Nepal

Nepal is a low-income country and a least developed country (LDC) with a GNI of 800 USD per capita (2017) and a population of 29 million inhabitants (2017). In the 2018 Monitoring Round, Nepal reported on 1.2 billion USD in development co-operation flows.

1. National development planning and results orientation

Overall quality of national results framework
High-quality, inclusive and results-oriented development strategies are critical for countries’ ownership over their development and the implementation of the 2030 Agenda and the Sustainable Development Goals (SDGs). The quality of national development planning in Nepal is high (82%).

Extent of use of country-owned results frameworks by development partners
Development partner alignment to country-led development priorities is at the heart of country ownership. Global Partnership monitoring assesses whether interventions: draw objectives from national development strategies; draw indicators from country results frameworks; use government data and statistics for monitoring; and involve government in evaluations. The first three elements provide the official data to report on SDG indicator 17.15.1. In Nepal, development partners align to country priorities to a medium extent (66% - SDG indicator 17.15.1).

2. Multi-stakeholder engagement

Recognising that successful development efforts require the inclusive and equitable participation of all actors, the 2030 Agenda calls for collective action by the whole of society. Global Partnership monitoring examines the engagement of civil society and the private sector from both the perspective of the government and representatives of these stakeholder groups.

Quality of public-private dialogue
Government representatives perceive the quality of public-private dialogue as effective, and large private sector firms as consolidating.

Enabling environment for civil society organisations...
... was reported as moderate by government representatives, basic by civil society organisations and moderate by development partners.
3. Quality and use of public financial management systems

Strengthening public financial management systems

Strong public financial management (PFM) systems are an essential element of good governance and vital to achieving development goals. Nepal experienced progress in the quality of its PFM systems.

![Graph showing budget, procurement, auditing, and financial reporting progress, no change, and decline]

Development partners’ use of country systems

Development partners’ use of these systems to deliver co-operation both lowers transaction costs but also helps to accelerate their strengthening. In Nepal, use of country PFM systems increased from 63% in 2016 to 88% in 2018. Further, legislative oversight of the budget has improved. The share of development co-operation recorded on budgets subject to parliamentary scrutiny increased from 62% in 2016 to 92% in 2018.

Overall use of country systems

- Budget execution: 49% (Progress), 90% (Trend 2018 vs 2016)
- Financial reporting: 46% (Progress), 90% (Trend 2018 vs 2016)
- Auditing: 52% (Progress), 89% (Trend 2018 vs 2016)
- Procurement systems: 45% (Progress), 82% (Trend 2018 vs 2016)

Systems to track and make public allocations for gender equality and women’s empowerment

Adequate and effective financing is essential to achieve gender equality and to empower all women and girls. Nepal has all the elements of a system in place to track and make public allocations for gender equality and women’s empowerment, fully meeting the requirements of SDG indicator 5.c.1.

![Graph showing gender policies, gender-responsive PFM systems, and transparent information on resource allocations in place or not in place]

4. Predictability and forward planning

High-quality and timely information on development co-operation helps governments in planning and managing resources for results and can guide development partners in coordinating their support with other providers, as to avoid fragmentation and duplication of efforts. Annual predictability of development co-operation is high, with 97% of co-operation disbursed as scheduled. Medium-term predictability is low, with 37% of co-operation available in forward looking expenditure plans for the next three years.

Predictability of development co-operation

- Disbursements as scheduled: 0% vs 100%
- Medium-term predictability: 37% vs 66%

Systems to track development co-operation information in Nepal

- AIMS (Aid Information Management System)
- DMS (Debt Management System)
- FMIS (Financial Management Information Systems)
- Other (Excel-based systems or similar)

5. Mutual accountability mechanisms

Mutual accountability underpins the efforts of development actors to meet joint commitments, improve how they work together and increase their development effectiveness. Mutual accountability mechanisms are made up of multiple, reinforcing components that can help enhance transparency and accountability at country level. Global Partnership monitoring defines and assesses mutual accountability against five components. Nepal has four out of five components in place.

Component 1: Comprehensive policy framework for development co-operation
Component 2: Country-level targets for government and development partners
Component 3: Regular joint assessment of progress
Component 4: Assessments are inclusive and involve non-state actors
Component 5: Timely, publicly available results of assessments

Disclaimer: This document was prepared based on data collected from voluntary reporting to the 2018 Monitoring Round of the Global Partnership for Effective Development Co-operation. The information provided does not necessarily represent the views of OECD, UNDP or the Government of Nepal. For data of reference, the term ‘country’ is used to refer to developing countries and territories that reported to the 2018 Monitoring Round. Participation in this process and mention of any participant in this document is without prejudice to the status or international recognition of a given country or territory.