

National Review of Sustainable Development Goals



Government of Nepal

National Planning Commission

Singhdurbar, Kathmandu

2017

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FOREWORD

Date:.....

The Millennium Development Goals (MDGs) were scaled-up to the Sustainable Development Goals (SDGs) in 2015. The UN Conference on Sustainable Development in Rio de Janeiro in June 2012, and the UN General Assembly (UNGA) of September 2014 prepared a solid foundation for the SDGs, which were finally agreed at the UNGA in September 2015. Nepal, as a member state of the United Nations, is fully committed to this global initiative.

Nepal has made significant progress in poverty reduction and human development in the last two decades. The percentage of people living below the national poverty line dropped from 38 percent in 2000 to 21.6 percent in 2015. The Human Development Index score improved by one percentage point per year. Nepal aspires to become a middle-income country by 2030. Nepal started implementing the SDGs in 2016 to achieve the national goals with the aspiration that "No one is left behind while eradicating poverty and promoting prosperity."

This 'SDG Voluntary Review: Eradicating Poverty and Promoting Prosperity in Nepal' provides an update of the status of SDG mainstreaming and implementation in Nepal upto May 2017. This report was prepared based on Nepal's SDGs baseline report through a consultative process. The National Planning Commission (NPC) would like to extend its appreciation to all stakeholders who provided information, suggestions and feedback during the consultation process. The NPC also acknowledges the contributions, feedback and suggestions received from the current and previous NPC office bearers and the staff and officials of NPC's Secretariat, ministries and other government institutions and agencies, and the private sector, civil society, cooperatives and development partners.

Finally, NPC takes this opportunity to call upon all national stakeholders, development partners and other international agencies to work together for coordinated programme and project interventions, resource harmonization, materializing unfinished MDGs agendas and achieving the SDGs by 2030.

9 July 2017

EXECUTIVE SUMMARY

1. Introduction

In 2015, Nepal joined other members of the United Nations in adopting the global sustainable development (SDGs) goals that follow the Millennium Development Goals (MDGs) as the international development targets. This report gives the preliminary findings of a review of the enabling environment, institutional mechanisms, systems to generate evidences if its periodic achievements, challenges ahead, progress and preparation for effectively implementing SDGs friendly intervention in Nepal. The review was carried out through a consultative process.

2. Achievement of the MDGs

The review began by summarising progress against and drawing key lessons from the implementation of MDGs along with identifying unfinished agendas. Nepal achieved MDG 1 as extreme poverty and hunger halved within two and a half decades.. It was close to achieving MDG 2 of universal primary education for all by 2015 as primary school enrolment rate reached to 96.6 percent from the level of 64 percent in 1990 while 89.4 percent of pupils enrolling in Grade 1 reached grade 5 and the literacy rate of 15-24 years increased to 88.6 percent from the level of 38 percent and 49.6 percent respectively in 1990. The gender parity MDG 3 was achieved at all levels of education and MDG 4 was achieved on reducing infant and under-5 mortality rates. Nepal almost achieved MDG 5 of improving maternal health as the maternal mortality ratio (MMR) dropped from 850/100,000 live births in 1990 to 258 in 2015. MDG 6 was partially achieved as the spread of HIV/AIDS halted and began to reverse, and malaria is in the elimination phase and the capacity to detect and treat tuberculosis (TB) cases significantly improved. Nepal was partially successful in achieving MDG 7 on environmental sustainability due to the slow growth of access to energy though forest cover increased to 44.5 percent in 2015 from 37 percent in 1990. Besides tremendous progress in the communication sector with tele-penetration now more than 106 percent and 43.7 percent of the population having internet access, could not, fully achieve MDG goal 8 of building partnerships and strengthening the means of MDG implementation.

The following agendas remained unfinished at the end of 2015:

- a. Reducing wide gaps between the level of poverty across all regions, social groups, age, sex, and by disability status.
- b. Reducing the dropout rate of school students, increasing quality of education especially of the community schools
- c. Increasing the grade promotion rates of girls in secondary schools and the enrolment of women in technical and vocational education and training.
- d. Addressing the wide disparities in child mortality rates across sub-regions and social groups..
- e. The reduction of the MMR across all geographic regions, social groups and income quintiles.

- f. Increasing public financing for disease prevention and control, scaling up HIV treatment and care, sustaining the reduced incidence of malaria and tackling multi-drug resistant TB.
- g. Sustaining environmental achievements, protecting Nepal from the negative effects of climate change and preventing biodiversity loss.
- h. Receiving committed official development assistance and increasing aid effectiveness, focusing on development results and mutual accountability, access to international markets, trade facilitation and aid for trade.

3. The Enabling Environment

The Constitution of Nepal (2015) guarantees inclusive socio-economic and political development, the building of an egalitarian and pluralistic society and the elimination of all forms of discrimination. This Constitution is the main guiding document for all new policies, plans and programmes, and other interventions to implement the aspiration of the SDGs that 'no one is left behind'.

The government has started to mainstream the SDGs into national planning and budgeting systems. The Fourteenth Plan (2016/17–2018/19) which has in-built result-framework, internalises key aspects of SDGs through systematic integration of SDGs in the periodic plans needs rigorous works which the country has already initiated. In addition, the annual programmes and budgets of 2016/17 and 2017/18 have been aligned with the SDGs by introducing SDGs coding to each and every programme. However, since the new provincial and local government levels are under formation, SDGs are yet to be fully aligned and incorporated at the sub-national level planning and budgeting processes.

4. Status of the SDGs

Amongst 17 SDGs, this review analyses progress against SDGs 1, 2, 3, 5, 9 and 17 upto June 2017. It should also be noted that most achievements were made in the MDG period as only one year of the SDG period has elapsed.

Poverty reduction (SDG 1): The percentage of people living below the national poverty line dropped from 38 percent in 2000 to 21.6 percent in 2015. And, the proportion of population below the minimum level of dietary consumption dropped from 47 percent in 2000 to 22.8 percent in 2015.

Hunger and nutrition (SDG 2): Nepal has made good progress on reducing hunger, achieving food security and improving nutrition. The proportion of underweight children 6 to 59-month-olds dropped from 43 percent in 2000 to 27 percent in 2016. The prevalence of stunted children dropped from 57 percent in 2000 to 36 percent in 2016 and prevalence of wasting among under 5-year-olds dropped from 15 percent in 1996 to 10 percent during the same period.

Health and wellbeing (SDG 3): Significant progress has been made on reducing mortality and improving health. The under-5 mortality rate reduced from 91/1000 live

births in 2000 to 39 in 2016 while the infant mortality rate dropped from 64/1000 live births in 2000 to 32 in 2016. The neonatal mortality rate dropped from 38/1000 live birth in 2000 to 21 in 2016. The total fertility rate of women aged 15-49 dropped from 4.1 children in 2000 to 2.3 in 2016. The proportion of pregnant women having antenatal check-ups by a skilled provider increased from 28 percent in 2000 to 84 percent in 2016. The proportion of births in health facilities increased from 9 percent in 2000 to 57 percent in 2016 while the proportion of births attended by a skilled provider increased from 11 percent in 2000 to 58 percent in 2016. This all led to the large drop in the MMR from 850/100,000 live births in 1990 to 258 in 2015.

Gender equality (SDG 5): Nepal has made impressive progress in promoting gender equality and women's empowerment. Gender parity is achieved in all levels of education. The ratio of girls to boys in primary education increased from 0.79 in 2000 to 1.09 in 2015. Gender parity was achieved in primary education in gross and net enrolment in 2015. The ratio of girls to boys in secondary education increased from 0.70 in 2000 to 1.0 in 2015. Gender parity was also achieved in secondary education. The ratio of women to men in tertiary education increased many fold from 0.28 women to every man in 2000 to 1.05 in 2015.

Resilient infrastructure and inclusive industrialization (SDG 9): Nepal has improved its infrastructure. The length of roads reached 82,412 km in 2016 of which 14 percent was black-topped, 23 percent graveled and 63 percent earthen. The road density was 0.44 km/sq² in 2015/16. And 51.4 percent of people have access to a paved road within 30 minutes' walk. The construction of railroads has begun. Connectivity by air transport is improving. Nepal has 33 airports in operation and 25 domestic private airlines and 26 international airlines operating flights in and to Nepal. The country's tourism infrastructure is improving with 1,073 tourist standard hotels. Nepal has greatly improved its information and communication technology infrastructure as the density of telephone users reached 110 percent. In 2016, the share of industry in GDP was 15 percent, and manufacturing value added as a proportion of GDP was 6.5 percent.

Means of implementation (SDG 17): Adequate finance, technology, institutions, capacity and partnership are vital for achieving the SDGs. These components have a synergetic effect. The current availability of resources indicate that there is a large gap to finance the achievement of the SDGs. An SDG needs assessment, costing and financing strategy is underway to articulate financial needs. Nepal also needs technological support including smart technology for small-scale agro-based entrepreneurs and low carbon emission engineering for its industries. Efficient construction technology is needed for building large hydropower projects, new international airports, roads, bridges, apartments and railways. Partnerships are being strengthened with the private sector, cooperatives, civil society, development partners and the international community to meet the large capacity building needs.

5. Institutional Mechanisms for Implementing the SDGs

Many stakeholders have taken the initiative to implement the SDGs in Nepal. The Government has formed three levels of committees. The Prime Minister and Chairman

of the National Planning Commission (NPC) chairs the high-level SDGs Steering Committee, while the NPC Vice Chairman chairs the SDGs Coordination and Implementation Committee, and NPC members chair the nine SDGs Implementation and Monitoring Thematic Committees. Other government and non-government agencies have also initiated activities including institutional setups for implementing the SDGs.

The private sector has joined hands with the government for implementing the SDGs through job creation and infrastructure building. The cooperative sector has taken initiatives under the slogan of 'Cooperatives for Sustainable Development.' Civil society organisations have formed an SDG forum, which has identified target groups and formed thematic groups. The development partners have shown interest in supporting government's efforts.

6. Challenges and Issues

Achieving the SDGs is a big challenge for least developed countries like Nepal that have limited resources, skills and access to technology. A major challenge will be to cascade national efforts to sub-national levels mainstreaming the SDGs agenda into the provincial and local level planning and budgeting as these new levels of government are in the formation process. Making existing data generation system robust and data bases in line with SDGs requirement is one of the key challenges which demand huge resources and capacities as well. Data disaggregation has been a serious challenges in regularly tracking progress of SDGs. Other challenges include job creation and tackling nutrition deficiency and natural disasters, and strengthening governance at all levels.

7. Lessons Learned

- a. The government, the private sector, civil society, cooperatives, and development partners are all on board for implementing the SDGs.
- b. The sector wide approach used to develop health, education, and water and sanitation have demonstrated better results compared to other sectors as a result of resource harmonization.
- c. Nepal invested the major part of resources in the social sector during the MDGs period leading to large social sector improvements. Relatively less was spent on the infrastructure sector which points to the need for large investments in it during the SDGs period.
- d. Many sectoral master plans and strategies are not aligned with the SDGs. An overall monitoring mechanism need to be developed. Monitoring the progress of output level SDGs indicators will be relatively easy but evaluating outcome and impact level indicators will be more of a challenge due to data gaps.

8. Ways Forward

- a. Eradicating poverty and promoting prosperity need the dedicated and coordinated implementation of the SDGs by federal, provincial and local governments.

- b. Macroeconomic policy reforms are needed to achieve higher levels of economic growth and to distribute income and benefits to the poor and marginalized people.
- c. Nepal is a least developed country with limited resources. Nepal therefore needs to prioritise interventions based on fiscal, financial, managerial, technological, institutional and other capacity constraints. Prioritization needs to be given to those SDGs that have multiplier effects and larger impacts on poor and marginalized people, smallholders, peasants, children and women.
- d. Sectoral plans, long-term strategies and perspective plans need further aligning with the SDGs. During the revision, attention needs to be paid to disaggregating targets and indicators at sub-national level, by sex, age, social groups and disability. SDGs progress monitoring demands systematic and disaggregated data generation, analysis and management. In addition, to inform the policy process which policies or interventions worked and which did not in achieving SDGs, evaluation-based evidences need to be generated that again demands huge resources and capacities at various levels.
- e. The implementation of the SDGs requires stable, participatory, visionary, development-oriented and people-centric federal, provincial and local governments. Governance needs to be strengthened at all levels.
- f. Government should give high priority on integrating SDGs into provincial and local government plans and building capacity of these new institutions.

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ACRONYMS

AIDS	Acquired Immuno Deficiency Syndrome
ANC	Antenatal Care
CBS	Central Bureau of Statistics
DCC	District Coordination Committee
EvalSDGs	Evaluation of Sustainable Development Goals
FAO	Food and Agriculture Organisation
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GNI	Gross National Income
GPI	Gender Parity Index
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
ILO	International Labour Organization
IMR	Infant Mortality Rate
LAPA	Local Adaptation Plans of Action
LDC	Least Developed Country
LGBTIQ	Lesbian, Gay, Bisexual, Transgender, Intersex and Questioning
M&E	Monitoring and Evaluation
MDAC	Ministerial Development Action Committee
MDG	Millennium Development Goal
MMR	Maternal Mortality Ratio
MOAD	Ministry of Agricultural Development
MOF	Ministry of Finance
MOFALD	Ministry of Federal Affairs and Local Government
MOH	Ministry of Health
MOWCSW	Ministry of Women, Children and Social Welfare
NAPA	National Adaptation Programme of Action
NER	Net Enrolment Ratio
NGO	Non-governmental Organization
NPC	National Planning Commission
NPCS	National Planning Commission Secretariat
NPFDEPN	National Parliamentarians Forum on Development Evaluation Policy of Nepal
Rs	Nepalese Rupees
ODA	Official Development Assistance
OPMCM	Office of the Prime Minister and the Council of Ministers
PLHIV	People Living with HIV
PPP	Purchasing Power Parity
SAARC	South Asian Association for Regional Cooperation
SDG	Sustainable Development Goal
TB	Tuberculosis
TFR	Total Fertility Rate

U5MR	Under 5 Mortality Rate
UN WOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNGA	UN General Assembly
UNICEF	United Nations Children Fund
USAID	United States Agency for International Development
USD	United States Dollar
VOPE	Voluntary Organization of Professional Evaluators
WASH	Water, Sanitation and Hygiene
WASS	Water and Sanitation Services
WFP	World Food Programme
WHO	World Health Organization

Chapter One

Introduction

1.1 Country Context

Nepal is a Landlocked Least Developed Country (LLDC) that borders India and China. Mountains and hills occupy 83 percent of its area with the remaining 17 percent being the Terai plains. The 2011 census recorded a population of 26.4 million (CBS 2012) with an annual growth rate of 1.35 percent between 2001 and 2011. About half the population live in the Terai 43 percent in the mid-hills and 7 percent in the mountains.

The working age population (15-59 years) increased in Nepal from 54 percent of the population in 2001 to 57 percent in 2011 (CBS, 2012) representing a potential demographic dividend with a large part of the population being of working age. However, Nepal has made inadequate use of this dividend due to limited employment opportunities. A quarter of households have at least one member working outside the country.

Nepal's population has a high level of social, cultural, and ethnic diversity with 125 ethnic groups and 123 mother tongue languages of which more than a dozen are in use by more than 100,000 people (CBS 2012).

A monarchical kingdom was transformed to a multiparty democracy in 1990 and to a Federal Democratic Republic in December 2007. The first meeting of the Constituent Assembly officially implemented that declaration on May 28, 2008. Following the decade-long conflict (1996–2006) and the subsequent peace accord, Nepal's new Constitution with federal system of governance as main feature was promulgated in 2015.

The Nepalese economy has been characterized in recent years by slow growth, underdevelopment and a low level of human capital. Average economic growth has been 4 percent in the last decade. This low growth has been caused by political instability, lack of energy, weak infrastructure, inadequate skilled human resources, low capital formation for investment, and high rates of outward migration for employment. Nepal has a low gross national income (GNI) per capita, in absolute terms increasing marginally from \$352 in 2005/06 to only \$862 in 2016/17. Gross national saving is minimal. However, due to the improving political situation and government interventions, the economy is expected to grow in coming years with GDP growth projected at 7 percent for 2016/17. The implementation of the constitution should stabilize politics and open avenues for economic growth.

1.2 The Review

This Review assesses the status of SDGs implementation in Nepal. The Second Chapter highlights MDGs outcomes and unfinished MDGs agendas while the Third Chapter outlines the review methodology and process. Chapter Four analyses the enabling environment for implementing the SDGs and Chapter Five articulates the progress

against the SDGs and their indicators. Chapter Six highlights the institutional mechanism for SDGs implementation and monitoring while Chapter Seven discusses the means of SDGs implementation and the challenges to overcome. Chapter Eight outlines the lessons learned and the ways forward to achieve the SDGs.

Chapter Two

MDGs Achievements and Unfinished Agendas

MDG1 (Poverty Reduction): Nepal has made remarkable progress on reducing poverty and hunger. Extreme poverty dropped from 33.5 percent in 2000 to 16.4 percent in 2015 and the percentage of people living below the national poverty line dropped from 38 percent in 2000 to 21.6 percent in 2015 thereby achieving the MDG target of halving the poverty rate by 2015 (NPC 2016a). Hunger was greatly reduced as the proportion of people with less than the minimum level of dietary consumption dropped from 47 percent in 2000 to 22.8 percent in 2015. The main unfinished agendas are eliminating poverty across all regions and social groups. Reaching hard-to-reach areas and marginalized groups is a priority under the SDGs.

MDG2 (Universal Primary Education): Nepal was close to achieving universal primary education. The net enrollment ratio (NER) in primary education increased from 81 percent in 2000 to 96.6 percent in 2015 and the survival rate in primary education increased from 63 percent in 2000 to 89.4 percent in 2015. The main unfinished agendas are retaining students in primary and secondary schooling and increasing the NER to 100 percent by enrolling children from remote areas and poor households. Interventions are also needed to improve the quality of teaching and learning in public schools.

MDG3 (Gender Equality and Women's Empowerment): Much progress has been made on gender equality and the empowerment of women. Gender parity has been achieved in primary and secondary education with gender parity index (GPI) scores of 1.09 in primary and 1.0 in secondary education in 2015. Girls now perform better than boys in primary and secondary level education completion and retention in Grades 5 and 8. The main unfinished agendas are to increase the enrolment of women in technical and vocational education and training, address disparities in education outcomes and improve the quality of education.

MDG4 (Child Health): Nepal achieved all MDG 4 targets of reducing the infant mortality rate (IMR), the under-five mortality rate (U5MR) and increasing immunization. The IMR dropped from 64 per 1000 live births in 2000 to 33 in 2015, the U5MR dropped from 91 per 1000 live births in 2000 to 38 in 2015 while measles immunization increased from 71 percent in 2000 to 92.6 percent in 2015. The main unfinished agendas are to address the disparities in mortality rates between regions, social groups and income quintiles to reduce infant mortality to 10/1,000 live births and U5MR 22/1,000 live births.

MDG5 (Maternal Health): Nepal made good progress on the MDG 5 targets of reducing maternal mortality but did not quite achieve the MDG. The maternal mortality ratio (MMR) dropped from 850/100,000 in 1990 to an estimated 258 in 2015 while the proportion of deliveries assisted by a safe birth attendant increased from 11 percent in 2000 to 55.6 percent in 2015. The main unfinished agenda is to achieve the SDG target of

70/100,000 live birth by reducing the MMR across all regions, groups and income quintiles.

MDG6 (Combating HIV, TB and other Diseases): Nepal has made good progress in combating HIV/AIDS, malaria and tuberculosis (TB). The HIV and TB prevalence rates and the incidence of malaria have halted and begun to reverse. The unfinished agendas are to increase public financing for combatting these diseases, scaling up access to HIV treatment and care, malaria elimination, increasing government ownership of the TB control programme and tackling multi-drug resistant TB.

MDG7 (Environmental Sustainability): Nepal has made good progress on MDG 7 with the proportion of forested land increasing from 39.6 percent in 2000 to 44.5 percent in 2015, the proportion of the population using an improved source of drinking water increasing from 73 percent in 2000 to 83.6 percent in 2015 and the proportion of the population using sanitation facilities increasing from 30 percent in 2000 to 81 percent in 2015. The main unfinished agendas are to sustain the environmental sustainability, drinking water, sanitation and health achievements, to reduce biodiversity loss and protection against the negative effects of climate change.

MDG8 (Partnership): This MDG was underachieved at all levels. Nepal did not receive adequate official development assistance (ODA). The per capita foreign assistance receipt stood at \$32 in the MDG period. Most MDG achievements were thus made through national financing. The main unfinished partnership agendas are to improve access to the international market for Nepali goods and services and to increase the disbursement of ODA.

Table - 2.1
MDG Achievements and Unfinished Agendas

Goal	Situation in 2000	MDG targets (2015)	MDG achievements (2015)	SDG targets (2016-2030)
Goal 1: Eradicate extreme poverty and hunger				
% of population below USD 1 per day (PPP value)	33.5	17.0	16.4	Reduce to zero and sustain
% of population below national poverty line	38.0	21.0	21.6	Reduce to 4.9%
Prevalence of underweight children aged 6-59 months	43.0	29.0	30.1	Reduce to 5%
Proportion of population below minimum level of dietary consumption	47.0	25.0	22.8	Reduce to zero and sustain
Proportion of stunted children age 6-59 months	57.0	30.0	37.4	Reduce to 15%
Goal 2: Achieve universal primary education				
Net enrolment rate in primary education	81.0	100	96.6	Increase to 99.5%
Proportion of pupils enrolled in Grade 1 that reach Grade 5	63.0	100	89.4	Increase to 95%

Literacy rate of 15-24 years olds	70.1	100	88.6	Increase to 99%
Goal 3: Gender equality and empowerment of women				
Ratio of girls to boys in primary education	0.79	1.0	1.09	Sustain and improve quality
Ratio of girls to boys in secondary education (Grades 9-10)	0.70	1.0	1.0	Sustain and improve quality
Ratio of women to men in tertiary education	0.28	1.0	1.05	Sustain and improve quality
Goal 4: Reduce Child Mortality				
Infant mortality rate (per 1,000 live births)	64.0	36.0	33.0	Reduce to 10
Under-5 mortality rate (per 1,000 live births)	91.0	54.0	38.0	Reduce to 22
Proportion of 1-year old children immunized against measles	71.0	>90.0	92.6	Increase to 100%
Goal 5: Improve maternal health				
Maternal mortality ratio (per 100,000 live births)	415.0	213.0	258	Reduce to 70
Proportion of births attended by skilled birth attendants	11.0	60.0	55.6	Increase to 90%
Contraceptive prevalence rate (modern methods) %	35.4	70.0	49.6	Increase to 58%
Goal 6: Combat HIV/AIDS, malaria and TB				
HIV prevalence among men and women aged 15-24 years %	0.15	Halt and reverse	0.03	Reduce new infections to zero
Prevalence rate associated with TB (per 100,000)	460.0	"	211.0	Reduce and sustain
Death rate associated with TB (per 100,000)	43.0	"	20.0	Reduce and sustain
Death rate associated with malaria (per 1,000 people at risk)	0.55	"	0.0	Sustain and improve quality
Annual malaria parasite incidence rate (per 1,000 people)	0.55	0.06	0.11	Reduce and sustain
Percentage of children under 5 who sleep under a long-lasting insecticide treated bed net	48.2	100.0	96.8	Increase to 100% and sustain
Goal 7: Ensure environmental sustainability				
Proportion of land area covered by forest (percent)	39.6	40.0	44.7	Sustain and improve quality
Proportion of population using an improved drinking-water source %	73.0	73.0	83.6	Increase to 100% and improve quality
Proportion of population using basic sanitation facility (percent)	30.0	80.0	81.0	Increase to 100% and improve quality

Source: NPC, 2016a

Chapter Three

Review Methodology

In 2017 the National Planning Commission (NPC) updated the SDG national report (NPC 2015a) by agreeing on baseline, milestone and target figures (NPC, 2017a) and prepared this SDG voluntary review in consultation with key stakeholders. At the same time, the review was carried out through the following reviews, consultations and interviews:

3.1 Review of Plans and Strategies

Major medium and long term sectoral plans and strategies were reviewed for their alignment with the SDGs (see section 4.2).

3.2 Consultations with Committees

The NPC has constituted nine SDG implementation and monitoring thematic committees (economic; social; industrial; infrastructure; urban; energy; agriculture, climate change and environment; governance, employment generation and management). These committees held consultation meetings with line ministries and other government institutions to update the SDG national report, review SDG implementation mechanisms, and identify progress to the end of 2016, challenges and ways forward.

3.3 Consultation with Major Stakeholders

The NPC invited comments, suggestions and feedback from all stakeholders by uploading a draft version of review on its website. Government agencies were requested through official letters and development partners with email correspondences. In addition, few consultations meetings were held with representatives of the private sector, cooperatives, non-governmental organisations, members of the civil society, youths and media people.

3.4 Consultation with Other Stakeholders

Consultative workshops were organized by NPC with government evaluation and oversight agencies, community of evaluators and academia. An EVALSDGs and Eval Agenda workshop was held by the National Parliamentarian Forum on Development Evaluation Policy in Nepal (NPFDEPN) and the Community of Evaluators-Nepal (COE-Nepal). Participants of the workshop included from the government agencies, NPFDEPN of the parliament, UN agencies, Voluntary organizations of Professional Evaluators (VOPEs), Eval Partners and EVALSDG Networks. They discussed the strengths and weaknesses of evaluation systems and drafted an integrated evaluation action plan for 2016-2020. Other meetings were also held on aligning SDGs into national M&E guidelines.

3.5 Key Informant Interviews

Key informants from line ministries, other government agencies, development partners, civil society and the private sector were interviewed on SDGs baseline data and progress on the SDGs.

3.6 Sources of Information

Most data for reviewing SDGs progress were taken from national surveys including the national population and household censuses undertaken every ten-years and national censuses of agriculture, and the five-yearly multiple indicators cluster surveys, Nepal demographic and health surveys (NDHS), Nepal living standard surveys (NLSS) and industrial and labour force surveys. These censuses and surveys provided values for outcome and impact level indicators. Moreover, management information system of line ministries also provided administrative data useful for tracking progress of output indicators. Annual report of the Department of Health Services, the education flash reports, the annual economic survey, the National Human Right Commission's human right report and the Central Bank's annual report are useful means that provide data to track SDGs.

Other sources of information included the annual and periodic reports of the World Bank, Asian Development Bank, the International Monetary Fund, UNDP, International Labour Organization, UNICEF, WHO, FAO, UN Women, WFP, Transparency International, the Human Rights Commission and the South Asian Association of Regional Cooperation (SAARC) Secretariat. Note that some data, which are not generated annually, were extrapolated and interpolated to establish the baseline figures for 2015 and for 2016 progress monitoring.

Chapter Four

The Enabling Environment

4.1 Creating Ownership

Nepal is committed to the achievement of the SDGs. The NPC, as the apex government planning body leads SDGs related activities and has taken various initiatives to heighten ownership of the SDGs.

4.2 Incorporation of the SDGs in National Frameworks

The Constitution

The Constitution of Nepal which came into effect in September 2015, is the overall guiding document for Nepal's development efforts. It guarantees inclusive socio-political and economic development and a wide range of basic and fundamental rights including to equality, justice, property, freedom of religion, a clean environment, education and rights against discrimination. The constitution, under the directive principles and policies includes national level policies on politics and governance; social and cultural transformation; economic, industrial and commerce; agriculture and land reform; developmental issues; protection, conservation and utilization of natural resources; people's basic needs; labour and employment; social justice and inclusion; justice and punishment; tourism and international relations. The constitution has a provision to form a Parliamentary Committee to monitor and evaluate the implementation performance of these principles and policies. These inclusive constitutional provisions along with the enforcing mechanism has created favourable enabling environment to implement SDGs in the spirit of 'no one left behind. In addition, policies and plans formulated since the promulgation of the new constitution safeguard the guaranteed rights and also implement in line with the directive principles and policies.

Mainstreaming the SDGs into National Plans and Programmes

Nepal's Fourteenth Plan (2016/17–2018/19), which began in July 2016, is consistent with SDGs. The Plan has 5 major pillar- (i) Infrastructure (Goals 6, 7, 9 and 11), (ii) Social (Goals 3 and 4), (iii) Economic (Goals 1, 2, 8, 9, 10 and 12), (iv) Governance (Goals 16 and 17) and (v) Cross-cutting (Goals 5, 13, and 15). The Plan aims at building an independent and prosperous state ensuring access to basic social services and providing adequate food, health, energy and job security, and at the same time also calls for working towards the SDGs to pave the way to transform Nepal from a low to a middle-income country by 2030. Other sectoral plans, priorities and targets are being aligned and mainstreamed with SDGs. The major sectoral plans and policies aligned and mainstreamed with SDGs include School Sector Development Plan (SSDP), Nepal Health Sector Strategy, Zero Hunger Challenges Action Plan, Agriculture Development Strategy, National ICT Broadband Master Plan, Forest Sector Strategy, Nature Conservation National Strategic Framework, Water

Supply, Sanitation and Hygiene Sector Development Plan, 20 Year Roads Plan and Five Year Road Sector Strategy, National Tourism Strategic Plan, National Energy Strategy, and Climate Change Policies (NAPA, Climate Policy and LAPA), among others. SDGs codes are assigned for all national programs and projects in the national budget. The constitution devolves legislative, executive and judiciary powers to provincial and local levels giving them the authority to plan and implement development programmes, among others. The SDGs will be mainstreamed into local plans and programmes by the newly elected local governments. The NPC and the line ministries have been orienting the new local governments to mainstream the SDGs into their plans and programmes. District Coordination Committees which are the main monitoring and supervising bodies for local development works have asked to perform their functions in a way to contribute the SDGs implementation.

4.3 Other Government Efforts to Implement the SDGs

The SDG preliminary report and the updated baseline report were prepared by the NPC in consultation with line ministries, other government agencies, civil society organisations, and the private sector and development partners. The SDG National Report (NPC 2015a) was produced and disseminated to government agencies, private sector organisation, development partners and civil society. This report was updated in 2017 to give it a shape of baseline with goal-wise target and indicators, identifying the local indicators needed to track SDGs alignment with and in addition to the final list of global SDG indicators. This report has indicator-wise baseline information for 2015 and milestones for 2019, 2022, 2025 and 2030. It will help federal, provincial and local governments mainstream the SDGs into their plans.

The Environment Committee of the Legislative Parliament of Nepal held regional SDG orientation programmes for parliamentarians and other stakeholders. Development related ministries, while reviewing their annual progress discussed the mainstreaming of the SDGs into next years' plans to link their sector targets and indicators with national SDGs target and indicators. The NPC initiated a process to align national M&E systems with SDGs. In 2016 and 2017 the NPC organized M&E systems alignment workshops with line ministries, other government institutions and development partners to facilitate the monitoring of SDG progress.

The implementation of the yet to be endorsed National Strategy for the Development of Statistics (NSDS) will figure out and sequence the household survey system as such that mainstreaming SDGs indicators and provide survey based disaggregated data regularly and intermittently useful for SDG progress monitoring.

4.4 Initiatives by Other Stakeholders

Private sector initiatives

The private sector has a major role in implementing the SDGs in Nepal as government resources are limited. The private sector has a keen interest to invest in the production and infrastructure sectors, which will create jobs and boost growth. However, the sector needs a better investment climate, easier administrative processes, liberalized labour

laws and improved infrastructure. The private sector and government have organized the following events to attract needed investments:

- At Nepal's first infrastructure summit (organised by the government and the private sector in November 2014) the private sector committed to investing in infrastructure improvements. The second infrastructure summit in 2017 explored public-private partnerships, successful regional and international partnerships for infrastructure development, the state of infrastructure development, the environment needed for investment growth, flexible financial systems and green infrastructure.
- The government and the private sector held an investment summit in March 2017 in Kathmandu. The commitments made surpassed expectations with a whopping US\$ 13.52 billion pledged. Domestic investors are also willing to invest in mega projects with more than 250 investors from different countries pledged to invest. Political commitments, an investment-friendly constitution and the lessening energy crisis are increasing investor confidence to invest in energy, transport, agriculture, and tourism and information technology.
- In 2016 the government in coordination with the private sector held a power summit to attract investors in electricity generation. The government assured investor-friendly conditions and established a coordination committee that should simplify administrative procedures. The government is also adjusting electricity tariffs in line with the power purchase agreement rate, providing an incentive of RSRs.5 million per megawatt for private hydropower developers and tax exemptions. Investors from India, China, Bangladesh, Singapore, Germany, UK and Norway are interested in investing in Nepal' energy sector.
- Nepal's private sector is interested in expanding industries and establishing new ones. As the investment climate improves the private sector is expected to increase industrial production, which will help achieve the SDGs. The private sector is demanding a favourable policy environment and incentives, including a one-door policy for acquiring production and service licenses, consistent policies and a forum for interactions with the government. They also demand to assign designated goods production to specialized private sector entities based on their comparative advantage and to allocate one percent of the national budget for research and development for innovation.
- The Federation of Nepal Chamber of Commerce and Industry (FNCCI) commissioned a study 'Sustainable production and consumption pattern in Nepal', which is directly related to SDG 12.

Cooperative sector initiatives

The cooperative sector is one of the three pillars of Nepal's economic development. In 2015/16 there were 33,599 cooperatives with six million members. This sector has collected \$2.82 billion of deposits and invested \$2.76 billion in the production and service sectors. The financial contribution of these cooperatives was estimated at 18 percent of GDP in 2014.

The National Cooperative Federation of Nepal Limited (NCFL) has organized many SDG-related initiatives. The National Cooperative Federation of Nepal celebrated its 60th Cooperative Day in April 2017 under the slogan of 'Cooperatives for Sustainable Development'. The role played by Nepal's cooperative in SDGs implementation are as follows:

- Cooperatives play an important role in reducing poverty by providing economic opportunities for their members, empowering weaker members and mediating members' access to credit. Around 14,000 saving and credit cooperatives facilitate access to capital, and 9,965 agricultural cooperatives help members access inputs to grow crops, keep livestock and process, transport and market produce. The 1,461 consumer cooperatives enable their members and society to access quality household supplies.
- Some 12,440 agriculture production related cooperatives improve food security and nutritional status by helping small farmers, livestock farmers and forest user groups address food production challenges by facilitating members' access to improved seed, fertilizer, know-how, and production loans.
- Cooperatives contribute to gender equality as more than a half of their members are women while 230,000 women are involved in governing cooperatives.
- Cooperatives increase access to quality education and life-long learning by organizing literacy programmes. They also provide the means for financing education by increasing household incomes and providing loans for financing higher education.
- Some 112 health cooperatives operate clinics and hospitals that provide affordable health care. Many other cooperatives provide loans to fund emergency and large health care payments.
- About 450 energy cooperatives are involved in the production and distribution of clean energy including small-scale solar panel distribution, building small hydropower plants, and installing biogas plants. They receive grants and subsidies from the government, development partners and NGOs to generate and distribute hydropower and to maintain plants.
- Cooperatives contribute to employment creation and income generation as more than 56,000 people are employed directly in administering cooperatives. They also promote small-scale production and service enterprises and are a significant source of employment in small and medium sized enterprises. Most of the micro-enterprises promoted by cooperatives have high financial returns and greater productivity than hired employee enterprises.

Civil society initiatives

Civil society is an important partner for implementing the SDGs. It is involved in SDGs awareness raising and advocacy and is aligning its programmes with national programmes. Nepal's civil society established an SDGs Discussion Forum, which has identified 23 constituencies (children, women, Dalits, Madhesis, indigenous people, persons with disabilities, farmers, rural and urban poor, disadvantaged areas, LGBTIQ,

local authorities, migrants, senior citizens, PLHIV, NGOs, business and industry, scientific and technological community, workers and trade unions, cooperative, media and youth) and 19 thematic areas (education, health, environment and climate, agriculture food sovereignty and nutrition, WASH, energy, sustainable cities, forestry, water resources, land resources, disaster management, governance, anti-corruption, access to justice, human rights, peace building, development financing, consumer protection and women and gender justice) for partnership and for the implementation of the SDGs.

Monitoring and evaluation initiatives

The National Planning Commission (NPC) has taken a leadership role to institutionalize M&E in the country. It has been working to promote enabling environment, build capacities and promote use of M&E evidences in policy processes. As one of the means to create enabling policy environment, M&E Act has been drafted, which is in the legislation process. The NPC is also working to internalize SDGs in its national M&E guidelines and also design similar framework for the sub-national levels.

Several events have been organized to develop capacities of the commissioners, evaluators and users and also to promote evaluation culture in the country. Among these initiatives, starting from 2013, the NPC has been organizing annual Evaluation Networking (EvaNet) meetings inviting representatives from various government agencies, Voluntary Organization of Professional Evaluators (VOPEs), UN agencies, training institutions and academia. These annual EvaNet meetings encourage interactions among evaluation commissioners and professional evaluators to build evaluation capacity in the country. This platform has been effective to share and learn from each other and promote concerted efforts to institutionalize evaluations building capacities of the facilitators and evaluators.

Recommendations of these EvaNet meetings serve as a basis for the Annual M&E Plan of the NPC and other agencies. In addition, an Integrated Evaluation Action Plan (2016-2020) with costed actions for creating an enabling environment, capacity development, networking and coordination for evaluation, planned evaluation and SDG monitoring and documentation is under implementation. This equity-focused and gender-responsive action plan incorporates the activities of NPC, VOPEs, NPFDEPN and UN agencies.

Moreover, NPC has also signed in MOU with International Initiative for Impact Evaluation (3ie) and started collaboration in building capacities and conducting evaluations. Evaluation design of the School Sector Development Plan (SSDP) has been finalized and concerned evaluation team is ready to start this RCT-based prospective evaluation.

Initiatives by parliamentarians

In November 2015, the National Parliamentarians Forum on Development Evaluation Policy, Nepal(NPFDEPN), and the South Asia Parliamentarians Forum for Development Evaluation, the Evaluation Network of Nepal, Community of Evaluators of Nepal, the Community Evaluators of South Asia and Eval partners organized an Evaluation Week

and conclave of Community of Evaluators in Kathmandu. It was attended by parliamentarians, Voluntary Organization of Professional Evaluators (VOPEs) leaders, government officials, and representatives from UN agencies, multilateral banks, private foundations and academia, with 300 international and 100 national participants. This event explored how to strengthen the enabling environment for evaluating the SDGs, the institutional capacities of VOPEs and civil society, the capacity of individual evaluators, the linkages between enabling environment, institutional capacities, and individual evaluator capacities .

Initiatives by United Nation Agencies and other development partners

The United Nations Development Assistance Framework (UNDAF) for 2018-2022 for Nepal is under preparation and will be aligned with national priorities and Nepal's target of becoming a middle-income country by 2030. The UNDAF will also be aligned with the SDGs.

Nepal's development partners are playing complementary roles to achieve the SDGs. Most programmes and projects supported by Nepal's development partners are implemented through government systems and support is mostly aligned with national programmes and priorities. For much of the MDG period, Nepal was in internal conflict and many partner-supported programmes focused on peace building and social transformation. National priorities have now been shifted to infrastructure development, hydropower development, and industrialization. These partners have taken initiatives to align their ODA with the intervention areas of infrastructure development, hydropower generation, enhancing agricultural production, mitigating climate change impacts and conservation, social sector development (especially improving quality of education and healthcare) and inclusive development and governance. Nepal takes a sector-wide approach in the health, education and water, sanitation and hygiene sectors. Support from the Asian Development Bank (ADB), the World Bank and other financial institutions has focused on infrastructure and hydropower development.

Chapter Five

Progress on the SDGs

5.1 Progress on SDG Targets and Indicators¹

Nepal has completed most of the preparatory works for implementing the SDGs. It has put in place institutional arrangements at the national level while arrangements will be put in place at the sub-national and local levels once provincial and local governments are elected by February 2018. Country-specific SDG targets and indicators have been developed. The 2015 baseline data and milestones for 2019, 2022, 2025 and 2030 are being worked out refined and decided.

5.2 The Status of Selected SDGs

The review analysed progress against selected SDGs – SDGs 1, 2, 3, 5, 9 and 17, as per the guidelines for the High Level Political Forum on Sustainable Development (July 2017).

SDG1: End poverty in all its forms everywhere

Nepal made commendable progress on reducing extreme poverty and hunger in the MDG era. Extreme poverty dropped from 33.5 percent of the population in 1990 to 16.4 percent in 2013 thereby achieving the target of halving the poverty rate. The rate of reduction accelerated between 2000 and 2015. The incidence of poverty declined by one percentage point per year between 2005 and 2013 (CBS 2004 and 2011). The reduced poverty gap ratio means that on average poor people were closer to rising above the poverty line in 2015 than in 2008. The employment to population ratio decreased from 84.3 percent in 2000 to 81.7 percent in 2008 with 2.3 million people above 15 years of age employed in 2008, substantially more than in 1998. Multi-dimensional poverty reduced from 64.7 percent in 2006 to 44.2 percent in 2015 (OPHI 2016) dropping by an average of two percentage points per year. These achievements were largely due to improved health and education and increased remittances incomes.

The percentage of people living below the national poverty line dropped from 38 percent in 2000 to 21.6 percent in 2015 – an average reduction of 1.1 percentage points a year. In 2015 the proportion of the population living on less than \$1 per day was 16.4 percent, the proportion with less than the minimum level of dietary consumption was 22.8 percent, and the prevalence of underweight children aged 6-59 months was 30.1 percent. The poverty gap ratio was 5.6 percent.

The government aims to bring down the percentage of people living below the poverty line to 4.9 percent and to reduce multi-dimensional poverty to 10 percent by 2030. The

¹.Unless otherwise stated, the data in this chapter is taken from the MDGs Final Status Report (NPC 2016a).

NPC has set targets of an annual economic growth rate of 7.2 percent and 4.7 percent annual growth in the agriculture sector during the Fourteenth Plan period (2016/17-2018/19) and to increase per capita gross national incomes to \$2,500 by 2030.

Government line ministries implement 49 poverty alleviation programmes. The Bisheshwar with the Poor programme has been implemented since 2000, the Poverty Alleviation Fund from 2003 and the Youth Self Employment Programme from 2008. A separate Ministry of Cooperatives and Poverty Alleviation was established in 2012. These initiatives will continue through the SDG period.

SDG 2: End hunger and achieve food security and improve nutrition

Nepal made good progress on reducing hunger, on food security and on improving nutrition during the MDG period, but there are still too many underweight children. Nepal partially met the MDG target of reducing the proportion of underweight (low weight for age, -2 standard deviations) among 6-59 months children from 43 percent in 2000 to 29 percent in 2015. The proportion dropped to 27 percent in 2016 of which 5 percent were severely underweight (MOH 2017). Nepal has the target of reducing this further to 3 percent by 2030. There are disparities in the distribution of underweight children with the proportion at 31 percent in rural areas as compared to 23 percent in urban areas. The children of women with no education are more likely to be underweight as are children from poorer families. Thirty-three percent of children in the lowest wealth quintile are underweight compared to 12 percent in the highest quintile. And 37 percent of children are underweight in Province 2 (in the eastern Terai) compared to only 13 percent of children in Province 3 (in the Kathmandu Valley and surrounding districts) (MOH 2017).

Nepal achieved the MDG target of halving the proportion of the population who consume less than the minimum level of dietary energy consumption from 47 percent in 2000 to 25 in 2015. The SDG target is to reduce the proportion to 4.6 percent by 2030.

The nutritional status of Nepal's children has improved. Nepal partially achieved the MDG target of reducing the proportion of children under five years of age who are stunted (low height for age) (-2SD) from 57 percent in 2000 to 37.4 percent in 2014 (NPC 2014) and to 36 percent in 2016 (MOH 2017). The percentage of stunted children declined by 14 percent between 2000 and 2006, by a further 16 percent between 2006 and 2011 and by 12 percent between 2011 and 2016 (MOH 2017). Nepal plans to reduce it further to 15 percent by 2030.

There are disparities in the distribution of stunted children. Forty percent of children are stunted in rural areas compared to 32 percent in urban areas. About 46 percent of children of mothers with no education are stunted compared to 23 percent of children of mothers with secondary education. And 49 percent of children in the lowest wealth quintile are stunted compared to only 16 percent of children in the highest quintile. In Province 6 in the mid-western hills, 54 percent of children are stunted compared to only 29 percent in Province 4 in the central hills (MOH 2017).

The prevalence of wasting (low weight for height) among under-5 children (-2SD) declined from 15 percent in 1996 to 10 percent in 2016 (MOH 2017). Nepal plans to

reduce the proportion to 3 percent by 2030. There are disparities in the distribution of wasted children with 14 percent in Province 2 compared to only 4 percent in Province 3 and 12 percent wasted children of mothers with no education compared to 7 percent of children of mothers with secondary education.

The government has initiated programmes to end hunger, achieve food security and improve nutritional status. The details of the Zero Hunger Challenge National Action Plan 2016-2034 (2016) are presented in Section 4.2 above. The Agriculture Development Strategy (2014-2034) calls for a transformation from subsistence farming to commercial farming, achieving self-sufficiency in food grains, increasing agricultural land productivity from \$1,804 (per hectare) in 2010 to \$4,787 in 2030 and increasing the annual growth rate of the agricultural sector to 5% in 2020 and 6% in 2030.

Nepal has been a member of the global Scaling-up Nutrition Movement since 2011. The movement is led by a national multi-sectoral Nutrition Steering Committee and district, village and municipal levels. In 2013, the government launched its Multi-stakeholder Nutrition Plan (MSNP).

UNICEF and the Ministry of Health (MOH) are implementing "the Golden 1000 Days Campaign" awareness raising programme to improve the nutritional status of pregnant women and children up to 2 years of age. MOFALD is implementing 'The Golden 1000 Days Project' in 15 districts funded by the World Bank and USAID.

SDG 3: Ensure healthy lives and promote well-being for all at all ages

Nepal greatly reduced child mortality during the MDG period. The under-5 mortality rate reduced from 91/1000 live births in 2000 to 38 in 2015. Nepal plans to reduce the rate to 30 by 2019 and 22 by 2030. The infant mortality rate reduced from 64/1000 live births in 2000 to 33 in 2015 and to 32 in 2016 in the first year of the SDGs (MOH 2017). The rate thus reduced by half from 2000 to 2016. Nepal aims to reduce the rate to close to that of other middle-income countries by 2030. Neonatal mortality also reduced in the MDG period from 38/1000 live births in 2000 to 23 in 2014 (NPC 2014). It dropped further to 21 in 2016 in the first year of the SDGs with the aim being to reduce it to 10/1000 live births by 2030.

Nepal has made remarkable progress on improving maternal health. The total fertility rate (TFR) of women aged 15-49 declined from 4.1 children in 2000 to 2.3 in 2016 (MOH 2017). Nepal plans to attain a replacement level by 2030. Reducing the TFR has multiplier effects on health and wellbeing of women and children.

The proportion of pregnant women getting antenatal care (ANC) check-ups increased from 28 percent in 2000 to 68 percent in 2014 (NPC 2014) and 84 percent in 2016 (MOH 2017). The proportion of births taking place in health facilities increased from 9 percent in 2000 to 55 percent in 2014 and 57 percent in 2016 while the proportion attended by a skilled attendant increased from 11 percent in 2001 to 55 percent in 2014 and 58 percent in 2016 (NPC 2014) and MOH 2017). These improvements led to the maternal mortality ratio (MMR) dropping from 850/100,000 live birth in 1990 to 539 in 1996, 281 in 2005 and 258 in 2015. Nepal aims to reduce the MMR to 70 by 2030.

Nepal has made good progress on reducing the disease burden. Polio has almost been eradicated while leprosy is in the elimination stage and 92.6 percent of one year children were immunized against measles in 2015. Considerable efforts have been made to halt and reverse TB, malaria and HIV/AIDS prevalence. The disease burden is shifting with a growing numbers of deaths from non-communicable diseases including cancer, heart attacks, diabetes and kidney disease.

The country still faces many health challenges. Poor and marginalized people face many barriers to accessing health services. The distribution of health facilities is skewed to accessible area and people in remote hill and mountain areas have to travel far to reach one. Most specialized treatment services are in the big cities. The government has initiated programmes to increase access to modern health services.

Since 2004, a sector-wide approach has been taken in the health sector with most development partners directing their support through the government's budget. The government and its partners hold joint annual reviews (JAR), and jointly monitor outputs and outcomes against investments. The government is increasing the volume of the health budget to meet the growing demands.

The following measures (introduced under the new Health Policy 2014 and Nepal Health Sector Strategy,2015-2020)have reduced inequality in access to health care services in Nepal and address the constitutional right to health care. The government provides free basic health care in health posts, primary health care centres and up to 25 bed district hospital. About 70 types of basic drugs are provided free of cost. Poor and marginalized people are provided free treatment for some acute diseases including like heart disease and kidney failure. Transport allowances are provided to all women to give birth in a health facility. The government has upgraded all sub-health posts to health posts and is implementing a health personnel retention policy in rural areas. Private sector hospitals have been instructed to allocate 10 percent of their beds to poor and marginalized people. A health insurance scheme is being piloted ready for scaling up across the country.

SDG 5: Achieve gender equality and empower all women and girls

Nepal has made good progress on promoting gender equality and empowering women. Gender parity is almost achieved at all levels of education. The ratio of girls to boys in primary education increased from 0.79 in 2000 to 1.09 in 2015with gender parity achieved in primary education in both the gross enrolment ratio (GER) and net enrolment ratio (NER) in 2015. The GER was 1.09 and NER 0.99 in 2015. The enrolment of Dalit and Janajati students in primary education increased with gender parity indexes (GPI) of 1.05 and 1.02 respectively in 2015 (DoE 2015).Primary education completion also improved with 86.9 percent of girls and 86.4 percent of boys completing it in 2015 compared to 59 percent of girls and 79 percent of boys in 2000 (DoE 2015). The GER of children in primary education reached 133.6 percent in 2016 (138 for girls and 129.2 for boys) while the net enrolment ratio reached 96.9 percent in 2016 (96.6% for girls,97.3 for boys) (MoE 2016b).

The ratio of girls to boys in secondary education (Grades 9–10) increased from 0.70 in 2000 to 1.0 in 2015. Gender parity was achieved in secondary education in 2015 in both gross (1.0) and net enrolment (0.99). The enrolment of Dalit and Janajati students in secondary education also increased with a GPI of 1.05 and 1.09 respectively in 2015 (DoE 2015). Secondary education completion rates also increased with 90.4 percent of girls and 89.7 percent of boys completing secondary education in 2015 compared to 35.5 percent of girls and 51.9 percent of boys in 2000 (DoE 2015). The GER in secondary education reached 79 percent in 2016 (77.7% girls, 80.5% boys) while the secondary NER reached 59.8 in 2016 (58.9% for girls, 60.9 for boys) (MOE 2016b).

The ratio of women to men in tertiary education increased from 0.28 women to every man in 2000 to 1:1.05 in 2015. However, there is a wide gap in master's degree education with a GPI of 0.82. The GPI is also low in most tertiary technical and vocational subjects at 0.3 in science and technology, 0.12 in engineering, 0.84 in medicine, although it is 1.67 for education (UGC 2015).

The new constitution enshrines the rights of women in line with the government's commitments to the international conventions and treaties it has signed up to. It has formulated related acts, policies, plan and programmes. Women now occupy 29.5 percent of seats in the national parliament about 40 percent in local level/government. Women's participation in decision-making in the private sector is 25 percent and 50 percent in the cooperative sector.

Although Nepal is on track to achieve gender equality and women's empowerment, achievements vary with less equality among poorer women while discrimination and violence against women and girls is still prevalent. Women's participation in public sector decision making is low.

During the SDG period, the government aims for gender parity in participation in technical and vocational education, to increase the participation of women in decision-making in the public and private sectors, and to increase the proportion of women in technical and professional work from 24 percent in 2015 to 40 percent in 2030.

The government has established institutional mechanisms for gender equality and women's empowerment. The Department of Women was established in 1981 to oversee women empowerment programmes. The Ministry of Women, Children and Social Welfare (MOWCSW) was established in 1995 and the National Women's Commission in 2001 and gender focal persons were appointed in all line ministries in 2002. Gender responsive budgeting was initiated by NPC and the Ministry of Finance. There are now women development offices in all 75 districts.

An important development was the introduction in 2007 of reservations for women and marginalised groups including dalits, indigenous people, madhesi communities persons with disabilities in the public service. The amended Civil Service Act reserves 45 percent of all vacancies to six groups of which 33 percent of the vacancies are for women (MOGA 2013). The implementation of this affirmative action measure will boost gender equality and women's empowerment in the SDG period.

SDG 9: Build resilient infrastructure and promote inclusive industrialization

Nepal needs resilient infrastructures. Nepal is located in a geologically fragile zone with much seismic activity. The development of road, railway and air transport networks is costly because of the rugged topography, and limited national investments and technical know-how. All the same, the infrastructure has improved in recent years as a key precondition for reducing poverty and for economic development.

Roads— The Ministry of Physical Infrastructure and the Department of Roads have built 27,990 km regional and strategic roads to 2014/15, which increased to 29,031 km in 2015/16 (MOF 2016). Forty-two percent of these roads are black topped, 23 percent gravelled and 35 percent earthen. The government aims to build more resilient and black topped roads to enable year-round transport.

Other programmes (the Rural Reconstruction and Rehabilitation Programme, Decentralized Rural Infrastructure and Livelihood Improvement Project, the Rural Access Programme, Local Level Roads, Bridges and Community Access Programme, Constituency Development Programme, Rural Transportation Strengthening Programme, Local Transportation Infrastructure Regional Programme, and the Rural Infrastructure Development Programme) built 53,143 km rural roads to 2014/15 and an additional 238 km of road in 2015/16 bringing the total to 53,381 km (MOF 2016). Seventy-three percent of these roads are earthen, 24 percent are gravelled and 3 percent are black-topped (MOF 2016) although only 17,000 km is motorable year round.

Nepal thus has 82,812 km of roads of which 13,659 km (16%) is black topped. Road density was 0.44 km/km² in 2015/16 with the plan to increase it to 1.5 km/km² by 2030 (NPC 2017b). The proportion of the population with access to a paved road within 30 minutes' walk reached 51.4 percent in 2015.

Rail— The government has recently taken the initiative to extend its rail infrastructure to improve connectivity with China and India. Four projects are planned or underway that should foster economic development. The construction of the 945 km East-West electric railroad across the southern plains has begun with the construction of the 108 km Bardibas–Simara section underway. Construction of the 69 km Jayanagar–Janakpur–Bardibas railroad and the Bathnaha–Katahari–Birtnagar railroads is underway with technical support from the Indian Government to link Nepal with India. Studies are being carried out on building a 519 km Rashuwagadahi–Kathmandu–Pokhara–Lumbini railroad with construction due to start in 2016/17–2018/19 to link Nepal with China. And a monorail is planned in the Kathmandu Valley.

Air transport —Connectivity within and outside the country by air is improving. Nepal has 33 airports in operation of which 22 operate year-round. Twenty-five private airlines operating domestically, and 26 international airlines operate flights to Nepal. Thirty-eight countries had signed bilateral service agreements to fly to as of 2016 (NPC 2017b). The government is upgrading its air transport infrastructure by building new international airports in Pokhara, Lumbini and at Nijgadh to increase international connectivity.

Tourism— Nepal’s tourism infrastructures is improving. The country has 1,073 tourist standard hotels, world class trekking trails, and 957 cultural heritage tourist attractions (NPC 2017b). In 2015, 790,000 tourists visited Nepal staying on an average 13 days and spending \$69 per day (MOF 2016). The government aims to increase tourist arrivals to 1.34 million and increase length of stay to 15 days by 2020 (MOTCA 2016).

Information and communication infrastructure— Nepal has made large progress on developing its ICT infrastructures. In 2015/16 there were 672 FM radio stations, 88 television stations, 853 cable television operators, a density of telephone users of 110.25 percent, 46.6 percent of people have access to the internet (MOF 2016). The government aims to increase the density of telephone users to 117 and internet users to 65 percent, and to expand the optical fiber network to all districts and municipalities by 2019 (NPC 2017b).

Inclusive industrialization— Nepal’s industrial development has faced labour, power, capital, technology and unstable governance problems although the investment climate is improving. The share of industry in GDP is 15 percent, manufacturing value added as proportion of DGP is 6.5 percent and manufacturing employment as a proportion of total employment is 6.6 percent (MOF 2016).

Nepal's economy needs inclusive industrialization to move from an agrarian subsistence economy to an industrialized economy. Nepal’s Industrial Policy, 2010 encourages the use of local labour, raw materials, technology and domestic investment. In recent years, the government has amended the labour law to promote more cordial relations between employers and employees, improved the availability of energy, liberalized the import and export of raw materials and products, provided tax concessions, promoted the use of locally produced goods in public offices and invited foreign investment.

Science and technology for innovation— Nepal has made less progress on research for technological innovation for industrialization and social development. Research and development expenditure is only about 8 percent of GDP and only 6.8 percent of higher education students enroll in science and technology courses. The government is preparing a National Science, Technology and Innovation Policy and Strategy (2016-2030). It plans to establish a science laboratory and a library for research and innovation in a community school in each constituency and an Academy of Science and Technology in each province. It also aims to establish a science study centre in public schools and is upgrading the National Forensic Science Laboratory.

SDG 17: Means of implementation and partnership

The status of SDG 17 is analysed in Chapter 6.

5.3 Challenges for Achieving the SDGs

Mainstreaming the SDGs into provincial and local planning and budgeting systems: The government has started SDG mainstreaming at the central level, but it also needs to be cascaded at provincial and local rural/ urban municipality levels. This is a major challenge as state restructuring is currently taking place and the 7 Provinces and

744 Metropolis, Sub-metropolis, Municipalities and Rural Municipalities yet to establish integrated planning and budgeting mechanisms.

Establishing SDG implementation mechanisms in provincial and local governments: The Constitution devolves significant authorities to provincial and local governments. Therefore, an underlying challenge is to make these newly formed sub-national governments responsible for achieving the SDGs. As above, this is a large challenge as the local levels have only just been formed and the provincial level election is expected to be held after some months, their institutional set-ups are yet to be established. In this context, it may require about a year to institutionlise SDGs friendly planning and implementation process at these sub-national levels.

Database and statistics: Nepal's database of development information is limited and available statistics are insufficiently disaggregated. Some SDG indicators lack base year statistics, which requires the carrying out of new baseline surveys, especially on intra-household nutritional status, poverty, education and health status by sex, age, disability status, social groups, geography and administrative unit. It is a major challenge to establish and implement a system for collecting the necessary disaggregated data. Other challenges are the routine updating of data, setting values for SDG targets in the Nepalese context and limiting them to a manageable number, building national consensus on 2030 benchmarks, harmonizing SDGs and sectoral targets and indicators and the national vision of achieving a middle income country status by 2030, identifying sources of information for indicators that lack base year data and developing a robust information management system.

Investment for increasing employment: It is a huge challenge for Nepal to realise the huge investments needed to create the massive new employment opportunities in the off-farm sector that are needed to increase per capita incomes and achieve the SDGs. The current low level of job creation in the non-agricultural sector cannot absorb about 450,000 youths who enter the labour market annually. As a result, four million young people have migrated to work outside Nepal. Nepal needs to create millions of off-farm jobs. Also, the elimination of poverty by 2030 involve reducing poverty by 1.5 percent per year.

Social sector development: It is a large challenge to reduce malnutrition among children by the 2.7 percent per year needed to eliminate it by 2030 given the low agricultural productivity, food consumption habits and within household food allocation priorities. Reducing maternal and child mortality rates, ensuring sexual and reproductive health services to all, attaining gender parity in technical and vocational education and training and ensuring women's empowerment are other major social sector challenges.

Official Development Assistance (ODA): Nepal needs large amounts of ODA to bridge the funding gaps for SDG implementation. During the MDG period many developing countries did not disburse the ODA they had pledged. There are no guarantees of increased ODA for implementing the SDGs. Achieving adequate ODA is thus a major challenge alongside increasing the country's capacity to absorb and use international and bilateral loans and grants.

Capacity development.: Good governance is essential at all levels for implementing the SDGs. Nepal has spent a long time passing through the political transition from the armed conflict to establishing the federal system of governance. The continuing transition provides challenges in all areas of governance including maintaining the rule of law, access to justice, implementing pro-poor and inclusive development policies and plans, developing the capacity of all stakeholders for SDG implementation, result-oriented and people-centric public services, and prioritising the achievement of the SDGs. Building the capacity of all levels of the government machinery for achieving the SDGs and managing financial, economic and technological resources for capacity building are challenging tasks.

Disaster management: Nepal is prone to floods, landslides, earthquakes and the negative consequences of climate change. The April and May 2015 earthquakes caused huge physical and human losses including nearly \$7 billion worth of infrastructure losses. Therefore, achieving the SDG targets needs human resources skilled in disaster management, disaster management strategies and the strengthening of disaster response systems. The challenge is to realise the additional resources needed for post-earthquake reconstruction and for building capacity on disaster management, and for developing disaster response and management systems.

Chapter Six

Mechanisms for Implementing and Monitoring the SDGs

6.1 High Level SDG Steering Committee

In 2017, the government formed an SDG Steering Committee, which is chaired by the Prime Minister—who is also the Chairman of the National Planning Commission. Other members include the Finance Minister, Foreign Minister and Chief Secretary with the NPC Secretary as Member Secretary. This and other committees to be elaborated below are also mandated to include 'invitee' members from private and cooperative sectors, Non-Governmental Organisations, civil society, media, among others. The committee provides policy directives, works to create a conducive policy environment, and builds partnerships for achieving the SDGs with multilateral and bilateral development partners, multi-national companies and private investors. It oversees the financial, human and technical resources required for SDGs implementation, reviews annual progress and gives feedback to the central SDG Coordination and Implementation Committee, thematic implementation and monitoring committees and all levels of government.

6.2 Coordination and Implementation Committee

The government has formed a national level SDG Coordination and Implementation Committee under the leadership of the Vice Chairman of the National Planning Commission with the NPC member responsible for the macroeconomic affairs as joint-coordinator. The committee is responsible for guiding line ministries on mainstreaming the SDGs into national, provincial and local plans; arranging financial, human and technical resources by mobilizing internal and external resources, and coordinating between the public and private sectors, civil society and development partners. It also monitors and evaluates progress against the SDG annually and provides feedback to the thematic committees (see below). It prepares periodic national SDG reports to present to the United Nations and other institutions.

6.3 SDG Implementation and Monitoring Thematic Committees

Other Nine SDG Implementation and Monitoring Thematic Committees are also formed under the leadership of the related NPC members for economic development; industrial development; urban development; social development; labour and employment; agriculture, climate change and environment; infrastructure development; energy development; and governance. The members of these committees include the secretaries or joint secretaries of concerned ministries and invitees from the private sector, civil society and development partners. The concerned NPC joint secretaries or programme directors are member secretaries. These committees help prepare SDG related plans, policies, programmes, budget implementation, and monitoring and evaluation. They

coordinate with sectoral government agencies, the private sector, civil society, international organizations and other partners. They prepare central and sectoral databases and oversee the monitoring of SDG indicators. They coordinate among programmes and projects implemented with ODA and arrange to mobilize ODA through the national budgetary system. These committees are required to submit trimester reports to the Coordination and Implementation Committee.

6.4 SDG Provincial and Local Implementation Mechanisms

The administrative set up of 7 Provinces is expected to be established in the second half of 2018. It is expected that provincial governments will give due importance to achieving the SDGs and will establish institutional mechanism for the SDGs by the end of 2018. The new district coordination committees (DCCs) will take the lead in coordination and achieving the SDGs at the local level. And SDG implementation committees will be established at provincial level, DCC and municipality levels in 2018. These committees will coordinate with the private sector, civil society organisations, development partners, cooperatives and other non-government stakeholders like for the achievement of the SDGs.

6.5 Plan and Policy Monitoring and Review Mechanisms

The Government of Nepal formulates long-term, sectoral perspective plans, medium term periodic development plans and annual plans. The perspective plans are reviewed periodically, medium term development plans are reviewed annually and annual plans are reviewed in every trimester. The following monitoring and evaluation system is in place to track the progress of policies, programmes and projects.

M&E mechanism in the Government

Promoting enabling policy environment

The GON has drafted the M&E Act which is in the process of legislation and expected to be enacted within this year. In addition, the NPC is in the process of amending the National M&E Guidelines to make it SDGs-friendly, among others. These will promote an enabling policy environment for tracking and evaluating the SDGs.

Results-based monitoring and evaluation

The Government of Nepal has internalized results-based approaches in its planning processes. Sectoral results frameworks have been prepared in the current fourteenth plan. These frameworks provides useful basis for results-based monitoring. NPC and sectoral line ministries use these frameworks to track progresses using the indicators of these frameworks which are mostly drawn from the SDGs. This means that regular tracking of the indicators of the periodic plan serve as a tracking mechanism for SDGs.

Institutionalizing evaluation and building evaluation capacity building

The NPC has come up with an Integrated Evaluation Action Plan focusing on evaluation capacity building engaging the VOPEs, UN agencies. These collaborative efforts will help

build capacities of evaluation commissioners, evaluators and evaluation users. All these efforts aim not only to track SDGs but also institutionalize EVALSDGs.

Institutional Framework

National Planning Commission

One of the functions of the NPC is monitoring and evaluation of development policies, programmes and projects. The NPC has gradually shifting its focus from narrow cohort of process monitoring to results-based monitoring and evaluation. Thus, it will engage in tracking SDGs and also coordinating the tracking and evaluation of EvalSDGs. In order to inform the policy process and institutionalize the culture of using evidences in the SDG-friendly planning and policy making processes the role of NPC is crucial. It will conduct systematic monitoring and evaluation of SDGs collaborating with other partners and produces evaluation-based evidences.

National Development Action Committee

The high level National Development Action Committee (NDAC) is the apex body of M&E in the government that engages in making policy decisions in relation to development issues and resolve problems that cannot be solved at the ministerial level. The committee is chaired by the Prime Minister with ministers, the NPC Vice Chairman and members, and the Chief Secretary of the government as members and the Secretary of the NPC as member-secretary. This Committee reviews the implementation of programmes and projects and establishes inter-ministerial coordination on development related issues.

Ministerial level Development Action Committees

All development programmes and projects submit their progress along with the problems faced during implementation. Important problems are then referred to each line ministry's Ministerial Development Action Committee (MDAC). These Committees also regularly monitor and evaluate development plans, policies, programmes and projects. These committees are chaired by the Minister with membership of the relevant NPC member, the secretary of the concerned ministry, representatives of the Ministry of Finance and Ministry of General Administration. These committees organize trimester meetings to review the implementation status of programmes and projects. MDAC refers problems to the NDAC if it could not resolve any.

Regional/provincial level: As per the new constitution the provincial administrative set up is yet to be established. So far M&E is carried out at the regional level by regional directorates and regional administration offices. They monitor and evaluate the inputs, implementation processes, outputs, and outcomes of programmes and projects. Regional directorates report directly to their line ministries while regional administration offices report to the OPMCM and NPC. The OPMCM provides directives and budget to regional administration offices to perform their M&E functions.

District level: Since local elections have just been completed, except in Province 2, the new administrative setup including the planning and M&E system of rural and urban municipalities is yet to be established. The existing system has district level supervision and monitoring committees for monitoring district level development projects. These committees are responsible for monitoring district level programmes and projects alongside programme and project offices. The results are entered into the District Planning, Monitoring and Analysis System (DPMAS). A web-based reporting system is in place at the district level to regularly report progress of the programmes and activities under implementation. In addition, district treasury and comptroller offices conduct internal audits to explore that public agencies are spending their budgets properly.

Chapter Seven

Means of Achieving the SDGs

Adequate finance, technology, institutions, capacity and partnership are needed to achieving the SDGs. Nepal is striving to strengthen all these means of achieving the SDGs.

7.1 Financing

Nepal aims to manage sufficient financial resources from its public, private and development partners to achieve the SDGs. A lesson from the MDG period was that the government lacked adequate resources to achieve them. The government is responsible for attracting investment while achieving the SDGs is a shared responsibility of the national and international communities.

Volume of national budget and financing for SDG implementation

The size of Nepal's economy means there is likely to be a big financing gap for meeting the SDG targets although the resources needed to achieve the SDGs are yet to be calculated. The preparation of an SDG needs assessment, costing and developing financial strategy are underway. In addition, a separate development finance assessment (DFA) is also being prepared. Nepal's annual budget was \$9,990 million in 2016/17, which is likely to be insufficient to meet the SDG targets. On average, Nepal's annual budget has grown by 28.4 percent in US dollar terms in the past decade, which gives little scope for investing in the development sector when there is close to double digit inflation (Table 4).

Table - 7.1
Volumes of Nepal's national budget (2007/08–2016/17)

Year	Exchange Rate (NPR) per 1 USD	Annual inflation (%)	Annual national budget (Rs. million)	Annual national budget (USD million)	% annual budget allocated for regular/current expenditure	Annual budget growth rate against previous year's budget (Rs)
2016/17	105.00	3.3	1,048,921.4	9,989.9	59	28.0
2015/16	105.60	9.7	819,468.9	7,760.1	59	32.6
2014/15	99.49	7.2	618,100.0	6,212.7	65	19.5
2013/14	96.01	9.1	517,240.0	5,387.4	68	27.8
2012/13	87.96	9.9	404,824.7	4,602.6	69	5.2
2011/12	81.02	8.3	384,900.0	4,750.7	69	13.9
2010/09	72.27	9.6	337,900.0	4,675.3	56	18.2
2009/10	74.54	9.6	285,930.0	3,835.9	56	21.2
2008/09	76.88	12.6	236,015.9	3,070.0	54	39.7
2007/08	65.02	6.7	168,995.6	2,599.1	58	17.4

Source: MOF, 2016

Development assistance

The flow of ODA to Nepal, including grants, loans and technical assistance, nearly tripled in the last 15 years (Table 5). However, the amount declined from 4.8 percent of GDP in 1999/2000 to 2.6 percent of GDP in 2014/15 while the share of ODA in total government expenditure also declined. Alongside this the level of disbursement declined from 85.7 percent of commitments in 1999/00 to only 55.4 percent in 2014/15. Current ODA is insufficient to meet the expenditure needed for Nepal to achieve the SDGs.

Table - 7.2
Inflow of official development assistance to Nepal

Particular	1999/00	2004/05	2009/10	2014/15
Total actual foreign assistance in Rs. billion	17.5	23.7	49.8	55.4
Share of ODA in GDP (%)	4.8	4.2	4.2	2.6
Share of foreign aid of total government expenditure (%)	26.4	23.1	19.2	12.9
Share of foreign assistance in development expenditure (%)	68.8	86.5	55.1	62.5
ODA disbursement as proportion of commitment (%)	85.7	62.0	51.5	55.4

Source: NPC, 2016a

Per capita foreign assistance

Nepal received a low level of per capita foreign assistance during the MDG era in relation to its LDC status at only around \$30 per capita, which is much less than many other LDCs (Table 6).

Table – 7.3
Per capita foreign assistance to Nepal (USDo)

Select LDCs	2001-2005	2006-2010	2011-2015
Nepal	33	28	31
Afghanistan	237	226	172
Bhutan	195	217	179
Haiti	170	125	113
Lesotho	130	138	154
Tuvalu	3,991	2,484	2,703

Source: NPC, 2016a

Infrastructure financing needs

Nepal lacks sufficient funding to make the needed large-scale infrastructure improvements. The World Bank Group estimated that Nepal needs to invest 7 to 11 percent of its GDP in the transport, power, water and sanitation services (WASS), communication and other key infrastructure sectors between 2011 and 2020. Nepal currently invests 5 percent of its GDP for key infrastructure (Table 7). The data shows gross underinvestment in energy infrastructure. Nepal needs to increase funding in this

sector and join hands with the private sector for public-private partnership to build infrastructures.

Table - 7.4
Investment gaps in Nepal’s infrastructure sector

Infrastructure	World Bank Group estimates *		Investments in infrastructure in Nepal as % GDP in 2015/16 **	Investment by Nepal in key infrastructures in 2015/16 (\$ million)
	Investment needs 2011–2020 as % of GDP	USD billion investment needs by 2020		
Transport	2.32-3.49	3.7-5.5	2.87	581.5
Power/electricity	3.34-4.46	5.3-7.0	1.69	342.1
WASS	1.32-1.92	0.4-0.5	0.68	136.9
Communication	0.27-0.40	0.4-0.6	0.02	3.9
Total	6.91-10.27	9.8-13.6	5.3	1,064.4

Sources: * Andres et al 2014; ** MOF, 2016

7.2 Administrative Reform and Capacity Development

Capable governance institutions that implement the rule of law, promote human rights, control corruption and promote transparency and accountability are needed for achieving the SDGs, promoting trade, attracting investment and benefiting the poor. The following are some of the concerned institutions and institutional issues:

- The Constitution identifies 35 exclusive power and functions of federal (central) government, 21 powers and functions of provincial governments and 25 concurrent powers and functions of these two levels of government. Local governments have 22 exclusive power and functions and another 15 powers and functions concurrent with federal and provincial government. based on the detailed functional analysis the government has recently approved functional unbundling of tiers of government that helps to minimize conflicts the 118 exclusive and concurrent powers and functions that have been unfolded into about 2,000 functions to clarify who does what and to what extent.
- The High-level Federalism Implementation Steering Committee is chaired by the Prime minister. It oversees the state restructuring process and sets up provincial and local level administrative systems. An Administrative Restructuring Unit at the OPMCM supports the committee. An Implementation of Federalism and Restructuring the Civil Service Coordination Committee under the government’s Chief Secretary is preparing the restructuring of the civil service under the new provincial and local governments.
- The Central Bureau of Statistics (CBS) has formed an inter-ministerial SDG Indicators Coordination Committee to coordinate among ministries, provinces and local levels on tracking progress of the SDGs.

- The NPC is the lead agency for SDG related activities. It formulates plans and policies related to the SDGs and provides guidance to other stakeholders. The high level steering and implementation committees described in Chapter 6 guide and implement SDG related issues.

7.3 Technology

Access to appropriate technology for development is crucial; but copyright and patent issues make it difficult for countries like Nepal to access such technologies. Strengthening technology transfer under the World Trade Organisation’s Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement is important. Nepal needs better coordination and cooperation with its development partners and the international community for technology transfer to enable it to achieve the SDGs. Nepal’s technological needs are:

- a. smart technology for small scale agro-based entrepreneurs and producers;
- b. technical know-how on low carbon emission engineering for increased industrial outputs;
- c. efficient construction technologies for mega hydropower projects, international airports, roads and bridges and apartment and railway construction;
- d. hardware and software for building electric vehicles and trains; and
- e. technical assistance for science, technology and innovation for industrial and service development.

7.4 Partnerships

The government is striving to involve the public sector, cooperatives, civil society organizations and the private sector in the achievement of the SDGs. The cooperatives, civil society and private sector are seeking incentives to increase their SDG-related investments. Partnerships also need strengthening with external development partners and between the three tiers of federal system of government.

Partnership with the private sector

Partnership with the private sector is needed to mobilize domestic resources for investment, job creation, social security, enterprise development and social protection that will help end hunger, achieve food security, improve nutrition and promote sustainable agriculture. The private sector needs to be encouraged to produce safe, nutritious and sufficient food and to raise agricultural productivity and incomes of small-scale food producers by supplying modern agro inputs and value chain financing and through farm mechanization. This sector also needs to provide enhanced financial services for farmers, marketing support and promote value addition and non-farm employment.

More public-private health care partnerships are needed by developing private health facilities; producing drugs and medical equipment and providing health insurance; and providing quality essential health care and affordable medicines.

Partnership with cooperatives and civil society

Partnerships with cooperatives is essential for mobilizing financial resources from members to invest in production and employment generation. Partnership with cooperatives also helps link community people to financial institutions.

Civil society organizations can make large contributions for community development. They can help reach hard-to-reach populations such as people with disabilities, socially and geographically excluded people, the poorest of the poor, orphans, single women and PLHIV and their children. They also have an important role to play in building the capacity of provincial and local governments on SDG-based planning and budgeting, on monitoring local programmes, on raising awareness about the SDGs and advocating to all levels of government to allocate adequate resources for achieving the SDGs.

Partnerships with development partners

Nepal aims to strengthen partnerships with external development partners to increase financing and to access technical know-how particularly for building resilient infrastructure, housing and power generation and distribution and for modernizing transport and communication systems. Nepal needs extensive support from its external development partners for:

- M&E and policy formulation at national and sub-national levels;
- providing technical assistance to provincial and local governments, private sector, NGOs and civil society organizations on SDG based planning and budgeting;
- infrastructure development;
- rebuilding earthquake damaged infrastructure and cultural heritage; and
- pooling global resources to meet Nepal's SDG financing gaps.

Partnership between the three tiers of government

The new provincial and local governments will be governed by their own acts and procedures. These levels of government need adequate resources and need to feel a sense of ownership of the SDGs. There needs to be a strong partnership between these three tiers of government to integrate the SDGs into federal structures and provide the means of achieving the SDGs. The elected provincial and local representatives need to take responsibility for integrating the SDGs into their day-to-day work and plans and budgets. Consultations, workshops and trainings need to be held to incorporate the SDGs into provincial and local plans. It is also important to ensure the participation and women, young people and marginalized people in planning and implementing the SDGs.

Chapter Eight

Lesson Learned and Ways Forward

Nepal is on track to eradicate poverty and promote prosperity by implementing the SDGs so that no one is left behind. The government, private sector, cooperative, civil society, development partners and other development stakeholders are working to mainstream the SDGs not only into the national planning and budgeting system but also in their respective plans. Mechanisms have been established at the central level for working towards the SDGs. A major challenge is that the country is currently undergoing state restructuring to a federal system of governance into 7 provinces and 744 urban and rural municipalities. This review found that Nepal is primarily focusing on building resilient and sustainable infrastructure. SDG-wise national budget allocations and sectoral alignment have been given due attention to addressing unfinished MDG agendas.

8.1 Lessons Learned

- 1) Partnerships between the government, the private sector, cooperatives, civil society, and development partners during the MDGs period were instrumental in the greatly reduced levels of poverty and improved social indicators. The continuation of these partnerships will further reduce poverty by geographic regions, social groups, sex, age and disability and improve social indicators and infrastructures.
- 2) The working modality of the EvalSDG Group shows the importance of working in partnership for the SDGs. The group has enabled the coordinated efforts of government agencies, parliamentarians, UN agencies, evaluators and academia for SDG monitoring and evaluation. Its integrated gender and equity focused SDG monitoring and evaluation action plan (2016-2020) is being implemented in a coordinated way.
- 3) Nepal's sector wide approaches in health, education, and water and sanitation have demonstrated better results compared to other sectors. Most of the MDG targets in goals 2, 3, 4, 6 and 7C were reached because of resource harmonization and the systematic approach of these sectors. This approach should be continued and expanded in the SDG period.
- 4) The government, cooperatives, civil society organizations and development partners have agreed to mainstream the SDGs into their plans and programmes. However, the private sector, which is a potentially large contributor to realising the SDGs, is slightly behind in its commitment. This sector is seeking incentives to increase investments in the production and infrastructure sectors. It is therefore important to address policy issues to encourage private sector involvement in the SDGs.
- 5) The monitoring of the outcome and impact level indicators is hampered by the lack of disaggregated information. Forthcoming censuses and surveys need to generate such information.

- 6) The SDG indicators need aligning in the annual work plans of all line ministers, constitutional bodies, commissions and other government institutions to help SDG progress monitoring.
- 7) Most sectoral master plans, medium term plans and strategies were developed before the start of the SDGs or in the initial period. The targets and indicators in these documents therefore need to be revisited to align with the SDGs.
- 8) Data generation mechanisms are lacking for many SDG targets. It is therefore essential to institute sources of disaggregated data at provincial and municipal levels and by social group, sex, poverty, age and disability in the forthcoming census, surveys and administrative management information systems.
- 9) Nepal needs to establish institutional mechanisms at provincial and local municipal levels for achieving the SDGs and for monitoring and evaluating progress.
- 10) The large investments in the social sector during the MDG period led to large improvements in social sector indicators. Large investments are now needed in the infrastructure sector.

8.2 Ways Forward

Strengthen partnership among the three level of government

Poverty eradication and prosperity will be achieved in Nepal through the coordinated efforts of the three levels of government. The higher levels of government cannot impose their wishes on lower levels. It is therefore necessary that all levels of government give equal commitment and importance for the equitable and inclusive achievement of the SDGs. Strong partnerships are needed between the three tiers of government for resource mobilization, financing and capacity building. The provincial and local governments will have new administrative setups and new executives and lack experience in programme and project planning. The federal government needs to help them to mainstream the SDGs into their planning and budgeting systems, to strengthen their technical capacities and to manage their financial, material and technological resources for working towards the SDGs.

Macroeconomic policy reform

Macroeconomic policy reforms are needed to eradicate poverty and promote prosperity. Reforms need to emphasise achieving high levels of economic growth and the distribution of increased incomes and the benefits of growth to poor and marginalized people. Achieving high economic growth requires enabling fiscal and monetary policies and an enabling policy environment for investors. Macroeconomic policies should promote inclusive economic growth through labour intensive industrialization, the use of domestic raw materials, enhancing technical know-how on production and construction, satisfying domestic demand and reducing the trade deficit. The taxation system and market regulatory mechanisms should be credible and stable and encourage private investment in production for sustained economic growth.

Resource mobilization for financing the SDGs

Achieving the SDGs is a shared responsibility of national, provincial and local governments, the private sector, cooperatives, civil society, development partners, other international financial institutions and Nepal's citizens. Sustainable financing can be built by strengthening the national, provincial and local level capacity in resource mobilization especially of monetary resources. The availability of technological know-how and material resources are equally important for achieving the SDGs.

Internal resource mobilisation

Taxes are a major sources of resources. Nepal's constitution devolves land, property registration, vehicle, and land and business taxes to provincial and local governments. However, the imposition of taxation is challenging as governments can be reluctant to impose higher and more taxes for fear of losing subsequent elections; and Nepal's provincial and local governments lack institutional setups and technical know-how for administering taxes. It will take some time to develop strong revenue administration at provincial and local levels. And they would prefer to receive more fiscal transfers from the federal government. The scaling-up and consolidation of revenue collection work along with capacity building on resource mobilization is urgently needed at provincial and local levels.

Revenue collection is satisfactory with a revenue to GDP ratio of more than 20 percent in 2015/16. However, the tax base needs to be expanded to collect more revenue and to grow GDP. But expanding the tax base on foodstuffs, goods and increasing fees and charges for public services can decrease the access of the poor to them. Federal, provincial and local governments therefore need to fix tax rates and expand taxable items and services to increase revenue without compromising the poor's access to basic goods and services.

Domestic borrowing is another area of resource mobilization. However, excessive reliance on this can discourage private sector investments. Therefore, domestic borrowing needs to be limited so as not to compromise private sector involvement.

All federal, provincial and local governments need to promote the involvement of the private sector. This sector has a critical role in promoting economic growth by developing industries and services, generating jobs in agriculture, tourism, construction and urban development, and by improving housing and transportation. Also, this sector will help the government upscale SDG investment by paying its taxes. The anomalies of private sector growth (less attention to inclusiveness and affordability by the poor) can be neutralized through social protection measures funded from tax revenues. The three levels of government also need to encourage civil society organisations and cooperatives to mobilise more financial and material resources.

External resource mobilisation

Nepal was unable to generate adequate internal resources to achieve the MDGs. It therefore needs external cooperation through trade, investment and ODA. Nepal particularly seeks a non-discriminatory trading and financial system, quota free access

for its exports and more generous ODA. Nepal needs to advocate more strongly for developed countries to meet their promises of providing 0.7 percent of their GDPs as ODA, including 0.15 percent for LDCs. At the same time, Nepal needs to strengthen its absorptive capacity and enhance economic diplomacy for external resource mobilization.

SDG prioritization and implementation sequencing

The SDGs are interconnected and the achievement of most goals have synergy effects on others. Nepal's federal, provincial and local governments, with their limited resources, need to prioritise particular SDGs based on constraints and the need to eradicate poverty and promote prosperity. The targeted SDGs should be prioritised considering the direct impact on the achievement of a particular SDG, the impact on other SDGs, the contribution to minimizing disparities across gender, social groups and geographic areas, cost effectiveness and sustainability of programmes. SDGs should be prioritised that have multiplier effects and larger impacts on poor and marginalized people, smallholders, children and women.

Alignment of sectoral plans and periodic plans with the SDGs

Further alignment with periodic as well as sectoral plans is required as follows;

1. Align and disaggregate (at sub-national level, by sex, age, social groups and disability) the targets and indicators of sectoral plans, long term strategies and perspective plans with the SDGs.
2. Shift the alignment of national M&E systems from MDG to SDG targets and indicators.
3. The SDGs are not adequately integrated into the current fourteenth periodic plan and need to be integrated in future plans.
4. Align provincial and local government periodic plans, annual programmes and budgets with the SDGs.

Strengthen data generation for monitoring progress

SDG progress monitoring demands systematic and disaggregated data generation, analysis and management. The aspiration of leaving no one behind by eradicating poverty and promoting prosperity implies that progress must be tracked at a highly disaggregated level to show disparities by age, sex, location, ethnicity, disability, income groups and other categories. However, the national data collection and processing system needed to be redesigned to acquire well-developed disaggregated data collection system. SDG progress monitoring also needs information on citizens' perceptions of public services, corruption and well-being. Some data is published globally but is not owned by Nepal. Also, there are big discrepancies in some data recorded by the government and NGOs, in particular on violence, crime, human trafficking, human rights violations and corruption.

Nepal needs new surveys or to tailor existing surveys to fill data gaps and create baseline data for a number of targets. Existing surveys need to collect more information on gender, social class and geographical location. Some targets need intra-household data including on nutrition, hunger, poverty, education, health, consumption and income

distribution. A system of macroeconomic policy audits is needed to ensure that such policies enable the achievement of the SDGs. Overall, strong data generation, analysis and management systems are needed for SDG progress monitoring at federal, provincial and local levels.

Civil service and governance reforms

The achievement of the SDGs requires stable, democratic, visionary, development-oriented and people-centric governments. The achievement of the SDGs demands the proper use of public investments through good governance. All levels of government need to address legal deficits within and outside the government by instituting and enforcing regulatory safeguards. Therefore, civil service reform is important in all tiers of governance including the effective functioning of the new judicial functions of the new provincial and local governments.

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