preventing and controlling COVID-19, were applied until April 30, 2020. The exemptions were on a selective basis till May 30, 2020. The finance act exempted the health items and equipment on the conditions of handing over as assistance to the health institutions or entities prescribed by the MOHP. Such exemptions have helped the general people to get access to health items at an affordable price. Up to July 15, 2021, the government provided such an exemption of NRs. 2,032.90 million.

Discount on Electricity: Nepal Electricity Authority (NEA) provided a discount on electricity during the lockdown period from March 15 to July 15, 2020. The discount amount of NRs. 1,000.84 million was provided to the total 3,269,243 consumers consuming less than 10 units (100 % discount), up to 150 units (25 % discount), and 151 to 250 units (15 % discount) per month. Further, the electricity demand charger of NRs, 1,218 million, was waived for compensating the lockdown impact to the productive sector industries.

7. Actions Undertaken to Ensure the Implementation of Health Systems Response Measures Under the Program are in accordance with Applicable Laws and Regulations, as well as Applicable Internationally-Accepted Technical Standards;

This section provides a specific write-up on the status of the health systems improvement, especially to indicate that all are in accordance with national law and applicable standards.

MOHP: The health sector's response activities are implemented according to the globally agreed and recommended methods, specifically adhering to the WHO's technical guidance. MOHP has developed and implemented the response plan for the health sector in line with globally agreed technical standards, which are, to some extent, adapted based on the country context. The ministry has operationalized a 3-months rolling plan to implement COVID-19 response effectively. Unified response COVID-19 established at MOHP through the Incident Command System is now fully functional. Health emergency operation centers both at the federal and provincial levels are in place. An emergency response plan for the health sector for the COVID-19 pandemic has been developed and is under implementation. The rapid action plan drawn up for COVID 19 focuses on a shifting context. Various COVID 19 guidelines, protocols, and standards are also developed and disseminated through a one-door system. The government has provided additional financial incentives to the health workers and frontline personnel involved in COVID-19 response at all three tiers of governance. The capacity of ICU, ventilator, general HDU, and oxygen supply have significantly enhanced compared to the pre-COVID situation.

Similarly, the government has introduced the policy of allocating dedicated beds to treat COVID-19 child patients. The government has commenced constructing medical infrastructures with necessary facilities at all 753 local levels to provide minimum health facilities. For the digital management of health logistics and services information, the MOHP has improved the health management information system (HMIS) and operationalized logistic management information. In addition, IMU Nepal, an online support system of the HMIS, has been implemented for the digital management of COVID-19 and vaccination information of individuals.

MOFAGA: MOFAGA has regularly facilitated the LLs to apply mitigating measures to control COVID-19 cases and minimize their impacts. LLs have been involved in building and maintaining quarantine space, distributing food to poor and vulnerable households, awareness campaigns, and other initiatives to mitigate COVID-19 impacts with limited technical and financial ability. The MOFAGA has requested all LLs provide information and data on COVID-19 activities, local-level efforts to manage them, and the impact and opportunities it creates. The Crisis Management Information System (CMIS) was developed explicitly to maintain and report the support provided in crisis management, such as in COVID-19. Local levels manage the CMIS to report COVID-19 related information such as quarantine management, food relief distribution to poor and vulnerable, etc. MOFAGA has updated the CMIS to maintain the data with the emergence of the second surge of the COVID-19 pandemic.

8. Budget Execution

This section provides an overview of the budget execution and a share of the total estimated expenditures incurred in the given fiscal year.

For FY2019/20 – Actual budget execution on the COVID-19 National Relief Programs

For FY2020/21 and FY2021/22 – Include Budget for COVID-19 National Relief Programs at sufficient details, and share execution progress per quarterly report.

For FY 2019/20, the government allocated a total budget of NRs. 16,239.56 million (USD 138.80 million) except for contributing to the social security fund and PMEP, against which a total NRs. 13,347.17 million (USD 114.07 million) was incurred till July 15 2020⁷⁹, resulting in a financial delivery ratio of 82.18 %. The details are given in the following table.

<i>Amount in million</i>			
Activities	Budget NRs.	Expenditures NRs.	Expenses %
LLs (635) expenditures on Quarantine and food for relief (MOFAGA)	8,689.22	7,661.87	88.17 %
Expenditures on prevention, testing, outreach and tracing and tracking	5,092.55	3,134.15	61.54%
Capital Expenditures on equipment and infrastructures (Federal Government)	2,457.79	2,451,15	99.73%
Total	16,239.56	13,347.17	82.18 %

The budget and expenditures for the FY 2020/21⁸⁰ have been reported as follows

Amount in million

Activities	Revised Budget	Total Expenditures	Expenses %
MOFAGA			
LG expenditures on Crisis Management Fund (COVID Fund): Quarantine & Food Support	11,421.42	7,295.50	63.88%
MOHP			
Expenditures on prevention, testing, outreach and tracing and tracking	9,222.06	7,261.09	78.74%
Expenditure on Equipment and establishing laboratories	3,275.34	2,293.15	70.01%
Incentives to medical front line personal	1,622.13	1,223.07	75.40%
Total Expenditures in Health & Safety (NRs.)	25,540.95	18,072.81	70.76%
Total Expenditures in Health & Safety (USD)	216.45	153.16	70.76%
MOLESS			
Government contribution to social security funds	804.02	804.02	100.00%
Employment scheme for unemployed workers through the PMEP	11,216.90	10,769.90	96.01%
Total Expenditures in Social sector (NRs.)	12,020.92	11,573.92	96.28%
Total Expenditures in Social sector (USD)	101.87	98.08	
MOF			
Interest Subsidy to support affected MSMEs		6,640.00	
Discount on Electricity & Water		2,218.84	
Exemption on custom duty and Tax relief		4,030.81	
Food subsidies		-	
Total Financial support and exemptions in Economy Recovery Sector (NRs.)		12,889.65	
Total Financial support and exemptions in Economy Recovery Sector (USD)		109.23	
Total Financial progress for the FY 2020/21 (NRs.)		42,536.38	
Total Financial progress for the FY 2020/21 (USD)		360.48	

⁸⁰ Details refer to chapter 5

The LLs, provincial and federal government has incurred 63.88 % of expenditures from the amount disbursed to LLs including the amount deposited in the provincial and federal level COVID fund. The low expenditures efficiency ratio is observed compared to last year 88.17 % of the expenditures incurred from the COVID Fund. Similarly, the expenditures under the health sector activities have been incurred more than 70 % as budgeted. In addition, the expenditure for PMEP program has been found nearest to the budgeted amount.

The budget for the FY 2021/22

The government has approved the budget through the ordinance for this FY. As per the budget statement and budget speech announced, the following budget and relief package has been proposed to respond to COVID-19 pandemic.

Amount in million

Activities	Allocated Budget	Remarks
MOFAGA		
LG expenditures on Crisis Management Fund (COVID Fund): Quarantine & Food Support	4,283.14	Covid Fund Balance (Local, Provincial, Federal), Source FCGO
MOHP		
Expenditures on prevention, testing, outreach and tracing and tracking including Vaccine Management	6,574.00	Source MOHP
Expenditure on Equipment and establishing laboratories	2,301.50	Source MOHP
Incentives to medical front line personal	1,000.00	Source MOHP
Vaccination	33,045.00	Source MOHP
Total Budget in Health & Safety (NRs)	47,203.64	
Total Budget in Health & Safety (USD)	400.03	
MOLESS		
Government contribution to social security funds	0.00	
Employment scheme for unemployed workers through the PMEP	12,540.20	Allocated to PMEP and YETI program, Source Red Book and Budget Statement
Total Budget in Social sector (NRs)	12,540.20	
Total Budget in Social sector (USD)	106.27	
MOF		
Interest Subsidy to support affected MSMEs	13,000	Budget speech
Discount on Electricity & Water		Budget speech
Exemption on custom duty and Tax relief		Budget speech
Food subsidies		
Total Financial support and exemptions in Economy Recovery Sector (NRs)	13,000.00	-
Total Financial support and exemptions in Economy Recovery Sector (USD)	110.17	-
Total Budget for the FY 2021/22 (NRs)	72,743.84	-
Total Budget for the FY 2021/22 (USD)	616.47	-

Summary of the financial progress as of July 15 2021

Amount in USD million

NRP Sectors	NRP estimation	Total Progress	% of the progress	Remarks
Health Care	347	256.25	73.84	
Social Safety & Welfare	359	107.98	30.07	
Economic Recovery	555			Details under financial progress
a) Tax relief, utility exemption and interest subsidy.		110.89	-	
b) Business Continuity Loan				Note: The loan refinancing, concessional lending, and business continuity loan facility—provided by GON through Nepal Rastra bank—was targeted for COVID-19 economic recovery and thus should counted towards financial progress. The disaggregated data of Mid-July 2021 for lending to MSMEs is being collected from BFIs. The amount shall be reported once the final disaggregated data is received and verified.
c) Concessional Lending				
d) Refinancing of MSMEs				
Total USD	1,261	475.12		

9. Compliance with Loan Covenants

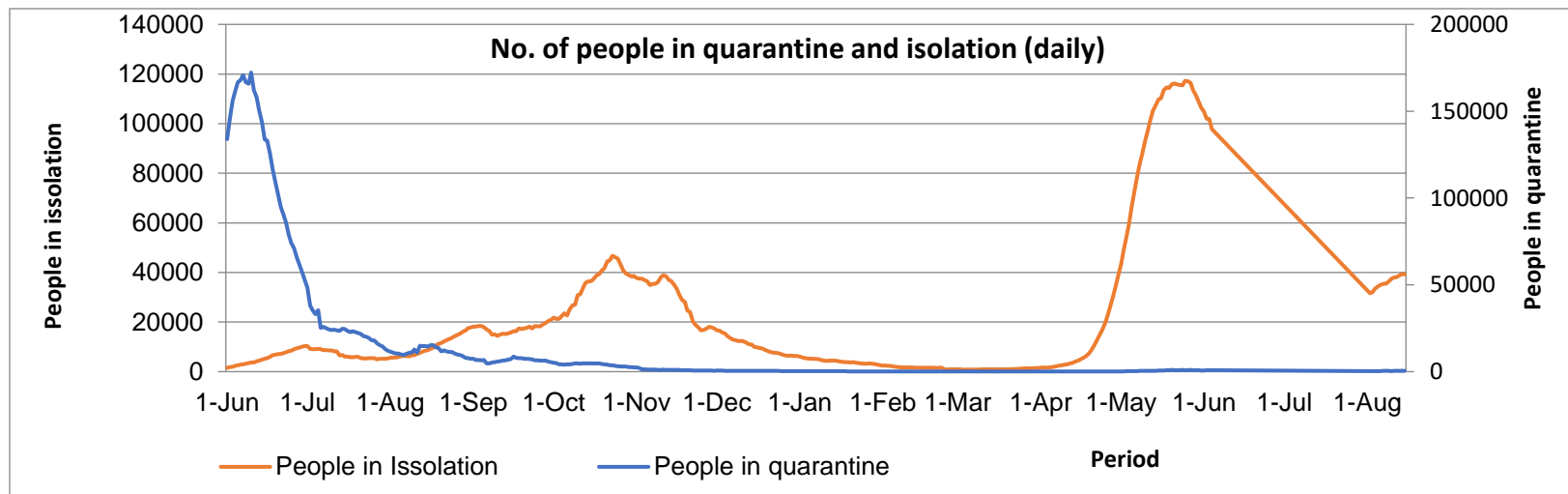
<i>In this para in the 2nd progress report, compliance with loan covenants will be included NRB Quarterly reporting of BFIs is in a one-month time lag.</i>		
Loan Agreement section 4	Covenants	Compliance Status
1 of Schedule 4 Implementation Arrangement	The borrower shall designate MOF as the Program Executing Agency, which shall be responsible for the implementation of the program, including monitoring and reporting the implementation program.	Complied
2 and 3 of Schedule 4 Policy Dialogue	The Borrower shall promptly discuss with ADB the problem and constraints encountered during the Program Implementation and appropriate measures to overcome and mitigate such problems and constraints.	Complied to date
	The Borrower shall keep ADB informed of policy discussions with other multilateral and bilateral aid agencies that may have implications for the program's implementation and shall provide ADB with an opportunity to comment on any resulting policy proposals. The borrower shall take into account ADB's views before finalizing and implementing such a proposal.	Complied to date
4 of Schedule 4 Use of Counterpart Fund	The borrower shall ensure that Counterpart Funds are used to finance the implementation of certain programs and activities consistent with the program's objectives.	Complied to date
5 of Schedule 4 Governance and Anticorruption	The Borrower, including the Program Executing Agency, shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the program; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation	Complied
6 & 7 of Schedule 4 Monitoring and Review	Until 6 months after the Loan Closing Date, the Borrower shall monitor and provide regular reports to ADB on (a) macroeconomic and financial sector performance; (b) budget expenditures in support of countercyclical measures; (c) Implementation of COVID-19 response measures, including social protection measures and financial support to poor or vulnerable groups; (d) achievement of gender targets and as feasible and based sex-disaggregated data, the program's impact by gender; (e) actions undertaken to ensure the implementation of health systems response measures under the program are in accordance with applicable laws and regulations, as well as applicable internationally-accepted technical standards; and (f) budget execution	Complied to date
	Within 6 months after the loan closing date, the Borrower shall submit a program completion report to ADB that assesses the extent of progress and impact of actions under the program.	NA

Annexes

Annex A: Province wise quarantine facility and sex-disaggregated information its occupancy (Source: CMIC-FOFAGA, August 15 2021)

Province	No. of quarantine centre	No. of beds in quarantine	Men returned from quarantine use	Women returned from quarantine use	Other returned from quarantine use	Total returned from quarantine use
Province 1	517 (8.2%)	10778 (5.3%)	11928(5.0%)	3635 (8.9%)	28 (9.6%)	15591 (5.6%)
Province 2	358 (5.7%)	16518 (8.1%)	19381 (8.2%)	1457 (3.6%)	13 (4.5%)	20851 (7.5%)
Bagmati	511 (8.1%)	9784 (4.8%)	5946 (2.5%)	1337 (3.3%)	0 (0%)	7283 (2.6%)
Gandaki	806 (12.8%)	11339(5.5%)	11033 (4.7%)	1804 (4.4%)	7 (2.4%)	12844 (4.6%)
Lumbini	1684 (26.7%)	52940 (25.8%)	61182 (25.9%)	9193 (22.4%)	97 (33.3%)	70472 (25.4%)
Karnali	863 (13.7%)	38243 (18.7%)	37738 (16%)	6275 (15.3%)	67 (23%)	44080 (15.9%)
Sudurpaschim	1565 (24.8%)	65401 (31.9%)	89287 (37.8%)	17285 42.2%)	79 (27.1%)	106651 (38.4%)
Total	6,304	20,5003	236,495	40,986	291	277,772

Annex B: Daily trend of number of people in quarantine and isolation (Source: SitRep # 113 – 553, MoHP)



Annex C: Number of quarantine beds and occupancy rate (Source: CMIS/MOFA, January 18 2021 and SitRep # 113 – 344, MoHP)

Description	22-Jun	14-Jul	2-Aug	27-Aug	30-Sep	27-Oct	11-Nov	8-Dec	4-Jan	18-Jan
No. of quarantine beds	176716	210788	216447	232023	121488	97167	85033	60734	36478	36478
Quarantine occupancy rate	51.3	11.7	5.1	4.1	4.5	3.0	1.3	0.9	0.9	0.6

Annex D: List of the local levels sampled for the quarantine study

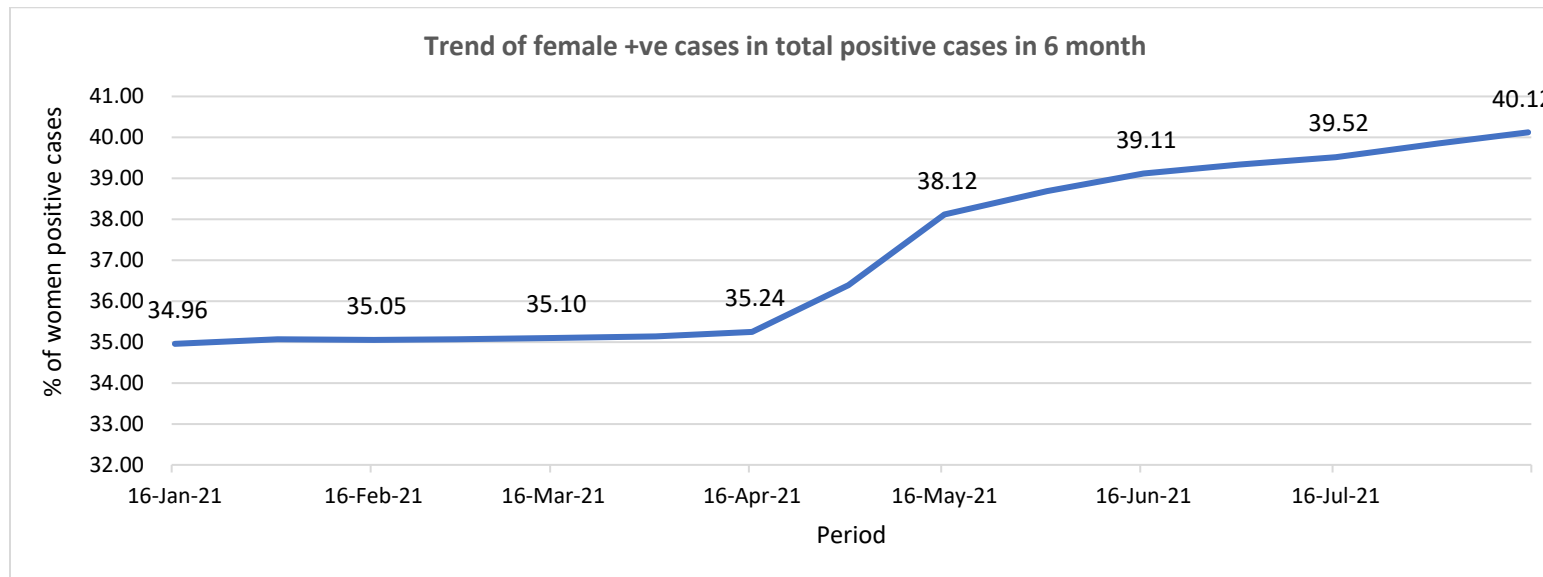
Provinces	Phone called LLs	Surveyed LLs	Total studied LLs
Province 1	Shani Arjun municipality, Kankai Municipality	Katari Municipality, Falelung Roral Municipality	4
Province 2	Bateswor Rural Municipality, Dhanauji Municipality,	Gadimai Municipality, Mithila Municipality, Bisrampur Roral Municipality	5
Bagmati		Phikkal Rural Municipality, Bhimeshwor Municipality	2
Gandaki	Bhanu Municipality,	Boreng Rural Municipality, Bhanu Municipality, Putlibazar Municipality	3
Lumbini	Butwal Sub-metropolitan, Rambha Rural Municipality, Rampur Municipality, Mayadevi Rural Municipality &Suddhodhan Rural Municipality	Maharajgunj Municipality, Dhurkot Rural Municipality,	7
Karnali	-	-	0
Sudurpachhim	Dhangadi Sub-metropolitan,	Purbichauki Rural Municipality, Bardgoria Rural Municipality, Parasuram Municipality	4

Management of quarantine centers in the 15 local levels

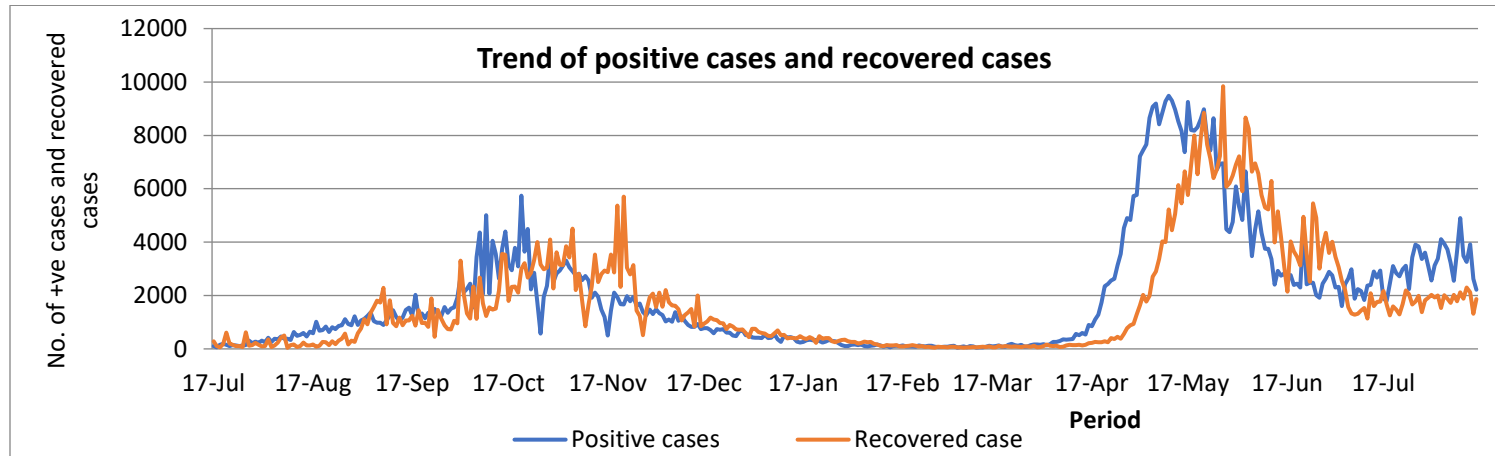
SN	Municipalities	Quarantine centers	Quarantine beds	Men beds	Women beds
1	Gadimai Municipality	7	500	450	50
2	Phikkal Rural Municipality	1	8	4	4
3	Bhimeshwor Municipality	1	30	20	10
4	Boreng Rural Municipality	35	300	200	100
5	Katari Municipality	3	250	230	20

6	Purbichauki Rural Municipality	35	6000	5500	500
7	Bardgoria Rural Municipality	47	2800	2000	800
8	Maharajgunj Municipality	48	1013	900	113
9	Parasuram Municipality	32	1117	984	133
10	Putlibazar Municipality	2	90	60	30
11	Mithila Municipality	2	55	45	10
12	Bhanu Municipality	17	72	50	22
13	Dhurkot Rural Municipality	44	461	271	190
14	Bisrampur Rural Municipality	2	65	18	47
15	Falelung Rural Municipality	15	80	40	40
	Total	291	12,841	10,772 (83.89%)	2,069 (16.11%)

Annex E: Trend of women positive cases

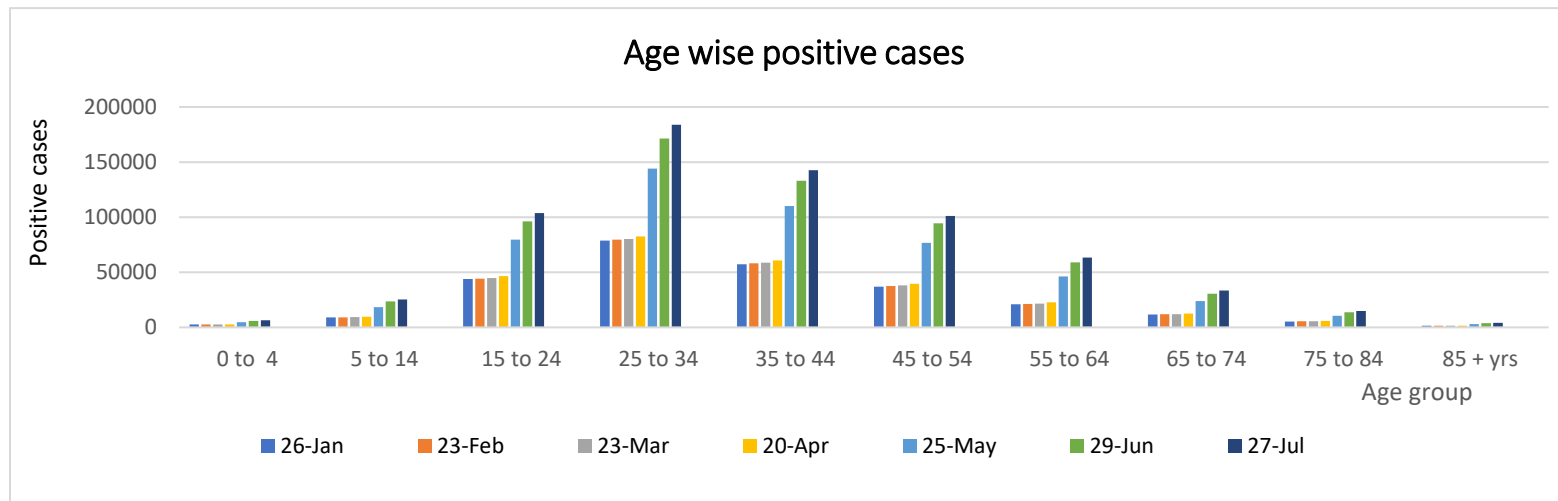


Annex F: Daily positive cases and recovered cases (Source: SitRep # 113 – 553, MOHP)

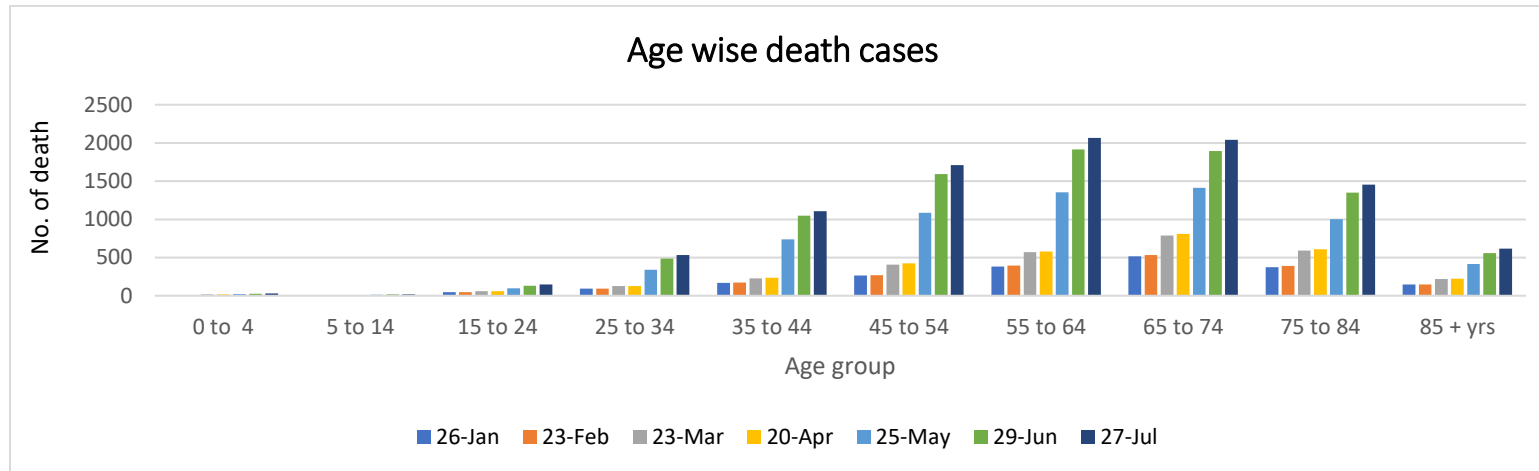


Annex G: Age wise positive cases, death cases and Case Fatality Ratio (Situation updates #41-67, WHO Country Office Nepal)

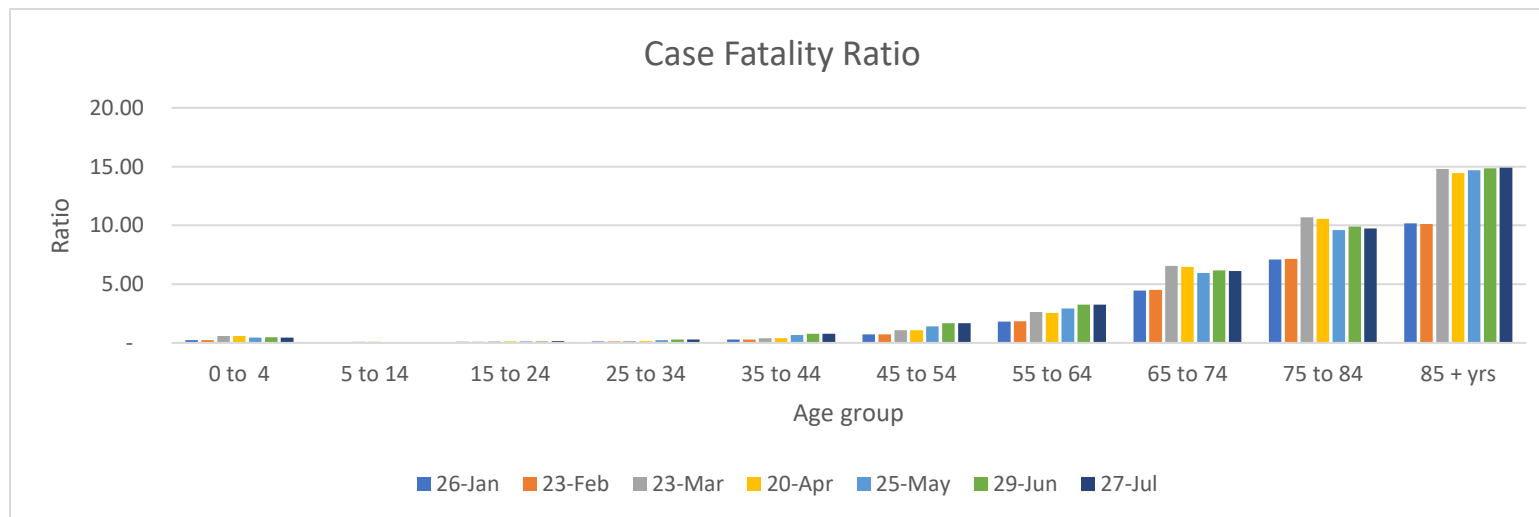
- **Age wise positive cases:** 25-34 year age group has the highest positive cases followed by 35-44 and 15-24 year age group



- **Age wise death cases:** 65 -74 age group has the highest death case followed by 55-64 and 75-84 year age group



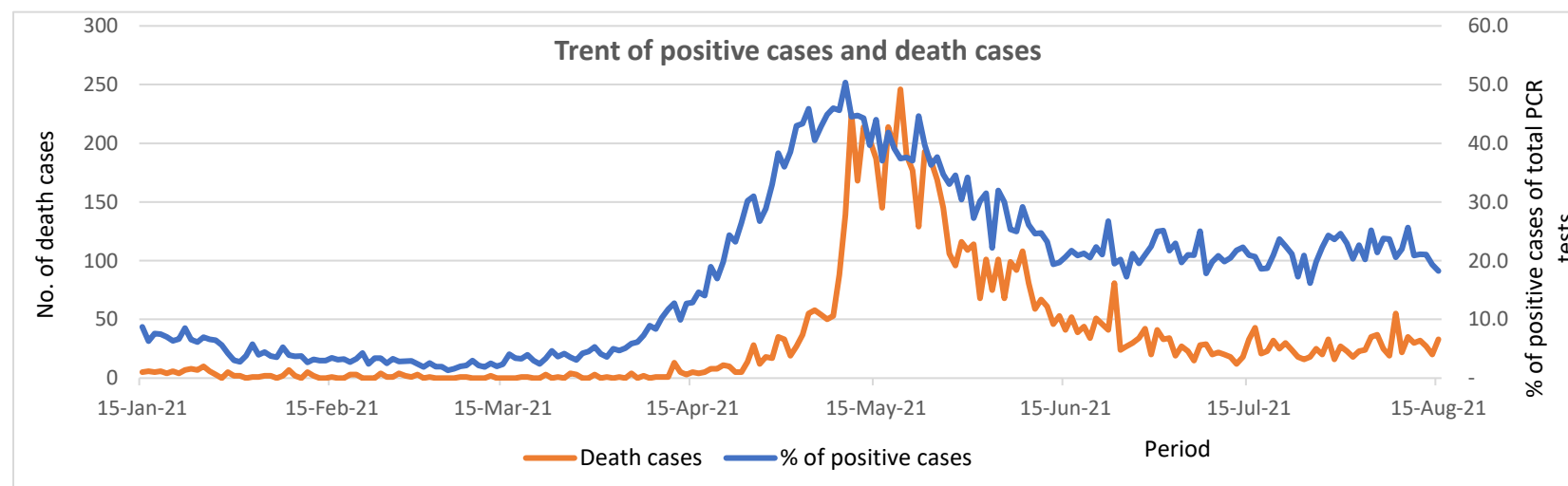
- **Case Fatality Ratio** ($\frac{\text{No. of death}}{\text{No. of positive case}} \%$): The CF ratio is the highest in the age group of 85 year or above followed by 75-84 and 65-74 year age group



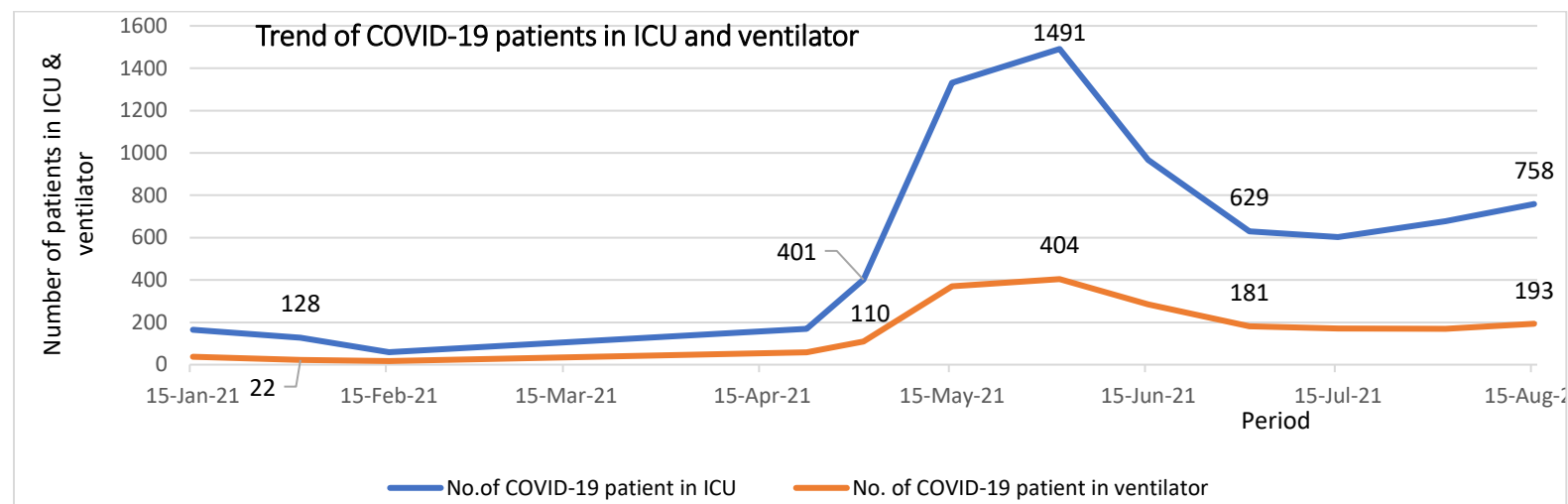
Annex H: COVID-19 Incidence in SEAR Countries (Source: Situation Update #41 to #68, WHO Country Office for Nepal)

Date	Bangladesh	Bhutan	DPR Korea	India	Indonesia	Maldives	Myanmar	Nepal	Srilanka	Thailand	Timor Leste	SEAR Countries
24-Jan-21	312	114	-	760	361	2,670	253	903	261	20	5	612
7-Feb-21	316	115	-	773	423	2,988	260	912	311	35	6	630
21-Feb-21	319	115	-	784	469	3,339	261	917	361	38	8	646
7-Mar-21	323	116	-	800	507	3,707	262	922	387	40	9	662
21-Mar-21	334	116	-	828	537	4,014	262	925	408	42	20	686
4-Apr-21	370	119	-	891	564	4,422	262	932	423	44	54	736
18-Apr-21	420	127	-	1,055	590	4,690	263	952	438	64	93	856
2-May-21	447	147	-	1,396	617	5,424	263	1,104	499	104	181	1,097
16-May-21	458	171	-	1,761	641	7,854	264	1,502	638	152	322	1,358
6-Jun-21	475	226	-	2,056	683	12,116	266	1,963	918	267	577	1,579
21-Jun-21	509	263	-	2,143	750	13,000	276	2,107	1,117	343	666	1,657
5-Jul-21	561	289	-	2,182	86	13,361	310	2,169	1,209	435	717	1,607
18-Jul-21	656	324	-	2,222	1,074	13,638	432	2,244	1,300	624	764	1,783
2-Aug-21	752	337	-	2,262	1,278	13,927	564	2,348	1,424	951	828	1,861

Annex I: Daily RT-PCR tests and positive cases (Source: SitRep #113 – 553, MoHP)



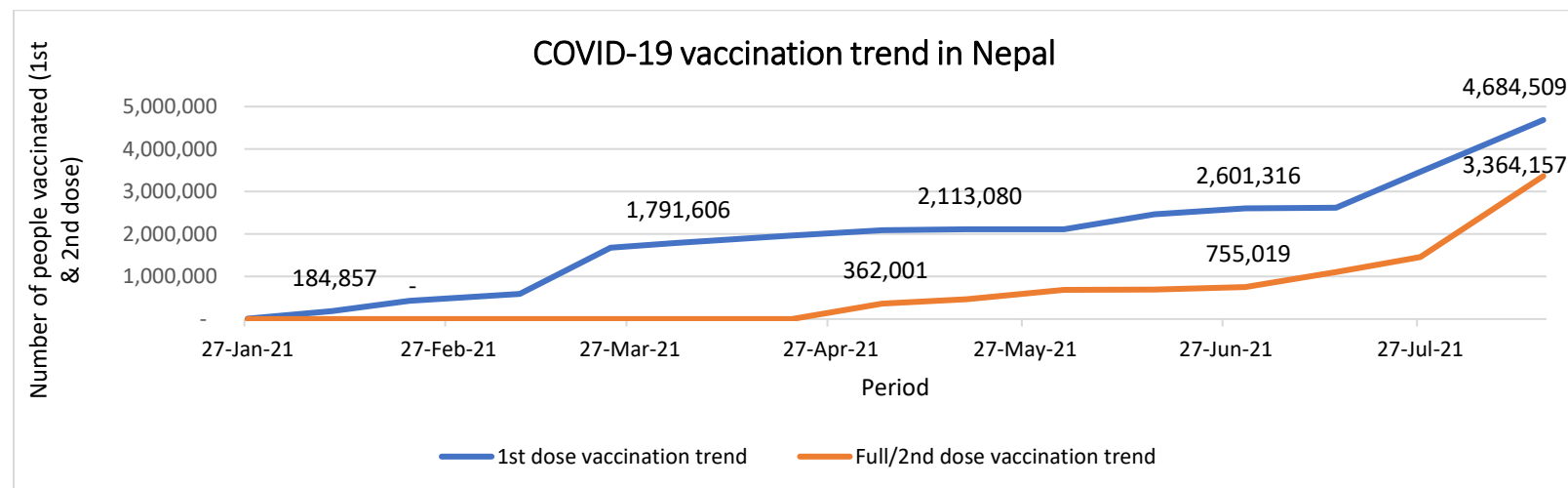
Annex J: Trend of ICU and Ventilator use (Source: SitRep #113 – 553, MoHP)



Annex K: Financial incentive beneficiary health and frontline personnel in 76 Local Levels

Provinces	No. of LLs	No. of reporting LLs	No. of LLs provided incentives	No. of districts covered	No. of incentive beneficiary men	No. of incentive beneficiary women	No. of FCHV	No. of incentive beneficiary FCHV	% of beneficiary FCHV	Total no. of incentive beneficiary	% of women beneficiary	Average no. of beneficiary at a LL
Province 1	137	11	11	7	233	309	233	40	17.17	542	57.01	49
Province 2	136	8	7	5	377	315	411	266	64.72	692	45.52	99
Bagmati	119	15	14	9	290	608	704	138	19.60	898	67.71	64
Gandaki	85	13	11	8	225	378	377	45	11.94	603	62.69	55
Lumbini	109	18	18	11	552	896	794	375	47.23	1448	61.88	80
Karnali	79	2	1	2	34	63	99	99	100.00	97	64.95	97
Sudurpaschhim	88	16	14	8	574	788	551	444	80.58	1362	57.86	97
Total	753	83	76	50	2285	3357	3169	1407	48.75	5642	59.50	77

Annex L: COVID-19 vaccination trend (Source: SitRep #113 – 553, MoHP)



Annex M: Food relief beneficiaries (Source: CMIS-MOFAGA)

Provinces	No. of relief beneficiary HHs	Relief beneficiary population	% of beneficiary HHs in the provinces
Province 1	400911	1114286	21.11
Province 2	393354	1485881	20.71
Bagmati	348533	725992	18.35
Gandaki	155630	341065	8.20
Lumbini	304513	957504	16.03
Karnali	131281	301491	6.91
Sudurpaschim	164852	557145	8.68
Total	1899074	5483364	100

Annex N: Province wise information about quantity of distributed food items (Source: CMIS-MOFAGA)

Provinces	Rice (kg)/hh	Dal (kg)/hh	Oil (L)/hh	Salt (Packet)/hh	Sugar (kg)/hh	Soap (No.)/hh	Other food items (kg)/hh	Fruits (kg)/hh
Province 1	13.75	0.93	0.59	0.78	0.06	0.69	0.11	0.49
Province 2	13.98	1.42	0.79	0.83	0.22	1.03	0.21	0.86
Bagmati	8.17	0.95	0.55	0.61	0.18	0.89	3.61	0.05
Gandaki	15.28	1.27	0.85	0.93	0.11	0.81	0.26	0.05
Lumbini	14.30	1.46	0.91	0.96	0.66	4.09	0.55	0.58
Karnali	12.33	0.99	0.57	0.76	0.15	4.05	0.17	0.02
Sudurpachim	20.63	1.98	1.12	1.32	0.48	2.05	3.62	0.03
Average/HH	13.49	1.24	0.74	0.84	0.26	1.70	1.16	0.39

Annex O: Province wise sex-disaggregated information of returnee migrants (Source: CMIS-MOFAGA)

Province	Men returnee migrants	Women returnee migrants	Total returnee migrants	% of returnee migrants in province
Province 1	12901	2671	14435	4.6
Province 2	23215	1598	24669	7.8
Bagmati	9280	2521	11542	3.7
Gandaki	13908	1872	15711	5.0
Lumbini	78653	9216	83051	26.3
Karnali	37414	4290	39285	12.4
Sudurpachim	112828	21264	127236	40.3
Total	288199	43432	315929	100.0

Annex P: Government contribution to employer and employee shares for the SSF (Source: Social security Fund)

Province	No. of employer	No. of women employee	Men	Other	Total	Amount received by female	Amount received by men	Amount received by other	Total amount
Province 1	93	10,051	20,830	16	30,897	25,568,725	60,567,131	41,244	86,177,099
Province 2	54	2,119	18,484	15	20,618	8,347,509	79,882,882	47,852	88,278,243
Bagmati Province	855	43,539	81,686	1,233	126,458	186,488,755	462,374,397	10,493,054	659,356,205
Gandaki Province	54	3,491	6,627	42	10,160	21,975,834	66,918,088	271,441	89,165,363
Lumbini Province	56	767	4,544	3	5,314	3,786,143	19,880,434	9,300	23,675,876
Karnali Province	7	101	168	-	269	675,735	1,046,326	-	1,722,061
Sudurpashchim	11	183	543	15	741	328,477	2,131,892	58,094	2,518,463
Total	1,130	60,251	132,882	1,324	194,457	247,171,177	692,801,149	10,920,985	950,893,311

Annex Q: PMEP employment trend 2019/20 to 2020/21 (Source: EMIS-PMEP/MOLESS)

Date	Cumulative trend of PMEP employment	% of women employment	% of DAG employment	Remarks
Jul-20	104050	45.13	59.80	
Jan-21	119053	NA	NA	Sex and DAG disaggregated data provided by updated EMIS only from May 2021
Feb-21	135525	NA	NA	
Mar-21	164296	NA	NA	
Apr-21	190515	47.20	60.49	
May-21	210035	47.49	61.08	
Jun-21	244430	47.38	61.68	
Jul-21	273061	47.08	61.66	
Aug-21	278477	46.88	60.75	

Employment provided by PMEP in FY 2077/78 (sex and DAG disaggregated)

Provinces	No. of employment provided	Portion of female employee (%)	Portion of DAG employee (%)	No. of employment days	No. of projects	Average employment days
Province 1	28,126	36.2	76.03	2,069,316	2,900	74
Province 2	15,299	47.65	68.29	886,964	1,693	58
Bagmati	25,441	42.91	78.28	1,791,633	2,710	70
Gandaki	14,231	40.89	79.36	1,007,266	1,652	71
Lumbini	26,400	52.25	70.5	1,995,014	2,837	74
Karnali	28,340	50.44	41.45	2,113,326	2,070	75
Sudurpaschhim	36,590	57.14	37.09	2,823,684	2,570	77
Total	174,427	47.92	61.32	12,687,203	16,432	71

ⁱ The data source include: MOHP, SitRep #342 to #522, Health Sector Response to COVID-19, MOHP, Government of Nepal, Situation Update #40-#65, Coronavirus Disease 2019 (COVID-19), WHO Country Office for Nepal, Health management Information system, DOHS/MOHP, Focused COVID-19 Media Monitoring, World health Organization, Nepal (January 16 to July 2015), CMIS/MOFAGA

ⁱⁱ The data source include: CMIS/MOFAGA, EMIS/MOLESS, WFP Nepal, Country Brief January – June 2021, Social Security Fund

ⁱⁱⁱ The data source include: Nepal Rastra Bank, Budget Announcement FY 2020/21 and FY 2021/22, Finance Act, LMBIS, SuTRA, CMIS, EMIS, MOHP, DOC, IRD, NEA, MOLESS, Social Security Fund