

KarunaNL*foundation*



Annual report 2021



Contents

1. Our purpose
2. Reflections on 2021
3. Achievements and results
4. Stories from the field
5. What makes the program innovative?
6. The collaboration with our partners
7. Risk management
8. Plans for the future
9. Financial Report

1. Our purpose

KarunaNL Foundation supports Karuna Foundation Nepal (KFN) in the implementation of the Disability Prevention and Rehabilitation Program (DPRP) through fundraising, advice, and support. Karuna Foundation Nepal collaborates with Province 1* and 58 municipalities therein with the following mission:

- » To prevent as much as possible physical and mental disabilities in newborns and young children by providing proper prenatal and perinatal counseling to pregnant women
- » To improve the care and rehabilitation of children and adults with physical and mental disabilities so that they can once again participate in the social life of their local community.

Om deze missie uit te voeren kent het 'Disability Prevention and Rehabilitation Program (DPRP)' drie operationele onderdelen:

1 - Prevention and early treatment

Local health workers are trained in providing good prenatal care. They encourage the use of folic acid around and in the first 12 weeks after conception, promote regular prenatal checkups, and encourage childbirth in improved maternity hospitals. Through "birth defect screening" of newborns, disabilities can be detected early and follow-up actions can be taken, including the application of rapid interventions. School screening

campus are organized to identify children with disabilities.

2 - Rehabilitation and inclusion

Locally, special Health Workers ("Community Based Rehabilitation Facilitators", CBRFs) are recruited and trained. They go door to door to track down people with disabilities and provide them with an ID card, which gives them rights to additional support and care. Where necessary, the CBRFs arrange appropriate specialized care, adapted education, and support for activities that lead to greater social independence and inclusion.

3 - Strengthening local (care) systems

The DPRP program aims to achieve sustainable improvement in prevention and rehabilitation. Therefore, much attention is paid to strengthening local "governance". KFN provides training to civil servants and care workers and strengthens the implementation capacity of municipalities and local care institutions. Locally, conditions are created for starting cooperatives of persons with disabilities, who thus develop joint strength to generate a source of income. Training is also given to Disabled Persons Organizations (DPOs).

Initially, the project was planned to run for 4 years: 2019-2023. Multiple lockdowns due to the COVID pandemic in Nepal have delayed implementation. We have therefore decided to support the 58 mu-

nicipalities for an additional year. We expect that from 2024 onwards they will be able to continue the program themselves with their knowledge and resources.

** Province 1 is still in the process of finalizing its name.*



2. Reflections on 2021

This annual report for 2021 does not appear until June 2022. There is a good reason for this. In Nepal, the fiscal year runs from July 15 to July 15. In this fiscal year, KarunaNL receives reports from Karuna Nepal every four months. The last report received is from November 2021 to March 2022. This report with the latest results has been included in this annual report.

There is a second reason. In March 2022, the full board of KarunaNL visited Nepal together with me for the first time since the start of the Covid pandemic. This gave an impression of the progress and results in the field. It was an inspiring visit. The board was impressed by the enthusiasm and commitment of the local authorities and saw how the program changed the lives of people with disabilities.

Moreover, the trip allowed for direct discussions with the board and management of Karuna Nepal about plans for the future. By releasing this report a little later in the year, attention can be paid to that as well.

What has been achieved?

Despite the healthcare crisis caused by the Covid pandemic, the DPRP has now clearly taken root in the healthcare and social services system. All 58 target municipalities have adopted the program

and taken responsibility for its implementation. This also means that they, as well as the Province, are making their financial contribution.

Prevention and Early Treatment

Regarding *Prevention and Early Treatment*, significant progress was achieved in identifying and counseling pregnant women. For example, all 1,400 female health volunteers, often working in hard-to-reach areas, were trained in the Mobile Health program. They sent pregnant women text messages, reminding them of the importance of prenatal checkups. Health workers (a kind of general practitioner at the level of nurses) caught up with these women, provided information on responsible pregnancy ("best wishes card"), and encouraged the use of folic acid. All municipalities purchased an ultrasound machine to detect abnormalities in the health centers and to take action where possible. Births took place as much as possible in improved birth centers to reduce the number of birth traumas. Newborns were screened for birth defects, including those who gave birth in a hospital or private clinic. Where possible, necessary action was taken to treat these babies. The infographics show the results so far. Of the government's expected pregnancies in the past year, 48,016, about 25% were registered in the program. They used folic acid, came to 4 prenatal checkups, gave birth in a large major-



ity in a birth center, and were screened for birth to a baby with a disability. Further research and longer follow-up are needed to make a judgment about the impact of the DPRP on the prevention of congenital disabilities. It is a good sign, that health centers indicate a doubling of the number of checkups compared to a year before.

Rehabilitation and Inclusion

In the *Rehabilitation and Inclusion* component, the "Community Based Rehabilitation Facilitators" are a crucial and very innovative factor. It is very promising that the 58 municipalities have now appointed a total of 231 CBRFs. They have identified 24,229 persons (3614 children) with physical or mental disabilities and provided them with ID disability cards, which give access to government grants and support. Based on home visits, indi-



dual rehabilitation plans were made, physiotherapy was arranged, help was given to purchase assistive devices (such as wheelchairs, prosthetics, and hearing aids) and interventions (artificial joint, correction of contractures) were planned. Particularly for adults with disabilities, opportunities were sought to generate income through the formation of cooperatives, for example by providing training and micro-credit for a small business. The infographics give an impression of the people reached in the various target groups. The fact that not every person with a disability received an ID card is because unregistered migrants are not eligible for this. It is clear that in the various subgroups there is still considerable gain to be made. It is to be kept in mind that the training and deployment of CBRFs have been considerably delayed by the Covid pandemic.

Strengthening (Care) Systems

Finally, Strengthening (Care) Systems. Karuna Nepal has invested a lot in 2021 to increase the motivation, knowledge, and skills of municipalities to implement the DPRP properly and, very importantly, to continue at a good level after Karuna leaves. It can be seen that the municipal coordinators are taking more and more responsibility and initiative. The development of the local "Disabled Persons Organizations" that advocate for the interests of people with disabilities was supported. The infographics show some of the results of these efforts.



Termination of the "Inspire2Care" program in the Ilam district

Karuna Foundation ended its financial support to the "Inspire2Care" project in Ilam District in 2021, following the agreements. All 10 municipalities continued the program with their funds. In 2022, technical support from Karuna Nepal will also cease. UBS is funding the evaluation of this pilot project. The results will be used in designing follow-up programs elsewhere in the province and beyond.



The Covid pandemic

In April and May 2021, the number of cases of Covid-19 infection skyrocketed. There was an acute shortage of devices with which to achieve elevated oxygen concentrations. A group of Dutch friends of NGOs in Nepal raised 220,000 Euros in a short time, with which Karuna Nepal was able to purchase and distribute so-called O2 concentrators. During the second wave of the infection, in October, the country was again severely hit. Some team members became seriously ill, but all recovered.

Impact study

In May 2022, UBS Optimus Foundation agreed to fund a mid-term evaluation study to be conducted by KIT Amsterdam in September 2022. This study will help us evaluate and adjust the current program.

Other developments

Karuna Nepal is in talks with the government to establish a hybrid training and knowledge center ("Knowledge and Evidence Lab") in the field of Disability Prevention and Rehabilitation. The goal is to make the knowledge and experience available to all who are involved in the prevention and care of children and adults with disabilities. This will be done through a portal with information about the program, an app for Community Based Rehabilitation Facilitators with concrete information about treatments and referrals, and training programs, both online and physical.

Intensive discussions have been and are being

held with Karuna Nepal on how to proceed once the program ends in the first half of Province 1. To this end, a "roadmap" has been developed and consultations are being held with potential partners, including Unicef Nepal. These consultations aim to ensure that as many Nepalese children with disabilities as possible get access to good care, good education, and social life. Further on in the report, the roadmap for the future is explained in more detail.

To conclude

The director of Karuna Nepal, Deepak Raj Sapkota, was appointed consul of the Netherlands in the ambassador-less country of Nepal in 2021. This is a great honor and recognition for him for his important role in the cooperation with Karuna Netherlands.

All the above results would not have been possible without our unique group of Dutch donors, who have pledged their support over several years. We hope to expand this group in the coming years because we believe in the power of change in this program. In doing so, we will achieve a lasting impact on the lives of many tens of thousands of vulnerable people in Nepal.

Thank you for your support and commitment!

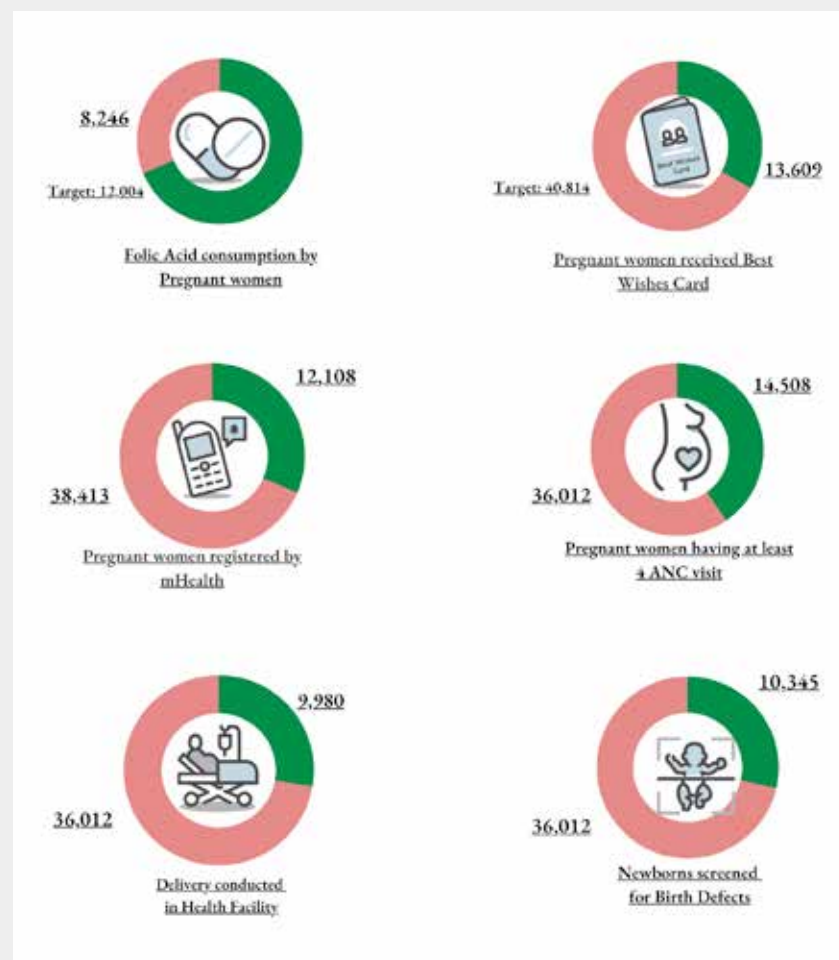
*Annet van den Hoek,
Director of Karuna Foundation Netherlands*

3. Achievements and results

The major outputs of the program till March 15th, 2022 are illustrated in the infographics below.

Prevention and early treatment

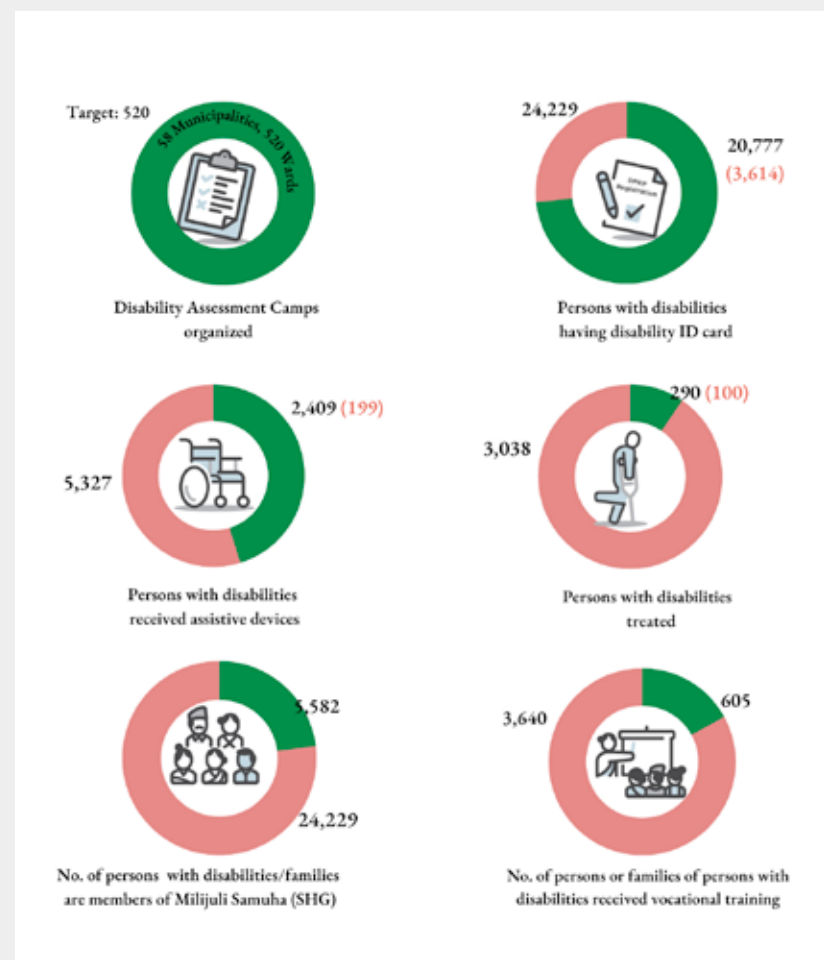
total achieved result



underlined numbers are from this year only

Rehabilitation and Inclusion

total achieved result

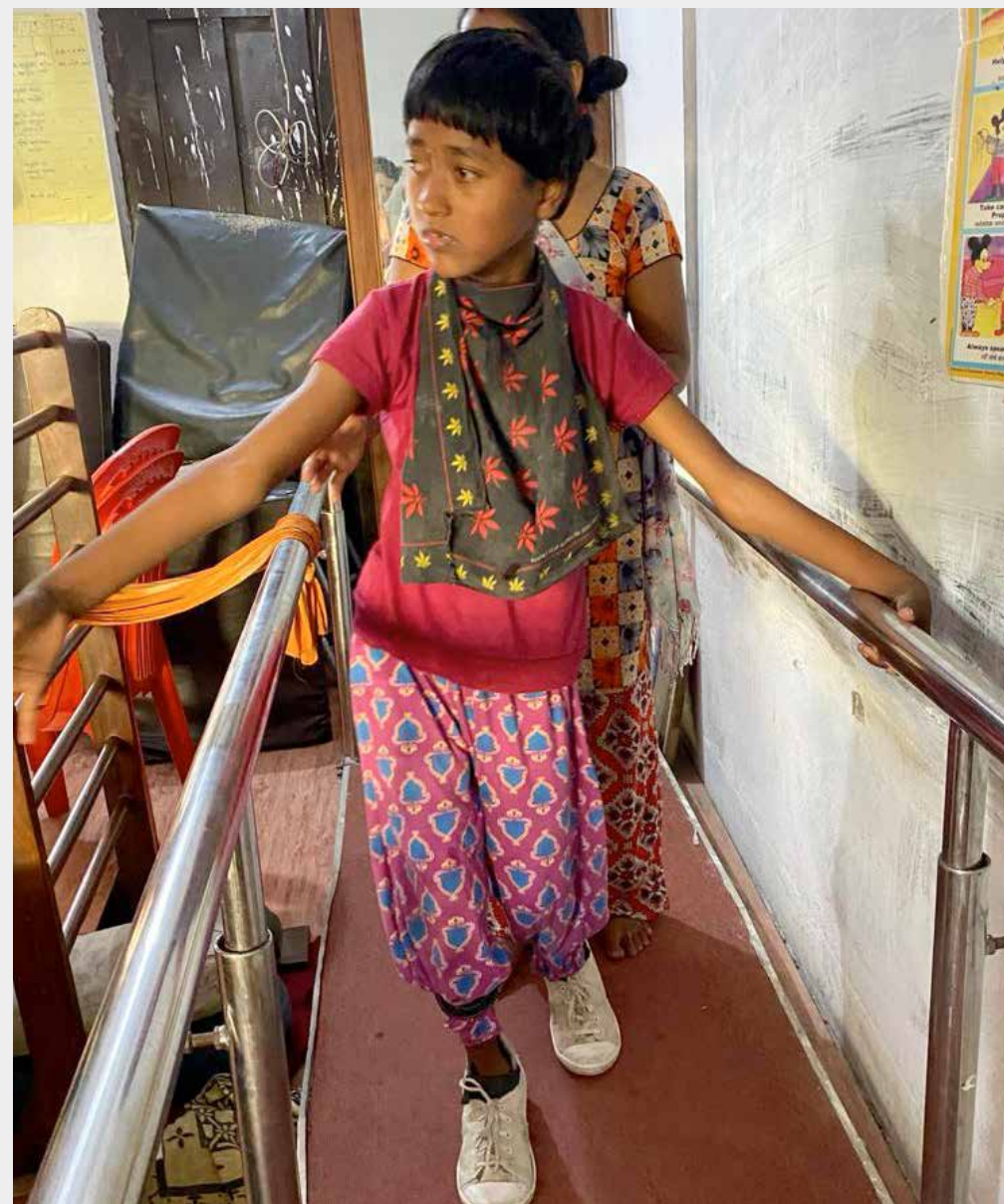
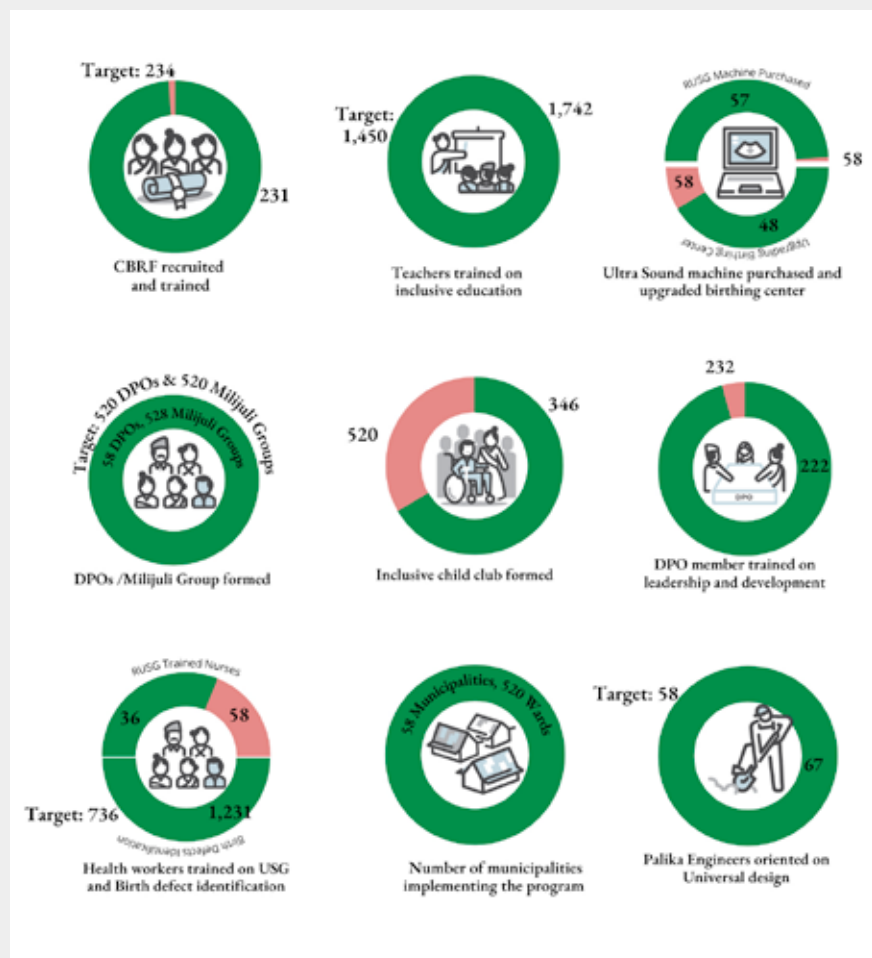


red figures illustrate the number of children

The major outputs of the program till March 15th, 2022 are illustrated in the infographics below.

Strengthening (care) systems

■ total ■ achieved result



4. Stories from the field

On the basis of a number of photos and stories, we give an idea of what the program brings about.

Community-Based Rehabilitation (CBR)



Mother Tara with her son Saran (left) who was born with Cerebral Palsy. During the screening camp organized in their village, the team of experts discovered that the boy was malnourished and in bed all the time. Tara received support from the CBRF to feed him properly and to do daily physio exercises. Gradually, the boy could sit again and be moved around in a wheelchair. Tara also received a disability card from the government which gave her an allowance for their daily living expenses.



Kishor (right) was born with a clubfoot. Thanks to early detection during screening for congenital anomalies and referral for treatment at the hospital, the boy will be able to overcome this anomaly and walk normally.



Yojan was born albino. During school screening camps, his poor eyesight became apparent. With new glasses, he can read the blackboard properly and actively participate in classes.

Prevention and early treatment



Salina (left) is 2 months pregnant. She has just received the "best wishes card" from the health worker at the local health post in her village. The card focuses on a healthy pregnancy with information on hygiene, a healthy diet, four pregnancy checks, and the importance of institutional delivery. She also became aware of the need to use folic acid after she and her husband decided to start a family. Folic acid tablets are available at local health posts.



Elisha gets an ultrasound to check her baby's condition at the improved local health center in her village. Pratima moves this mobile USG from one health post to another in the municipality. She received formal training and hopes to prevent birth defects through early interventions and referrals.

System strengthening



Our director Deepak Raj Sapkota meeting the mayors of municipalities to review the program.



Meeting of the self-help groups who received their “seed money” to start their income-generating activities.



A management committee in the municipality (right) discusses the role of health workers in the program.

5. What makes the program innovative?

Many people ask us what is new and innovative about the program and our approach. In summary, *these are the following aspects:*



The mayor repairs his fellow villager's wheelchair

1. The program is rooted in the local community. The government has taken over the program and is responsible for its implementation and financing. Karuna Foundation supports them in this for 3 years. After Karuna's exit, the local government continues the program with its own funds.
2. A unique "cost-sharing" agreement for planning and financing of programs in Nepal between the Provincial Government, all municipalities involved, and NGO.
3. A system for screening and issuing identity cards to people with disabilities that allows them to access government services and support.
4. The introduction of a local rehabilitation worker into the health care system, community-based, with a wide range of tasks size, always focused on the interest of the person with a disability.
5. Development of an inclusive society, by providing education for children with disabilities and participation in youth clubs, the establishment of Disabled Persons Organizations (DPOs), and the formation of cooperatives of people with disabilities, so that they generate a source of income and develop a social life.

6. The collaboration with our partners

The cooperation, between Karuna Foundation Nepal and the government of Province 1 and the 58 municipalities, is going well. The government organizes the implementation, while Karuna supports them. All budgets are allocated and spent as agreed. KFN invested a lot of time in 2021 to strengthen the management of the program in each municipality. The financial reporting system has been adjusted and improved, reporting takes place 3 times a year instead of once, and coordinators have been appointed within the municipality, who are responsible for proper implementation. A few people still consider this task as an extra burden for which they are not paid extra. But the majority see the impact of the program and are enthusiastic and involved. We see that the program is increasingly integrated into the local health care system. As a result, we have been able to reach many people in a short period. The province has yet to show much presence in the field due to limited manpower. By appointing a DPRP coordinator within the Ministry of Social Development, we expect to strengthen the role of the province. Below we describe the roles of the partners.

» **The provincial government** has designated the Ministry of Social Development to implement the program. They have set up a Steering Committee, established guidelines for implementation, agreed on funding modalities, and selected the municipalities to start each year. The Steering Committee manages the implementation of the program, advises the Ministry of Economy and Planning on budget allocation, develops the Health Management Information System (H-MIS), and ensures that funds are transferred on time. In doing so, they

mobilize local leaders and health institutions to work well together.

» **Municipalities** are responsible for implementation and success. The elected mayors play an important role in this. Municipalities determine the quality of care, hire and manage CBR facilitators, and manage the local finances of the program. After two and a half years, they continue the program with their funds, when the support from Karuna stops.



» **Karuna Foundation Nepal (KFN)** is a local NGO in Nepal, responsible for the scale-up strategy and introduction of the program. Two Nepalese directors lead the organization and have themselves been involved in the program since its inception. They lead a highly motivated team of 90 professionals. The team is spread over offices in the capital of Kathmandu, a new office in Itahari in Province 1 and 6 districts located in government offices. Karuna Foundation Nepal has its own board consisting of highly regarded Nepali doctors, journalists, and entrepreneurs. KFN works with the federation of disabled people in Nepal, Disabled People Organizations (DPOs)

» **The KarunaNL Foundation (KFNL)** was established in the Netherlands in 2019 at the start of the DPRP. It supports the scaling up of the program through fundraising, coordinating communication to various funding partners, financial management, and shared reporting. The director is the only employee on staff.

» **Partner organizations** Karuna works with several partners in Nepal for 1) complementary care and 2) support in collaboration with the government and further scale-up. The first group includes organizations such as Smile Train Nepal (harelip surgery), Biratnagar Eye Hospital, Global Fund for Children with Hea-

ring Loss, Center for Autism, Koshish Nepal for psychosocial counseling, and Medic Mobile. Partners working together in further scaling up the program are UNICEF Nepal, One Heart World-Wide, and FAIRMED, For the latter, Karuna Foundation Nepal has a coordinating role in implementing their program in two districts.



7. Risk management

Karuna is aware that implementing and scaling up the program is a challenging process. It requires collaboration among multiple stakeholders in a local political context. We expect the following challenges and risks and have determined mitigation measures. The lockdown due to COVID-19 in Nepal creates further uncertainty about the implementation schedule.



Potential risks

Political changes (next elections) or replacement of key people (politicians, officials) within ministries and municipalities

Political issues and conflicts of interest with partners

Delayed funding from local partners

Shortage of funding

Financial management

Delayed implementation

Inadequate care capacity to meet the growing demand for specialty care

Loss of quality due to scaling up

Measures to manage these risks

Institutionalization of the program (policy, legislation, funding modalities, steering committee, three-year agreements)

MOU signed by Karuna Nepal with all collaborating partner organizations.
Karuna Nepal's strong network. Collaboration with NFDN and DPOs strengthens local lobby and control of the government

Signed agreements for co-financing and financial management & control systems for all three parties

Fundraising by KarunaNL and Karuna Foundation Nepal

Careful financial management by director and highly involved KarunaNL board.
Reserves budgeted for changing exchange rates and unexpected costs

The agility of the team, adjusting plan and strategy in response to new circumstances and opportunities

Collaboration with partner organizations that can provide complementary care

Focus on core values of good care and operational management information system to monitor implementation

8. Plans for the future

In a "roadmap" for the future, the KFN and KFNL leadership has developed some options for further scaling up the program. In doing so, the goal is always to provide access to quality care for as many people with disabilities and pregnant women in Nepal as possible. The main plans for the future are:



Extension of Phase 1 DPRP

Given the delay in the program due to COVID and the underspending in the past year, Karuna Foundation has decided to support all 58 communities with training, advice, and guidance for one more year (July 15th 2023-July 15th 2024).

Set up DPRP Training and Knowledge Centre ("Knowledge & Evidence Lab")

Through this center, all stakeholders in Phase 1 and DPRP 2.0 can be trained and informed. From 2024 onwards, KFN can also offer advice and support to municipalities outside our Province through this lab. This will only happen at the explicit request of the municipalities, who will also provide the financial resources.

DPRP 2.0

Based on the evaluations, new insights, priorities of local administrators, and available resources, we are developing an adapted program DPRP 2.0, which we plan to implement in the second half of the province (59 municipalities). We will decide on this by the end of 2022.

Adoption of the program by the Federal Government

Since March 2022, Karuna Foundation has been an official partner of UNICEF Nepal. Together we

have expressed the ambition to integrate (components of) the DPRP into the basic health care system of Nepal. UNICEF will assist KFN with lobbying the federal government and further scaling up our program. Meanwhile, KFN has already formed a working group on DPRP within the Ministry.

International Collaboration

By sharing our knowledge and information with the NGOs in India, Bangladesh, Congo, and perhaps Uganda we want to stimulate that our working method also stimulates other organizations to expand their CBR program for good care of persons with disabilities.

In a "roadmap" for the future, the management of KFN and KFNL has developed some options for further scaling of the program. The goal is always to ensure that as many people with disabilities and pregnant women in Nepal as possible have access to good quality care.



9. Financial Report

Explanatory notes on the financial report

Because also in 2021 the implementation of the program is delayed due to a lockdown and restrictions because of COVID, the expenditure in 2021 in Nepal is lower than expected. We see underspending at Karuna Foundation Nepal mainly because many training programs could only be partially implemented due to the COVID pandemic. Also, the CBRFs could only start home visits to people with disabilities in the last quarter. Referrals for treatments and organizing resources did not get well underway until early 2022.

Out of the total program budget in 2021 of €2.878 million, we only spent €2.265 million, which means an underspend of €613,000 in 2021.

In addition, Karuna Nepal realized cost savings and we were able to benefit from a favorable exchange rate difference. Hence, the deficit in our budget has been reduced from €536.551 to €271.415 in March 2022. However, the extra costs of a 1-year extension and further cost savings in Nepal result in an expected net deficit of €536.551. Karuna Foundation Nepal will develop a more detailed revision of the budget in September. KarunaNL Foundation will continue the fundraising for the current program.

KarunaNL costs are 1% (2020 2%) (fundraising)

and 3% (2020 5%) (management costs) of total program costs, which is in line with our target. The KarunaNL board and management see this, in light of the challenges of the COVID pandemic, as an acceptable result.

Annex 1 gives an overview of the budget development of the total DPRP program and its realization until 2021.

Fundraising strategy

KarunaNL works with a group of highly esteemed donors, the majority of whom have committed to multi-year funding for the realization of the recurrence plan. KarunaNL continues to raise funds through its network and platforms and has enlisted the help of an experienced fundraiser for this purpose since 2022. We aim at finding three more partners for the start of DPRP 2.0.

Governance

The board of KarunaNL Foundation has appointed an operational director as specified in the management charter. The director leads the operational activities in the Netherlands. The board members act as supervisors and have the final responsibility for the activities of the organization.



The board consists of at least three members, appointed by the other board members. Members are appointed for four years with an option for a further four-year extension. The board decides on the chairperson to be appointed. The mandate of the board is specified in the organizational bylaws. They operate free of charge. In 2021 the board met ten times with the presence of the management. Prof Dr. G Blijham took over the chairmanship from Mr R aan de Stegge after the summer. The latter is now secretary. Mr C Nijman remains active on the board as a member.

Expectations 2022

KarunaNL expects to spend €1.329 million on program costs in Nepal in 2022. This will not fully cover the delays resulting from the COVID situation in 2020 and 2021. The Nepali fiscal year from July 15th, 2022 to July 15th, 2023 is the last year that KFN co-funds. After this, KFN will offer one more year of advice and support, but the financial contribution will come entirely from municipalities and the province. Important expenses in this last year are the salaries of CBRFs, medical treatments, tools, evaluations, and seminars with all

partners. Because the local elections for the mayors in the next five years will be in May 2022 and the provincial and federal elections in November, we expect to be less active in the field for a few weeks.

It is expected that the costs for KarunaNL in the Netherlands for 2022 will remain stable at around €155,000. No major differences are expected in expenses compared to 2021.



Karuna NL - Overview income and expenditures phase 1 (in Euro's)

	Actual 2019	Actual 2020	Actual 2021	Budget 2022	Budget 2023	Budget 2024	Total
Income							
Ineke Feitz Stichting	535.000	300.000	535.000	310.000	106.747	-	1.786.747
Stichting Perspectief	535.000	300.000	535.000	310.000	106.747	-	1.786.747
Stichting Weeshuis der Doopsgezinden	535.000	300.000	535.000	310.000	106.747	-	1.786.747
Stichting Hofstee	-	100.000	100.000	100.000	-	-	300.000
Onno van de Stolpe	-	50.000	50.000	50.000	50.000	50.000	250.000
Kinderfonds Dusseldorp	-	25.000	15.000	15.000	15.000	15.000	85.000
Stichting Equilibrio	-	-	15.000	-	-	-	15.000
Stichting 't Bosje	-	-	25.000	-	-	-	25.000
Cornelia Stichting	-	14.000	-	-	-	-	14.000
Stichting True Blue	7.000	-	-	-	-	-	7.000
Stichting Maha Mata	919	-	-	-	-	-	919
Others	-	85	1.496	-	2.000	-	3.581
ProVictimus *	-	100.000	190.000	10.000	-	-	300.000
Total income Karuna NL phase 1	1.612.919	1.189.085	2.001.496	1.105.000	387.241	65.000	6.360.741
Covid-19 emergency aid	-	23.312	-	-	-	-	23.312
Total income Karuna NL	1.612.919	1.212.397	2.001.496	1.105.000	387.241	65.000	6.384.053
Expenditures							
DPRP phase 1 - Karuna NL	-617.118	-1.294.795	-2.132.536	-1.329.049	-1.223.794	-300.000	-6.897.292
Total expenditures Karuna NL phase 1	-617.118	-1.294.795	-2.132.536	-1.329.049	-1.223.794	-300.000	-6.897.292
Covid-19 emergency aid	-	-23.312					-23.312
Total expenditures Karuna NL	-617.118	-1.318.107	-2.132.536	-1.329.049	-1.223.794	-300.000	-6.920.604
Total income -/- expenditures Karuna NL phase 1	995.801	-105.710	-131.040	-224.049	-836.553	-235.000	-536.551

Annex 1 Budget 2022 and realization up to and including 2021 (in Euro's)

	Budget 2022	Actually 2021	Budget 2021	Actually 2020	Budget 2020	Actually 2019	Budget 2019
Income							
Income from own fundraising	1.105.001	2.134.251	2.000.000	1.212.397	1.935.127	1.612.919	1.764.215
Total income	1.105.001	2.134.251	2.000.000	1.212.397	1.935.127	1.612.919	1.764.215
Expenses							
To spend on objective	1.210.236	2.164.186	2.756.784	1.216.687	2.679.453	516.733	1.644.338
Cost of own fundraising	45.726	26.465	46.306	29.985	47.347	29.977	50.991
Cost management and administration	73.087	74.640	75.103	71.435	62.127	70.408	68.886
Total expenses	1.329.049	2.265.291	2.878.193	1.318.107	2.788.927	617.118	1.764.215
Result	-224.048	-131.040	-878.193	-105.710	853.800	995.801	-

The surplus from 2019 has been incorporated into the budget in subsequent years. The expected shortfall based on the current budget for 2022 is €224,048



Approved Budget DPRP

	February 2020 (in Euro's)	February 2021 (in Euro's)	
1. Costs			
1.1. Implementation Costs			
1.1.1. Direct costs Palika's	8.027.407	8.220.989	193.582
1.1.2. Indirect costs Palika's	1.415.894	1.493.723	77.829
Total implementation costs	9.433.301	9.714.712	271.411
1.2. Central and Management Costs (including unforeseen)	1.842.044	2.301.052	459.008
Total costs	11.285.345	12.015.764	730.419
2. Revenues			
2.1. Palika's	2.535.030	2.660.795	125.765
2.2 Province	2.493.788	2.605.818	112.030
2.3 USB	553.916	578.355	24.439
2.4 Karuna Nederland *	5.259.160	5.634.245	375.085
Total revenues	10.841.894	11.479.213	637.319
3. Project Results	- 443.451	- 536.551	- 93.100

* as committed by donors



Stichting Karuna Nederland
Haparandadam 2B-10
1013 AK Amsterdam, the Netherlands
E: info@karunafoundation.nl
I: www.karunafoundation.nl

Karuna Foundation Nepal
294 Embassy Marg,
Baluwatar, Kathmandu, Nepal
T: +977-1-4410687 or +977-1-4413340
I: www.karunanepal.org

Dit jaarverslag is ontworpen door

Thomas Schreuder  