



NEPAL

National Review of Sustainable Development Goals



GOVERNMENT OF NEPAL

NATIONAL PLANNING COMMISSION

KATHMANDU

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KATHMANDU,

JUNE 2020

National Review of
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Published by
Government of Nepal
National Planning Commission
Singha Durbar, Kathmandu Nepal
Tel: +977-1-4211970
www.npc.gov.np



Foreword

The 2030 Agenda for Sustainable Development is a blueprint of peace and prosperity for people and the planet with a commitment that no one will be left behind. In June 2017, the Government of Nepal submitted its first Voluntary National Review to the High-Level Political Forum (HLPF) of the United Nations stating that Nepal is gearing towards progress and initiating localization to fully mainstream the development aspirations of the Sustainable Development Goals (SDGs) in all tiers of the government. Five years after the adoption of the 2030 Agenda, it gives me immense pleasure to bring forth the second voluntary national review, which was prepared through collaborative efforts engaging all relevant stakeholders.

Nepal has been able to gear up a high growth rate, reduce poverty and macroeconomic stability during the period. The periodic plans have been focused on promoting growth, employment, infrastructure, human development and building resilience. The current 15th Plan has been fully aligned with the SDGs and provides a clear roadmap towards prosperity over the next 25 years. The graduation from the least developed country status, in the next few years, and achievement of the SDGs by 2030 are part of the important milestones of the long-term vision of Nepal with the national aspiration of a *Prosperous Nepal, Happy Nepali*.

The Government of Nepal is fully committed for achieving SDGs. Nepal is mainstreaming and localizing the SDGs in all the three tiers of government. Medium term expenditure frameworks, annual budgets and sectoral strategies are being aligned with the SDGs

and supported by the planning, monitoring and evaluation guidelines. The private sector, cooperatives and civil society have also stepped up for promoting and ensuring the SDGs alignment in all development endeavors. Nepal has mobilized both internal and external resources and estimated financial requirement to achieve the SDGs by 2030. The SDGs implementation is regularly hacked by the oversight agencies including the parliament committee and the Office of the Auditor General. However, There are some challenges on implementation of SDGs including mainstreaming in subnational level, resource mobilization, data management, coordination and monitoring and evaluation. Besides that, the COVID-19 pandemic has been observed as a serious challenge in accelerating efforts to achieve the SDGs. Nepal is looking at how SDGs can offer best options to reduce the worst impacts of COVID-19 and implement the recovery strategy.

The National Planning Commission would like to extend its appreciation and acknowledgement to all stakeholders such as government ministries, provincial government and planning/policy commission, local governments, cooperatives, the private sector, non-government organizations, development partners among others for their contributions, suggestions and feedback during the consultation process, and the national institutional mechanism that has guided and advised on achieving the SDGs.

Finally, the NPC takes this opportunity to call upon all stakeholders to work together to accelerate the implementation of the SDGs in Nepal.

Prof. Dr. Puspa Raj Kadel
Vice-Chair

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Acronyms and Abbreviation

| | |
|----------|--|
| ADCCN | Association of District Coordination Committees Nepal |
| AEPC | Alternative Energy Promotion Centre |
| BBC | Beyond Beijing Committee |
| CAPA | Community Adaptation Plan of Action |
| CBS | Central Bureau of Statistics |
| CEDAW | Convention on the Elimination of all Forms of Discrimination against Women |
| CERD | Convention on Elimination of All Forms of Racial Discrimination |
| CFUG | Community Forest User Group |
| CNI | Confederation of Nepalese Industries |
| CoP | Conference of Parties |
| COPOMIS | Co-operative and Poverty Management Information System |
| COVID-19 | Coronavirus Disease |
| CREF | Central Renewable Energy Fund |
| CSO | Civil Society Organization |
| DNF | Dalit NGOs Forum |
| EMIS | Education Management Information System |
| EPR | Employment to Population Ratio |
| EPZ | Export Processing Zone |
| EvalNet | Evaluation Networking |
| FDI | Foreign Direct Investment |
| FECOFUN | Federation of community Forestry Users Nepal |
| FNCCI | Federation of Nepalese Chambers of Commerce and Industry |
| FPCRN | Forum for the Protection of Consumer Rights, Nepal |
| GDP | Gross Domestic Product |
| GESI | Gender Equity and Social Inclusion |
| GHG | Greenhouse Gas |
| GLOF | Glacier Lakes Outburst Flood |
| GNI | Gross National Income |
| GoN | Government of Nepal |
| HDI | Human Development Index |
| HLPF | High-Level Political Forum |
| HMIS | Health Management Information System |
| ICIMOD | International Centre for Integrated Mountain Development |
| ICT | Information and Communications Technology |
| IMR | Infant Mortality Rate |

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| INCOSAI | International Congress of Supreme Audit Institutions) |
| INGO | International Non-governmental Organization |
| INTOSAI | International Organization of the Supreme Audit Institutions |
| ITPGRFA MLS | International Treaty on Plant Genetic Resource and Food and Agriculture and Multilateral System |
| KWh | Kilowatt-hour |
| LAPA | Local Adaptation Plan of Action |
| LDC | Least Developed Country |
| LGBT | Lesbian, Gay, Bisexual and Transgender |
| LNOB | Leaving No One Behind |
| LPG | Liquid Petroleum Gas |
| M&E | Monitoring and Evaluation |
| MDAC | Ministerial Development Action Committee |
| MDG | Millennium Development Goal |
| MMR | Maternal Mortality Ratio |
| MOF | Ministry of Finance |
| MOWCSW | Ministry of Women, Children and Social Welfare |
| MSME | Micro, Small and Medium Enterprise |
| MSNP | Multisectoral Nutrition Plan |
| MTEF | Medium Term Expenditure Framework |
| MuAN | Municipal Association of Nepal |
| MW | Mega Watt |
| NAP | National Adaptation Plan |
| NARMIN | National Association of Rural Municipality in Nepal |
| NDAC | National Development Action Committee |
| NDC | Nationally Determined Contribution |
| NER | Net Enrolment Rate |
| NGO | Non-governmental Organization |
| NHSS-IP | National Health Sector Strategy Implementation Plan |
| NLFS | Nepal Labour Force Survey |
| NPC | National Planning Commission |
| NRs | Nepalese Rupees |
| NSDES | National Strategy for the Development of Education Statistics |
| NSDS | National Strategy for Development of Statistics |
| NSF | Nepal SDG Forum |
| NTFP | Non-Timber Forest Products |
| OAGN | Office of the Auditor General of Nepal |
| ODA | Official Development Assistance |
| PPP | Purchasing Power Parity |
| SDG | Sustainable Development Goals |
| SEZ | Special Economic Zone |
| SSDP | School Sector Development Plan |
| TFR | Total Fertility Rate |
| UNCCD | United Nations Convention to Combat Desertification |
| UNCLOS | United Nations Convention on the Law of the Sea |

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| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNECOSOC | United Nations Economic and Social Council |
| UNFCCC | United Nations Framework Convention on Climate Change |
| USD | United States Dollar |
| VNR | Voluntary National Review |
| VOPE | Voluntary Organization of Professional Evaluator |
| WASH | Water, Sanitation and Hygiene |
| WB | World Bank |
| YAN | Youth Advocacy Nepal |

Executive Summary

Nepal is pursuing the 2030 Agenda for Sustainable Development with strong national commitment as a means for transformative change in the country through its integrated approach and the principle of 'Leaving no one behind'. The country has made considerable progress in human and social development in the past few decades, inclusiveness in the last decade and economic growth in the last few years. Yet, multidimensional poverty, structural constraints, mountainous geophysical features and detrimental impacts of climate change continue to pose a serious challenge for rapid, inclusive and sustainable development in Nepal.

The review assesses the status of progress on all Sustainable Development Goals (SDGs) in an endeavor to increasing the pace and scale of implementation in this decade for action and delivery. This will help identify the areas where more focused and enhanced efforts would be required to achieve the SDGs by 2030. In preparation of the report, literature was reviewed and extensive discussions were held with the relevant stakeholders, such as various federal, provincial and local level government institutions; parliamentarians; the private sector; the cooperative sector; civil society organizations including women's groups; Dalit and indigenous groups; and multilateral organizations. Some key informant interviews were also conducted.

Policy Environment and Coherence

The adoption of the SDGs by the United Nations in 2015 coincided with the promulga-

tion of the new Constitution in Nepal. The constitution was adopted to institutionalize the far-reaching political, social and economic changes in the country. Nepal's equity-based approach and rapid development aspirations with sustainable use of resources finds strong resonance in the SDGs. The Constitution of Nepal guarantees inclusive socio-political and economic development and a wide range of basic and fundamental rights.

The 14th Plan (2016/17–2018/19) was the first periodic plan to mainstream and internalize the 2030 Agenda. The recently released 15th Plan (2019/20–2023/24) has continued to align and mainstream the SDGs. It has envisaged the vision of 'Prosperous Nepal, Happy Nepali,' with 10 national goals: high and equitable national income; development and full utilization of human capital potentials; accessible modern infrastructure and intensive connectivity; and high and sustainable production and productivity as prosperity; and well-being and decent life; safe, civilized and just society; healthy and balanced environment; good governance; comprehensive democracy; and national unity, security and dignity as happiness. Accordingly, strategic interventions on high and sustained economic growth, productivity, human development infrastructure, industrialization and cross-cutting issues like equity and inclusiveness, environmental resilience and good governance, as spelt out in the 15th Plan, would also provide a strong sense of direction to achieve the SDGs. Many sectoral plans have been aligned with the SDGs. Since 2016, the annual programs and budgets have been aligned with the SDGs by introducing SDG coding to each program.

With regard to the specific and focussed initiatives, in 2017, the government—in consultation with stakeholders—prepared a report on the status and roadmap, with baseline data and four milestones for 2019, 2022, 2025 and 2030. It identified 494 indicators, including 257 local indicators. The government has also prepared a report of needs assessment, costing and financing strategy of SDGs. According to this report, annual average requirement of investment is NRs 2025 billion (about USD 19 billion) for achieving the SDGs in line with the 2030 targets.

A High-level Steering Committee on the SDGs is chaired by the Prime Minister. There is also an Implementation and Monitoring Committee led by the Vice-Chair of the National Planning Commission (NPC) and thematic committees by the members of the NPC, with full participation of relevant government agencies, the private sector, cooperatives and civil society. The NPC has also taken a leadership role in institutionalising a robust monitoring and implementation mechanism. There is also a Sustainable Development and Good Governance Committee of the National Assembly in the Federal Parliament, with representation of all the major political parties to provide oversight and national budget scrutiny on the SDGs. The Office of the Auditor General has been conducting audits on the SDGs' implementation.

The government has been working together with all stakeholders in their respective areas of competence. The provincial governments have established their own policy/planning commissions, which have been sensitized about the SDGs. Many of them have already prepared periodic plans integrating the fundamental principles and goals of the SDGs. Similarly, local levels have been engaged in mobilising people and ensuring their partic-

ipation for sustainable development. Planning and monitoring guidelines as well as SDGs Localisation Resource Book have been prepared by the NPC. Realizing the significance of the private sector's role in the implementation of the SDGs, collaboration is being enhanced in order to integrate the ethos of the goals in their activities and to support sustainable business practices. Likewise, the cooperative sector has been taken as one of the three pillars (public, private and cooperative) of economy, and as such the government has been collaborating with them for the eradication of poverty and promotion of sustainable development. Civil society is another important partner for realizing the SDGs. Community-based organisations, NGOs and international government organizations (INGOs) has been actively promoting the SDGs in Nepal. Nepal SDGs Forum has been formed, which has been working for the advocacy of 2030 Agenda. The government encourages their commitment and contributions to promote and achieve the SDGs. Multilateral agencies and development partners have also been supporting the effective implementation of the SDGs in Nepal.

Since the first voluntary national review in 2017, the government has made consistent efforts to accelerate progress towards achieving the SDGs. Partnership and coordination among all three tiers of government have been strengthened. Nepal has been able to achieve a high growth rate of average around 7 per cent in the last few years. The poverty has remarkably reduced as well. Macroeconomic policies have been focused on promoting high and sustained economic growth and employment, developing infrastructure and building resilience. Internal and external resources have been mobilized, albeit not enough to meet the financing requirements to achieve the SDGs by 2030.

Leaving No One Behind

Nepal has made deliberate efforts to incorporate the concept of 'Leaving no one behind.' The fundamental equity-based principle of the SDGs has a strong resonance in Nepal, as the country has now adopted a forward-looking and transformative constitution with inclusive governance and strong commitment to justice and the enjoyment of fundamental rights by all. The constitutional provisions, specific laws, inclusive political and public institutions, creation of dedicated constitutional bodies, social protection and security provisions, growing public expenditure in social security and targeted programs for the vulnerable and marginalized population, are all positive strides to bring about transformation in the country.

Tracking the Progress of the SDGs

Nepal made significant progress in poverty reduction between 2015 and 2019 reducing poverty by 1.1 per cent each year; it made improvements in raising the per capita income as well. However, only modest progress has been observed in the indicators related to hunger, nutrition and food security. There has been significant progress in some indicators related to health while challenges remain in meeting the targets of maternal and child mortality. Indicators on education show good progress but the impact is uneven across different provinces and groups. Its challenges are ensuring the quality of education, retention at school, and promoting technical and vocational education. Gender equality and empowerment as a cross-cutting issue is supported by various policy commitments, programs and institutional set ups. With all these efforts, Nepal is moving towards achieving this goal.

The goals related to water and sanitation, energy, economic development, energy

and infrastructure are also in the right direction particularly remarkable progress on basic sanitation and access to electricity. Nepal lags behind in the areas related to industrialization and science technology and innovation. The indicators on inequality are showing some positive trends, but they are moving at a slower pace than poverty reduction. There are considerable disparities among provinces, regions and socio-economic groups. The reconstruction of private houses, health and educational buildings and cultural sites is in the final stage. The proportion of population living in safer houses has been significantly increased. The progress made on sustainable consumption and production patterns is limited. But this could be improved with growing awareness among the general public, especially the younger generation, and enhanced collaboration with the private sector.

Nepal is one of the least contributors to the emissions of greenhouse gases, yet it is disproportionately affected by climate change. Local levels have internalized climate action and incorporated programs through Local Adaptation Plans of Action. Despite being a landlocked country, seas and oceans are significant for Nepal because of the right of transit to seas and oceans, its international trade and interdependence of the global ecosystem. Nepal has made significant efforts towards creating a peaceful, inclusive and just society with strong policy commitment and various focused programs. Further consolidation of progress in these areas will have comprehensive impacts on achieving other goals as well.

Furthermore, there is visible progress in a few of the indicators even under those goals where Nepal is seen to be lagging behind. There is also progress in the equity and integrated approach. An even distribution of progress among various sections of the

population, with focused attention to those who are farthest behind, needs to be further enhanced with respect to every goal. Similarly, natural calamities, climate change impacts and disasters pose a great challenge, further compounding the country's multiple vulnerabilities. So, the efforts need to be deepened and widened, especially to deal with the most vulnerable population, inter-sectionality and the fragile environment. Progress is speedier when policy commitment, institutional arrangements, resource allocation and partnerships are promoted together and work towards the same direction.

Means of Implementation

Countries with multiple vulnerabilities—such as least developed, landlocked, and disaster prone and climate vulnerable countries, like Nepal—should be given due priority in global partnerships. National efforts should be complimented by strong and enhanced levels of comprehensive global support to accelerate development, build resilience, promote equity and strengthen global peace and stability. Nepal has a good track record of mobilizing domestic resources and maintaining fiscal prudence. Therefore, these efforts should be supported with more official assistance from development partners to achieve the SDGs. Similarly, trade, technology and capacity development will be instrumental for Nepal to accelerate the implementation of the SDGs. There are some data constraints as disaggregated data for most of the indicators are not available. The indicators could be reviewed and consolidated to make it more appropriate in the Nepali context. Monitoring and evaluation need to be further strengthened with a view to promote the virtuous cycle of policy-practice-outcomes.

Good Practices

The SDGs are ambitious and transformative in nature. Nepal can offer a few examples of good practices those have a strong reflection on equity and multidimensional impacts. The valuable experiences in regard to (i) contributions of the cooperative sector, (ii) the development of and access to sustainable energy, (iii) the community forestry management, and (iv) social protection system in Nepal have been presented in the report. An attempt has been made to look at these experiences from a holistic perspective. Several aspects, such as the rationale for policy commitment, implementation modalities, investment, institutional arrangements and partnerships, have been presented in a nutshell. It is clear from the examples of good practices that a combination of strong policy initiatives, integrated approach with equity, robust implementation framework, long-term investment and multi-stakeholder partnerships can deliver good results, despite the structural constraints and challenges.

Impacts of the COVID-19 Pandemic

Different natural calamities and uncontrollable circumstances have undermined Nepal's efforts to achieve the SDGs. Earlier, the devastating earthquake in 2015 had adverse impacts on Nepal's development endeavors. Now, the outbreak of the COVID-19 pandemic is not only affecting the health sector, it also has widespread impacts on agriculture, manufacturing, construction, wholesale and retail trade, transport, tourism and education sectors, as well as general economic activities, remittance inflows and employment. The pandemic may not only undermine the present achievements; lockdowns and disruptions in economic activities, social distancing and other restric-

tions imposed can have long-term impact on the lives and livelihoods of the people and the socioeconomic situation of the country. Robust and comprehensive international support programs should be initiated to mitigate the impacts of COVID-19. Countries like Nepal will have a hard time confronting the multidimensional impacts of the pandemic. This will adversely affect the efforts towards the effective implementation of the SDGs.

Conclusion and Next Steps

In order to accelerate the implementation of the SDGs and consolidate the far-reaching changes in the country, Nepal has identified some of the key areas for further action in the days ahead. An accelerated economic growth with employment opportunities for all, and lifting the income of all segments of the population with investment in human capital, infrastructure and productive capacity is crucial. Sustainable use of resources and adaptation to climate change will be another important area for Nepal, given the fragility of its environment. Good governance, in particular project governance, and administrative reforms will remain a priority for the government. Though the

mobilization of domestic resources is good compared to other least developed countries, the funding gap remains high due to the smaller size of the national economy. Therefore, the international community should prioritize their financial assistance and other supportive measures for countries that are committed to accelerating the progress of the SDGs and those that have capacity constraints.

The SDGs cannot be achieved without the participation and cooperation of all stakeholders, who lend their support with advocacy, knowledge generation, investment and implementation of programs, monitoring and evaluation. In view of Nepal's new federal structure, the localization of the SDGs needs to be intensified to make it effective on the ground. Capacity development and productive use of information and communication technology, big data and the evolving technologies should be given due priority for quality and disaggregated data. As the COVID-19 pandemic is going to immensely affect the capacity, resource mobilization and partnerships for the SDGs, special and comprehensive global cooperation programs should be established to support vulnerable countries like Nepal.

Chapter I

Introduction

With a population of about 30 million, Nepal, a middle-sized country in South Asia, has undergone major transformations related to social, economic and political spheres over the last few decades. The country went through a decade-long conflict starting from the mid-1990s, followed by another decade of political transition. Nepal is now resolutely on the path of peace, prosperity, stability and inclusive development with successive stages of institutionalization of these far-reaching social, political and economic changes.

The Constitution of Nepal came into effect in September 2015, with aspirations of sustained peace, good governance, development and prosperity. The constitution carved the new local level structure and, subsequently, the first local level elections were held in three phases in 2017. It has been implementing a republican, inclusive, competitive multiparty democratic federal system with three tiers of government: federal, provincial and local. A number of acts, rules and regulations, such as the Local Government Operations Act, 2017, the Inter-Governmental Fiscal Management Act, 2017, and the National Natural Resources and Fiscal Commission Act, 2017, have been adopted for the smooth functioning of the new system. Subsequent budgets have also been based on the cooperative federal principles to contribute towards the consolidation of a peaceful, equitable, stable and prosperous Nepal.

The country's equity-based approach and rapid development aspirations have found strong resonance in the Sustainable Development Goals (SDGs). Nepal firmly believes that structural transformation of the economy, promotion of equitable society, broad-based participation in all national activities and sustainable use of natural resources are key to rapid progress and sustainable development. Undoubtedly, people remain at the center of all our development efforts.

1.1 Country Context

Nepal supported the adoption of the SDGs with enthusiasm and expectations. Nepal had met many of the Millennium Development Goals (MDGs) with its strong national commitment, multi stakeholder partnerships and global support and cooperation. It has now been implementing the SDGs with the same commitment and zeal. SDGs are also important to Nepal as it aspires to graduate to a developing nation from a Least Developed Country (LDC) status in the next few years, a middle-income country by 2030 and developed nation by 2043.

Nepal has made some remarkable progress in inclusiveness, human and social indicators and the rate of economic growth over the last few years. While human development is a necessary foundation for progress and development, sustained economic growth, resilient infrastructure and productive capacity building with struc-

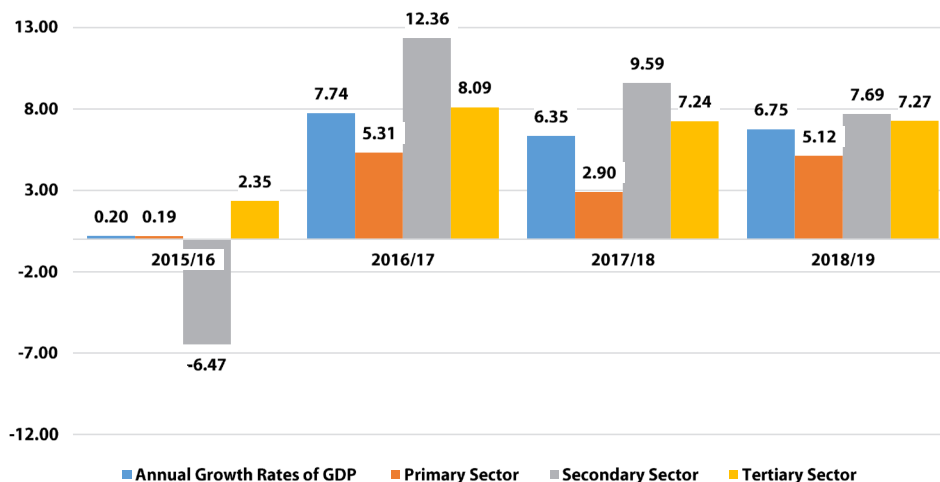
tural transformation contribute to make human development fulfilling and sustainable. Similarly, the protection of the environment and sustainable use of resources are critical for Nepal, which has a fragile geophysical environment and mountainous terrain. A large section of the population of Nepal, particularly those in the rural and semi-urban areas, is directly dependent on the natural resources and environment surrounding them for livelihoods and other economic activities. Moreover, Nepal has a huge hydropower potential, which could be harnessed further to promote sustainable energy, accelerate economic growth and reduce greenhouse gas (GHG) emissions.

The average economic growth rate for Nepal was 7.3 per cent in the past three years (CBS, 2020a), which has also contributed to enhance gainful employment opportunities. The Government of Nepal (hereafter the government) has given utmost priority to enhance productive capacity across the sectors, developing technical skills and entrepreneurships, and ensuring access to credit for small and medium enterprises.

On the human development sector, Nepal has made tremendous progress in the Human Development Index (HDI), which increased from 0.380 in 1990 to 0.579 in 2018. During this period, Nepal's life expectancy at birth increased by 16.1 years, mean years of schooling increased by 2.8 years and expected years of schooling increased by 4.7 years (UNDP, 2019). Similarly, Nepal's Gross National Income (GNI) per capita increased by about 130.5 per cent between 1990 and 2018. , however, Nepal with a GNI per capita PPP\$ 2748, lags behind South Asia (PPP\$ 6794). Yet, multidimensional poverty, structural challenges of the economy, difficult geophysical features and fragile environmental situation continue to pose serious challenges to the promotion of rapid, inclusive, equitable and sustainable development in Nepal.

Rapid infrastructure development in the last several years has also played a critical role in making health and education facilities accessible to all. It has had a crucial part in improving economic opportunities, especially for rural people, with market access as

Fig 1.1: Sectoral and overall GDP growth (%)



Source: CBS, 2020a.

well as making food and services accessible and affordable. Vast improvements have been observed in people's daily lives as a result of growing infrastructure networks. Due to its mountainous terrain, dispersed settlements and multidimensional impacts of infrastructure, Nepal has invested heavily in this sector. This has increased infrastructure facilities tremendously in the last few years, bringing about transformative change in the lives of people. The efforts are geared towards making infrastructure greener, resilient, safer and accessible to all.

Similarly, investment in extensive communications network together with private sector participation, has equally benefitted people all over the country. Information and communication technology (ICT) has increased people's participation in national activities, enhanced their welfare and empowered them in an unprecedented manner. Many income generating activities have grown, and access to public services have been made easier with a wide communications network.

Nepal's progress in sustainable management of forest resources has increased the coverage of forest areas in the country, and, at the same time, enhanced benefits going to the communities in the areas. The management of community forests by user groups has also empowered them, and increased their role and contributions to the sustainable use of natural resources.

In the 2019 Corruption Perception Index, Nepal's score is 34. The Rule of Law, which captures perceptions on the rules of society, quality of contract enforcements, property rights, police, courts, etc. for Nepal has a score of -0.48. Similarly, the score for Voice and Accountability for Nepal is -0.13 in

2018. The ease of doing business score for Nepal shows a slow but positive trend with a value of 63.2 in 2020.¹ In the World Economic Forum's Global Competitiveness Reports, Nepal's ranking has improved from 117th (out of 148 economies) in 2013/14 to 88th (out of 137 economies) in 2017/18. In 2019, Nepal ranked 109 out of 129 countries in the Global Innovation Index (NPC, 2020a).²

These indicators show that Nepal has made headway in many economic and social indicators, and governance and institutional building are also works in progress. Our inclusiveness and equity agenda have been of a transformative nature in terms of participation of all marginalized and disadvantaged groups in political, social and economic activities from the local to the national level. However, the country faces inherent impediments and multiple vulnerabilities. A low level of economic development, need for huge investment in infrastructure, difficult geographic terrain, a paucity of resources and capacity constraints limit the scale and scope of progress and development.

Making speedy progress in reaching the SDGs in the remaining 10 years would be an uphill task even in normal situations. But just when Nepal was starting to re-emerge from the devastating impacts of the earthquake of 2015, the coronavirus disease appeared. The coronavirus disease (COVID-19) pandemic is now putting great pressure on the country's overall situation. Given the speed, scale and severity of the pandemic, the attendant restrictive lockdowns to contain it, and massive global disruptions, there are already signs that it will have a huge impact on the health system, with cascading impacts on the fiscal

¹ <https://www.doingbusiness.org/en/data/doing-business-score>

² https://wipo.int/edocs/pubdocs/en/wipo_pub_gii_2019.pdf

and the overall economic situation of the country in the coming years. This will also have serious consequences on the effective implementation of the SDGs.

Countries around the world have consistently reiterated their commitment and determination to implement the 2030 Agenda for Sustainable Development as a global development framework. The progress is being reviewed and the goals are being assessed whether they are on the right track. Hence, in September 2019, the Decade of Action Campaign was launched by world leaders in order to urge all actors to increase the pace and scale of implementation efforts. Nepal also needs to measure the progress of its implementation of the 2030 Agenda. This would help Nepal identify the areas where focused and enhanced level of interventions is required in order to improve the status of the indicators that are lagging behind.

I.2 Structure of the Report

This review assesses the status of progress of all SDGs to enhance its effective implementation to for speeding up progress,

starting with the general introduction in the first chapter. The second chapter outlines the methodology followed during the process of preparing the report. Chapter three analyzes constitutional provisions, the current development plan, laws and policies and their alignment with the SDGs. The fourth chapter discusses the constitutional, legal and institutional arrangements and practices in Nepal reflecting the country on the way towards 'leaving no one behind.' The fifth chapter includes an in-depth assessment of the progress of the SDGs with an analysis of the main challenges and difficulties faced in implementing the goals. It will also attempt to analyze the specific efforts that have been made to address the recommendations from the previous review. The sixth chapter is on the means of implementation of the SDGs. Chapter seven highlights the good practices in Nepal with examples from cooperative sector, energy sector, community forestry, and social security and protection. The eighth chapter discusses the impacts of the COVID-19 pandemic in brief. The ninth and final chapter outlines the conclusion and the next steps that Nepal should take to accelerate progress towards the realization of the SDGs.

Chapter 2

Methodology

The methodology for the preparation of the report includes literature review, discussions with relevant stakeholders and key informant interviews. The preparation of the Voluntary National Review (VNR) was carried out adopting an open and participatory approach.

2.1 Literature Review

Review of relevant literature on the SDGs was carried out—for example, the handbook for the preparation of VNR, and the VNR reports of other developing countries. The SDGs Progress Assessment Report 2016-2019, prepared by the NPC, was primarily refereed to review the progress. Medium and long term plans and strategies were reviewed in order to establish their alignment with the SDGs. These included Nepal's 14th and 15th Plans; the Needs Assessment, Costing and Financing Strategy for the SDGs of Nepal; the Economic Survey and the plan documents of the provincial level. Sectoral strategies, plans and policies, such as the Agriculture Development Strategy (2015-2035), the Nepal Health Sector Strategy, and the Energy Sector Strategy, were also reviewed. Some of the relevant publication and recommendation of the civil society, youth, women, Dalit, indigenous communities, Nepal SDGs Forum, and development partners were also considered. Country reports submitted to

the international bodies, including reports related to human rights, the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), the Convention on Elimination of All Forms of Racial Discrimination (CERD) and the reports on disaster risk reduction, climate change and biodiversity were reviewed as well.

2.2 Key Informant Interview

Key informant interviews were conducted focusing on specific goals and the progress that Nepal has made in each goal. Policy-makers from the Sustainable Development and Good Governance Committee of the National Assembly, inclusion experts and other related stakeholders were also interviewed.

2.3 Consultation with Different Stakeholders

A series of consultations with key stakeholders were undertaken in a virtual setting in view of the COVID-19 lockdown. Key government officials from the concerned line ministries were consulted on the efforts of the government towards the implementation of the SDGs. Similarly, consultations were held with parliamentarians, and representatives of provinces and local levels. They included heads and members of the planning commissions from all provinces, and representatives of Association of District Coordination Committees, Nepal

(ADCCN), Municipal Association of Nepal (MuAN) and National Association of Rural Municipality in Nepal (NARMIN).

Discussions were also held with representatives of the private sector. Participants included officials from the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Confederation of Nepalese Industries (CNI), Nepal Chambers of Commerce (NCC), Federation of Nepal Cottage and Small Industries, and National Business Initiative. Consultations were held with representatives from the cooperative sector. Discussions were also carried out separately with NGO Federation of Nepal, SDGs National Network Nepal, women's groups, Dalit groups, SDG Forum and other members of civil society. Consultations were held with the representatives of multilateral organizations and development partners. Some other consultations were also carried out with the rest of the major groups.

Once the draft VNR report was ready, it was presented to the SDG Implementation and Coordination Committee. Efforts were made to get inputs from stakeholders with whom one to one consultations could not be held. The report was finalized after addressing the relevant inputs and comments.

2.4 Data and its Limitations

Data was mostly collected from secondary sources. The baseline data of the SDGs for the year 2015 was taken from Sustainable Development Goals: Status and Roadmap: 2016-2030 (NPC, 2017b). The progress of the SDGs was retrieved from the SDGs Progress Report (2016-2019). Statistics, survey reports and progress reports of government institutions, including the Central Bureau of Statistics (CBS), were used in this report. Other data was taken mostly from the 15th Plan, the Economic Survey, the Nepal La-

bour Force Survey and the Medium Term Expenditure Framework (MTEF) (NPC, 2019b). Data published by the World Bank and United Nations were used as well. Most of the data included was recent, but those of previous years also had to be used as recent information was not available.

The SDG Status and Roadmap report of the NPC proposed a preliminary list of 415 indicators to better reflect the national context for the monitoring and evaluation of the SDGs against a global total of 232 indicators. After consultations and engagement with province level SDG stakeholders, the NPC came up with a total of 594 indicators.

The National Population Census (demographic and housing data) and National Sample Census of Agriculture (structural aspect of agriculture and livestock) take place every 10 years. The Census of Manufacturing Establishment (industry and manufacturing inventory, investment, output, etc.), and the Nepal Demographic and Health Survey (demographic and reproductive health) are undertaken every 5 years. The Nepal Labour Force Survey (labor force, employment, etc.), the Household Budget Survey (household consumption, income, etc.) and the Nepal Living Standard Survey (household consumption, poverty, social characteristics, available facilities etc.) take place on an ad-hoc basis. The very first Economic Census was conducted in 2017/18. Much of the information on health and education have to be gleaned through their respective flash reports based on the Health Management Information System (HMIS) and the Education Management Information System (EMIS) respectively.

The assessment of the progress of the SDGs could only be made with the baseline status for indicators. There are also significant data gaps for the baseline period. Major

data gaps are seen with respect to Goals 2 (hunger), 9 (industry, innovation and infrastructure), 13 (climate action) and 15 (life on land). Periodicity (frequency and timeliness), disaggregation (by sex, age, ethnicity, administrative unit, location, income group) standardization (definition, measurement, methodology) reliability and quality assurance are problems associated with the available data. In addition, there are data generated by various agencies, both national and international, of which reliability and relevance need to be established. The NPC worked as the final arbiter whenever a conflict in data derived from different sources arose.

Lack of data all together, or lack of up-to-date data, impose limitations on SDG tracking and monitoring. The 2021 National Population Census will be closely aligned with the SDGs and is expected to address specific issues related to SDG data generation, disaggregation and data gaps. Mean-

while, the Agriculture Census and periodic surveys planned and proposed will be also used to address SDG data gaps.

Data and information collection were based on mixed methods through literature review and discussions. The mixed method, which used quantitative and qualitative data, made a comparative analysis spanning several years to assess the progress of the SDGs.

2.5 Good Practices

There are different initiatives undertaken by the Government for the implementation of the SDGs. Some of the experiences are worth taking note of; for example, the efforts undertaken and the progress made in the cooperative movement, sustainable energy, the community forestry, and social protection system in Nepal. Therefore, these four analyses were separately included in the chapter on Good Practices.

Chapter 3

Policy Environment and Coherence

This chapter will analyze the constitutional provisions, existing development plans, laws and policies, and their alignment with the SDGs. It will also assess the enabling policy environment for the implementation of the SDGs, including coherence across the three tiers of government.

3.1 The Constitution of Nepal

The Constitution of Nepal (hereafter referred to as the constitution), which is the fundamental law of the land, was promulgated at almost the same time that the SDGs were adopted globally in September 2015. It guarantees inclusive socio-political and economic development and a wide range of basic and fundamental rights, including rights to equality, justice, property, freedom of religion, a clean environment, education and rights against discrimination. The constitution further upholds the right to food, education, equality, environment and health, employment and social security, among others.

The constitution provides us with an effective and strong foundation for the main thrust of the SDGs i.e. 'Leaving No One Behind.' It upholds and promotes the agenda of social justice, inclusion and a rights-based approach, including 33 per cent of women representation in the parliaments. The constitution has provisions for institutional

mechanisms to ensure inclusion and gender equality, as the appointment to the constitutional bodies and agencies are based on the principle of inclusion. The eight constitutional bodies—the National Human Rights Commission, National Women Commission, National Dalit Commission, National Inclusion Commission, Indigenous Nationalities Commission, Madhesi Commission, Tharu Commission, and Muslim Commission—provide an impetus towards building an equitable society. The constitution makes it mandatory for all political parties to abide by the principles of inclusion and also promote proportional representation for appointment in government services (Detail provisions and practices have been described in Chapter Four).

The government has also promulgated 17 Acts related to the fundamental rights. In addition to this, the national plans and programs formulated by the government support the commitment towards the SDGs.

3.2 National Plans, Policies and Programs

Fourteenth Plan (2016/17-2018/19)

The 14th Plan (2016/17–2018/19), which began in July 2016, was the first plan to mainstream and internalize the agenda of the SDGs. The timing of this plan was crucial as the Constitution of Nepal had just come into effect.

The 14th Plan was consistent with the SDGs. It had five major pillars: (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) Crosscutting (Goals 5, 13, and 15). The plan aimed at building an independent and prosperous state ensuring access to basic social services and providing adequate food, health and energy, and job security, while calling for efforts towards the effective implementation of the SDGs to pave the way for the transformation of Nepal from a low to a middle-income country by 2030 (NPC, 2016). Other sectoral plans, priorities and targets were also aligned and mainstreamed with the SDGs (NPC, 2017a).

The development indicators show some satisfactory progress in the 14th Plan. While the average economic growth during the plan period was 7.3 per cent, the agriculture sector grew at an average rate of 4.3 per cent. Additionally, irrigation facility reached 1.47 million hectares of agricultural land in 2018/19. The manufacturing sector contributed to 5.6 per cent of the GDP. This may have been possible due to the political stability in the planning period after the election of the three tiers of government. The end of the energy crisis during this period also contributed to raise the confidence of the investors. Furthermore, the HDI target of 0.57 was also achieved (NPC, 2020a).

Similarly, life expectancy reached 69.7 years in 2017/18 against the target of 72, and the population having access to basic drinking water reached 89 per cent against the target of 90 per cent (NPC, 2020a). Although most of the indicators showed progress, the achievement in physical infrastructure was not satisfactory.

Fifteenth Plan (2019/20-2023/24)

The NPC has recently released the 15th Plan—covering the period 2019/20 to 2023/24—which will be crucial in the efforts towards achieving the SDGs. The plan has incorporated graduation from the LDC status, and attainment of the SDGs as its intermediate milestones. The plan includes, for the first time, a long-term perspective with a 25-year vision. ‘Prosperous Nepal, Happy Nepali’ with 10 national goals high and equitable national income; development and full utilization of human capital potentials; accessible modern infrastructure and intensive connectivity; and high and sustainable production and productivity as prosperity; and well-being and decent life; safe, civilized and just society; healthy and balanced environment; good governance; comprehensive democracy; and national unity, security and dignity as happiness. The plan has a target to increase per capita national income to USD 1,585 against USD 1,051 that of the base year of the plan. It aims to achieve an average economic growth of 9.6 per cent per annum, reduce poverty rate to 9.5 per cent from the current 18.7 per cent, and increase the literacy rate of the population aged 15-24 to 99 per cent from the current 70 per cent. Apart from this, it has also set targets to achieve an average growth of 5.4 per cent in the agricultural sector, 14.6 per cent in the industrial sector and 9.9 per cent in the service sector for the plan period (NPC, 2020a).

The 15th Plan has continued to internalize and mainstream the agenda of the SDGs in national goals, strategies and targets. The result framework has 466 indicators in line with the SDGs. The result framework of Vision 2100 B.S. (2043 AD) has also incorporated the intermediate targets related to the

SDGs for 2030. The strategic interventions identified in the areas of economic growth, employment, infrastructure, industrialization, sustainability in consumption and production would help achieve the targets of SDGs 8, 9, 11 and 12. Interventions to reduce gender, social and economic inequality, governance, social protection would help Goals 5, 10 and 16. The plan aims at reducing poverty, ending hunger, ensuring access to drinking water and modern energy supporting Goals 1, 2, 6 and 7. Likewise, interventions in the areas of education and health support goals 3 and 4, and interventions in natural resource management and development support Goals 13 and 15. As stated in SDG 17, the plan gives utmost importance to partnerships amongst various stakeholders, including sub-national governments, the private sector, the cooperative sector, CSOs and development partners. The plan has emphasized on expediting the implementation of National Pride Projects and has identified 18 Game Changer Projects, major programs, etc. to achieve the national targets stipulated in the plan, which would help expedite the process of reaching the SDGs.

Sectoral Plans and Policies

There are a number of sectoral plans and policies aligned and mainstreamed with the SDGs at federal as well as sub-national level. The Agriculture Development Strategy (2015-2035) was developed in order to make the agriculture sector sustainable, competitive and inclusive (MOAD, 2015). Similarly, the National Agro-forestry Policy 2019 was introduced to enhance land productivity and promote multiple use of land for increasing agriculture productivity. The International Treaty on Plant Genetic Resource and Food and Agriculture and Multilateral System (ITPGRFA MLS) and Implementation Strategy and Action Plan (2018-2025) was also developed. This

program aims at exploration and collection, conservation, documentation, exchange of materials, resources utilization, capacity building, non-germplasm related technology transfer, export and import.

In the health sector, the National Health Sector Strategy Implementation Plan (NHSS-IP) (2016-2021) is being implemented based on the goal towards the realization of the SDGs, as well as the government's vision to graduate from 'Least Developed Country' to 'Middle Income Developing Country.' The strategy includes a multi-sectoral approach to address social determinants of health. The government has been implementing the *Nirogi Nepal* campaign and Multi-stakeholder Nutrition Plan (MSNP).

In the education sector, the School Sector Development Plan (SSDP-2016-2023) is being put into effect. This plan has given priority to achieving gender equality in education, and is also expected to increase the enrolment of girls in early childhood education as well as retention rates. Similarly, Nepal has developed the National Framework for Education 2030 and National Strategy for the Development of Education Statistics (NSDES). These two documents are meant to guide all three levels of government to make their plans and monitor the achievements in SDG 4. The government is also initiating a literacy campaign in 24 districts, along with day meal program where the enrolment rate or literacy rate is low. In order to increase access to education for persons with disabilities, the government has been implementing various programs, including scholarship support.

There are numerous other initiatives launched by the government that promote inclusiveness and equity. The Prime Minister's Employment Programme and the Poverty Alleviation Fund were initiated in order to address the issue of poverty and

employment. Similarly, the President's Women Empowerment Program and continuation of the practice of gender-responsive budgeting have contributed towards the upliftment of the status of women. The Social Security scheme, which was started with a single program in 1994/95, has now been substantially widened and deepened covering the most vulnerable groups, senior citizens, single women, persons with disabilities, targeted marginal communities and so forth. Apart from this, the NPC is also in the process of preparing a national framework of 'leaving no one behind' with an effort to indicate the programs to uphold the inclusive agenda of the SDGs and the constitution of the country. Similarly, a national strategy is also being prepared concerning persons with disabilities.

The Foreign Investment and Technology Transfer Act, 2019, was enacted to promote investment across the sectors in a more effective and coherent manner. The National Climate Change Policy, 2019, has also been approved. It aims at developing ecosystem resilience, promoting green economy by adopting low carbon economic development, mobilizing national and international financial resources, mainstreaming gender and social inclusion, and advancing mitigation and adaptation programs.

Other programs include the Zero Hunger Action Plan; the Water, Sanitation and Hygiene (WASH) program; the National ICT Broadband Master Plan; the Water Supply, Sanitation and Hygiene Sector Development Plan; the 20-Year Roads Plan and the Five Year Road Sector Strategy; the National Tourism Strategic Plan and the National Energy Strategy, among others, which have all been aligned with the goals and targets of the SDGs.

The government has revised and updated key policies and laws related to the en-

vironment and climate, and aligned with the achievement of the SDGs, Paris Agreement, and Sendai Framework. They are the National Climate Change Policy 2019; Nationally Determined Contributions, 2016; National Environmental Policy 2019; National Forestry Policy, 2018; National REDD+ Strategy, 2018; Forestry Sector Strategy 2016-2025; National Ramsar Strategy and Action Plan 2018-2024; Environment Protection Act 2019; Environment Protection Rules 2020; National Climate Change Financing Framework 2017; National Policy for Disaster Risk Reduction 2018; Disaster Risk Reduction and Management Act 2016; Disaster Risk Reduction and Management Rules 2019; National Disaster Response Framework 2018 and National Framework for Local Adaptation Plan of Action, 2019.

The Chure-Terai Madhesh Conservation and Management Master Plan 2017 was developed to combat the degradation of natural resources, along with environmental conservation and integrated river system resource management, and improvement of livelihoods. In order to further strengthen the global partnership for sustainable development, the International Development Cooperation Policy, 2019, was formulated.

Nepal is committed to strengthening data generation for monitoring process and, therefore, have made substantial efforts towards it. The lack of disaggregated data and discrepancies in data have posed major problem towards the formulation of effective plans and policies. The National Strategy for Development of Statistics (NSDS) has been prepared to improve and modernize the system of data collection by the government. Other efforts like the Co-operative and Poverty Management Information System (COPOMIS) is in operation for the purpose of monitoring and also establishing an integrated data system.

3.3 Other Initiatives

The specific and dedicated efforts made by the government to accelerate the effective implementation of the SDGs include:

SDGs Status and Roadmap (2016-2030)

In 2017, the government, in consultation with stakeholders, prepared a report including the status and roadmap. The road-

map includes the 2015 baseline data and four milestones for 2019, 2022, 2025 and 2030. Meanwhile, the base year data of the 14th and 15th plans have providing the basis for tracking SDG progress. This has been extremely useful in identifying the progress of the SDGs. The roadmap consists of 494 indicators, including 257 local indicators, as presented in Table 3.1. There are 479 indicators to be monitored excluding the repeated 15 global indicators.

Table 3.1: Indicators of the Sustainable Development Goals

| | Goals | Target | Indicators | | |
|----|---|------------|------------------------|----------------|------------|
| | | | Global | Added by Nepal | Total |
| 1 | End poverty (End poverty in all its forms everywhere) | 7 | 13 | 17 | 30 |
| 2 | Zero hunger (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) | 8 | 14 | 18 | 32 |
| 3 | Healthy lives and well-being (Ensure healthy lives and promote well-being for all at all ages) | 13 | 28 | 32 | 60 |
| 4 | Inclusive and quality education (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all) | 10 | 12 | 32 | 44 |
| 5 | Gender equality (Achieve gender equality and empower all women and girls) | 9 | 14 | 22 | 36 |
| 6 | Clean water and sanitation (Ensure availability and sustainable management of water and sanitation for all) | 8 | 11 | 14 | 25 |
| 7 | Affordable and clean energy (Ensure access to affordable, reliable, sustainable and modern energy for all) | 5 | 6 | 9 | 15 |
| 8 | Decent work and economic growth (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) | 12 | 16 | 14 | 30 |
| 9 | Industry, innovation and infrastructure (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) | 8 | 12 | 8 | 20 |
| 10 | Reduce inequalities (Reduce inequality within and among countries) | 10 | 14 | 13 | 27 |
| 11 | Sustainable cities and communities (Make cities and human settlements inclusive, safe, resilient and sustainable) | 10 | 14 | 16 | 30 |
| 12 | Responsible consumption and production (Ensure sustainable consumption and production patterns) | 11 | 13 | 14 | 27 |
| 13 | Climate action (Take urgent action to combat climate change and its impacts) | 5 | 8 | 16 | 24 |
| 14 | Life below water (Conserve and sustainably use the oceans, seas and marine resources for sustainable development) | 10 | Not relevant for Nepal | | |
| 15 | Life on land (Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss) | 12 | 14 | 17 | 31 |
| 16 | Peace, justice and strong institutions (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels) | 12 | 24 | 7 | 31 |
| 17 | Partnership for goals (Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development) | 19 | 24 | 8 | 32 |
| | Total | 169 | 237 | 257 | 494 |

The classification of indicators by the availability of data in terms of Tier I (clarity, standard methodology, regularly produced), Tier II (clarity, standard methodology, not regularly produced), and Tier III (no standard methodology, being developed, no data) are presented in Table 3.2. and Figure 3.1. Tier I, II and III consist of 174 (35.2%), 269 (54.5%) and 51 (10.3%) indicators respectively. The three different tiers of indicators according to UN classification are:

Tier I: Indicator is conceptually clear, has an internationally established methodology and standards are available, and data is regularly produced by countries.

Tier II: Indicator is conceptually clear, has an internationally established methodology and standards are available, but data is not regularly produced by countries.

Tier III: No internationally established methodology or standards are available yet for the indicator, but methodology/standards are being developed.

Fig. 3.1: SDGs indicators classified by the nature and availability of data

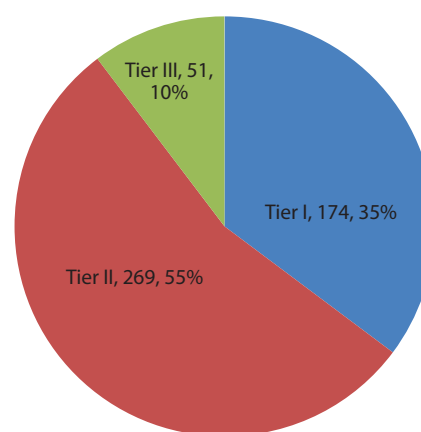


TABLE 3.2: SDG Indicators by Nature of Data Availability

| | Goals | Target | Indicators | | | |
|----|---|------------|------------|------------|-----------|------------|
| | | | Tier I | Tier II | Tier III | Total |
| 1 | End poverty | 7 | 11 | 18 | 1 | 30 |
| 2 | Zero hunger | 8 | 12 | 16 | 4 | 32 |
| 3 | Healthy lives and well-being | 13 | 31 | 25 | 4 | 60 |
| 4 | Inclusive and quality education | 10 | 23 | 19 | 2 | 44 |
| 5 | Gender equality | 9 | 17 | 19 | 0 | 36 |
| 6 | Clean water and sanitation | 8 | 9 | 14 | 2 | 25 |
| 7 | Affordable and clean energy | 5 | 9 | 6 | 0 | 15 |
| 8 | Decent work and economic growth | 12 | 11 | 16 | 3 | 30 |
| 9 | Industry, innovation and infrastructure | 8 | 11 | 8 | 1 | 20 |
| 10 | Reduce inequalities | 10 | 4 | 22 | 1 | 27 |
| 11 | Sustainable cities and communities | 10 | 6 | 21 | 3 | 30 |
| 12 | Responsible consumption and production | 11 | 7 | 7 | 13 | 27 |
| 13 | Climate action | 5 | 1 | 18 | 5 | 24 |
| 14 | Life below water | 10 | - | - | - | - |
| 15 | Life on land | 12 | 7 | 21 | 3 | 31 |
| 16 | Peace, justice and strong institutions | 12 | 3 | 26 | 2 | 31 |
| 17 | Partnership for goals | 19 | 12 | 13 | 7 | 32 |
| | Total | 159 | 174 | 269 | 51 | 494 |

SDG Needs Assessment, Costing and Financing Strategy

The government has also carried out a comprehensive and robust needs assessment of SDGs covering public, private, cooperatives and NGOs. This assessment has envisioned a roadmap for the implementation of the SDGs by identifying ways to enhance private financing and policies to motivate the scale of investment required. It outlines domestic public financing, private sector investment, international support measures and other supportive macroeconomic frameworks and resource mobilization plans. The annual average requirement is NRs 2025 billion (about 19 billion USD) for achieving the SDGs in line with the 2030 targets (NPC, 2018). Nepal has prioritized investment requirements across the key development sectors through financing from public and private sectors, primarily domestic public financing, private sector investment, international support measures and other supportive macroeconomic frameworks and resource mobilization plans.

The assessment also estimated the financing gap for the SDGs from public and private sectors to be NRs 218 billion and NRs 367 billion

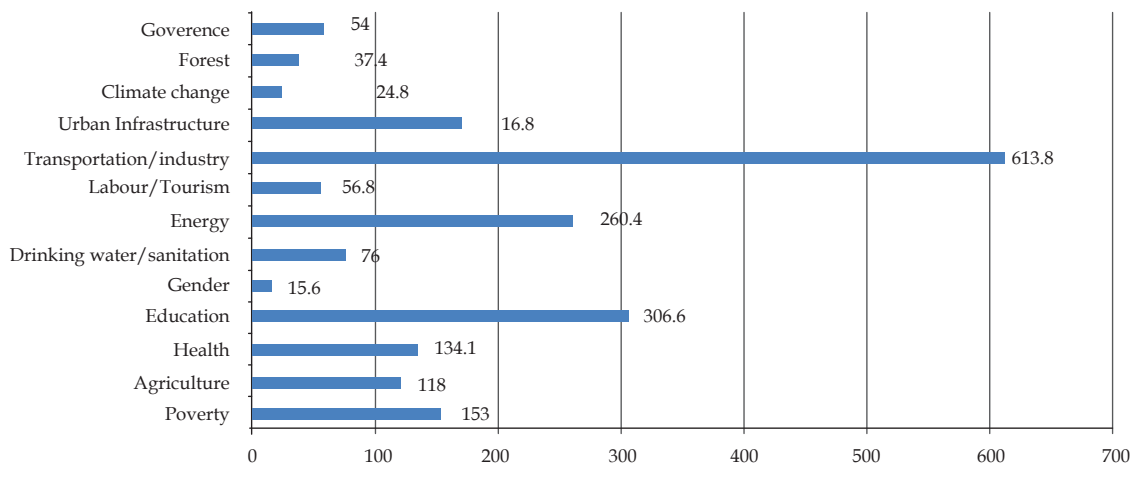
respectively from a total of NRs 585 billion (Figure 3.2). This is based on existing trends of resource mobilization and patterns of available resource allocation against investment requirements in major SDG areas (NPC, 2018).

Considering this status, Nepal has been prioritizing the implementation of SDGs to meet the financing gaps by: a) reorienting stakeholders’ investment towards the SDGs; b) formulating investment friendly laws/policies; c) reforming internal resource mobilization-tax, broadening the tax base and using ICT in revenue collection; d) reorienting resources towards productive and employment generating sectors; e) attracting foreign direct investment (FDI), public private partnership for SDGs financing; f) mobilizing revenue from subnational levels towards the SDGs and g) harmonizing aid/increasing the share of Official Development Assistance (ODA).

Budget Allocation on SDGs

Nepal has introduced gender, poverty and climate code in the national budget in the past, and has started to assign SDGs codes to all the national programs and projects

Fig. 3.2: Financing requirement for SDGs by sectors (Amount in Billion NRs)



since 2016/17. The NPC annually maps out where the public investment aligning with the SDG goals are allocated by the respective line ministries, and validates them with MTEF projection (NPC, 2019a; 2019b). The method of SDGs budget tagging is based on the program's primary contributions to the respective SDG goals.

Voluntary National Review, 2017

In June 2017, the government submitted its first voluntary national review to the High-Level Political Forum (HLPF); it emphasized on gearing up for progress as per the commitments to the 2030 Agenda. The VNR 2017 was completed through a collaborative effort that engaged relevant stakeholders from government and non-government agencies (NPC, 2017a). During this period, Nepal has established high level committees on SDGs including the Steering Committee chaired by the Rt. Hon. Prime Minister. Nepal had also aligned SDGs in its 14th Plan, sectoral plans, policies and their targets and budgets.

The key progress highlighted in VNR 2017 were as follows: significant reduction in consumption-based and multidimensional poverty (SDG 1); reduction in the prevalence of undernourishment (SDG 2); decrease in the maternal mortality rate and elimination of prevalent diseases (SDG 3); gender parity in enrolment at all levels of education (SDG 4); significant reduction in discrimination, violence and all harmful social practices against women, and increase in elected women representation (SDG 5); increase in access to clean and modern energy (SDG 7); increase in the share of formal employment (SDG 8); increased road density (SDG 9); and progress in other goals. On the means of implementation (SDG 17),

there was adherence by all stakeholders, from resource mobilization and capacity development to shared responsibility and accountability. Nepal's progress in revenue mobilization was impressive but also vulnerable in inward remittances, which bolster import-based taxation (NPC, 2017a).

In terms of challenges in the implementation of the SDGs, Nepal highlighted the availability of adequate resources to mainstream the SDGs into the provincial and local level planning and budgeting systems under a new federal structure of governance; database and availability of disaggregated data; achieving and sustaining high economic growth; enhancing the quality of social service provisioning and investing in disaster risk reduction.

In the ways forward, Nepal highlighted that positive lessons learned from the MDG-era will need to be scaled up. The triangular partnership between the government, private sector and development partners needs to be promoted to attract substantial private capital and entrepreneurship. The review and update of SDGs targets and indicators, including baseline data availability and data generation, need to be assessed in the context of existing institutional framework. Above all, the SDGs are interconnected and the achievement of one goal has a synergetic effect on others. These integrated challenges need a matching response in terms of fiscal, managerial and institutional capacities.

3.4 Institutional Arrangement

At the apex level, a Steering Committee for the implementation and monitoring of the SDGs has been established under the chairmanship of the Rt. Hon. Prime Minister. The

committee is composed of the Vice-Chair of the NPC as Deputy Chairman; the Foreign Minister; the Finance Minister; Chief Ministers of all provinces; the Chief Secretary; presidents of associations of rural municipalities, municipalities and district coordination committees as members; and the Member Secretary of the NPC as the Member-Secretary. The SDG Implementation and Monitoring Committee, which is under the Steering Committee and is chaired by the Vice-Chair of the NPC, consists of all members and the Member-Secretary of NPC; secretaries of all ministries related to the SDGs; the Vice-Chair of the Planning Commissions or Secretary of provincial Ministry of Economic Planning; representatives of associations of rural municipalities, municipalities and district coordination committees, presidents of FNCCI, CNI and NCC from the private sector; the president of National Cooperative Federation and the President of National NGO Federation as members; and Joint Secretary of THE NPC as Member-Secretary. The committee provides guidelines to the federal ministries for implementing and mainstreaming the SDGs at provincial and local levels. It also monitors implementation and prepares the status of progress.

Provincial-level steering committees coordinate and facilitate the implementation of the SDGs in the provinces. There are seven thematic committees, each coordinated by the respective members of the NPC. The committees consist of representatives from concerned ministries, sub-national level, the private sector, cooperatives and CSOs. These seven committees are expected to provide trimester reports to the Implementation and Coordination Committee.

1. Coordination Committee (Goal 17).
2. Economic Development Committee (Goal 8, 10 and 12)
3. Agriculture Development and Drinking Water Committee (Goal 1, 2 and 6)

4. Social Development Committee (Goals 3 and 4)
5. Infrastructure Development Committee (Goal 9 and 11)
6. Energy Development and Climate Change Committee (Goal 7, 13 and 15)
7. Governance and Gender Empowerment Committee (Goal 5 and 16)

3.5 Monitoring and Evaluation

The government has taken various efforts to put monitoring and evaluation (M&E) into practice. One such effort has gone into organizing the Evaluation Networking (EvalNet) meetings, which has representatives from various government agencies, Voluntary Organization of Professional Evaluators (VOPEs), UN agencies, training institutions and academia. The EvalNet meetings started in 2013 and have been held every year since. Additionally, the M&E Bill has already been endorsed by the House of Representatives and is currently under consideration in the National Assembly.

The government has committed itself to ensure that the governments at the sub-national levels actively participate in the implementation of the SDGs. For this, the NPC has made various efforts to not only internalize the SDGs in its national M&E system but also to design similar frameworks for sub-national levels. There are some challenges pertaining to the differences in their socio-economic status, size and capacity. Therefore, some variations in the M&E framework will be introduced to cater to the different sizes and requirements of local levels.

The high level National Development Action Committee (NDAC) is the apex body of government M&E system chaired by the Prime Minister with ministers, the NPC Vice-Chair and members, and the Chief Secretary as members and the Secretary of the

NPC as member-secretary. The Committee reviews the implementation of programs and projects and establishes inter-ministerial coordination on development related issues on trimester basis. The line ministry's Ministerial Development Action Committee (MDAC) chaired by the concerned Minister reviews the development programs and projects and submit their progress along with the implementation challenges. The committees also regularly monitor and evaluate development plans, policies, programs and projects and refers problems to NDAC if it could not resolve any.

In line with this, Nepal has been extending strategic partnerships among the government, non-government, private, and community sectors, all of which are part of the SDG-based plan preparation, implementation and setting up of the M&E system. Political institutions, including the parliament, political parties, and their entire apparatus, are on board to own and facilitate SDG implementation at the national and subnational levels. The government and concerned stakeholders are working for the alignment of long-term strategies, periodic plans and sectoral plans with the SDGs at all levels, and strengthening the statistical system to produce disaggregated data at national and sub-national levels.

3.6 Partnership with Stakeholders

The government is convinced that all stakeholders have an important role to play, as SDG targets cannot be reached without their active participation and contributions. Efforts have been made to bring all the relevant stakeholders on board in the implementation of the SDGs. Stakeholders have initiated various targeted advocacy, capacity building, awareness raising and

implementation programs, which the government has supported.

Provincial and Local Levels

The constitution devolves legislative, executive and judiciary powers to the provinces and local levels giving them the authority to plan and implement development programs. Most of the provincial level governments have established their policy/planning commissions, which have been sensitized about the SDGs; many have already prepared plans integrating the fundamental principles and goals of the SDGs. There is a need to expedite the mainstreaming of the SDGs into plans and programs at the provincial and local levels. Therefore, to assist in this process, planning and monitoring guidelines as well as SDG Localization Resource Book have been prepared by the NPC. The provinces have established their own policy/planning commissions, and have included SDG implementation in their plan documents. Most of the provinces have formulated SDGs responsive periodic plans and MTEFs.

Since activities related to education, health, water supply, sanitation etc. can be effectively carried out by the local level, they are strategically important partners in the effective implementation of the SDGs. Local levels can effectively mobilize people and ensure their participation. Similarly, they are best positioned to make sure that no one is left behind. District coordination committees, which are the main monitoring and supervising bodies for local level development works, have also been encouraged to align their functions for the SDG implementation. A few of the municipalities have released white papers and strategies on implementing the SDGs (ADCCN, 2020). In some districts, CSOs are engaged to develop district

level plan to mainstream the SDGs in the local development (NACASUD-Nepal, 2019).

Despite the process of mainstreaming the SDGs in the sub-national level's plans and policies has been undergoing, still challenges persist. Resource constraints and inadequate capacity exacerbates low budget allocation and budget execution in priority areas (ADCCN, 2020).

Private Sector

The private sector has a major role to play in the implementation of the SDGs, and the government is committed to further enhance its collaboration with the private sphere. The private sector is encouraged to widen their investments in the areas of agriculture, industry, construction and services, which would help accelerate economic growth. The private sector has also been playing an important role in the field of education and health, among others. With sustainable business practices, they can also promote inclusive employment and develop sustainable and green infrastructure. The government is committed to ensuring transparent and facilitative administrative procedures and a better investment climate.

The private sector institutions have been integrating the ethos of the SDGs in industrial enterprises, and are also planning on integrating SDGs agenda in their district chapters in different provinces. Similarly, these institutions aim to impart quality education through different development projects. Banking and financial institutions are expediting the use of ICT in their services, including e-payment, e-banking, mobile banking, branchless offices, etc. to enhance access to finance to larger segments of society. Besides this, the UN Global Compact local network is expanding its private sector busi-

ness houses in Nepal to integrate the SDGs agenda by aligning their strategies and operations with the principles of human rights, labour, environment and anti-corruption. Gradually, the private sector is becoming an important interlocutor for the financing required to achieve the SDGs voluntarily, with prospects to mobilize innovative private sector financing for the SDGs.

The private sector is expected to invest about 36 per cent (NRs 739 billion per annum) of the total investment required to meet the SDG targets; out of which NRs 373 billion per annum is a resource gap (NPC, 2018). Realizing the huge financing requirements to meet the SDGs and the importance of the participation of the private sector, the government has made efforts towards promoting foreign investment in the country by creating an enabling environment.

Cooperative Sector

The cooperative sector has been termed as one of the three pillars (public, private and cooperative) of the economy. There are 34,512 cooperatives with 6,305,581 members. The government has therefore been collaborating with cooperatives to eradicate poverty and promote sustainable development. The cooperative sector has been directly linked to various targets of the SDGs, including poverty reduction, agriculture, food security and nutrition, health, gender equality and women empowerment, energy, employment, industry, financial inclusion, and employment, among others. It can, thus, contribute to capitalizing on the economic, social and environmental objectives of the SDGs. The cooperative sector has been actively involved in the implementation of the SDGs by facilitating access to credit to lower income and disadvantaged groups.

³ http://www.deoc.gov.np/downloadfile/Coop_data_2074_1544686478.pdf

Sustainable Development Goals: Guidance to Cooperative Movement in Nepal has been prepared with the objective of providing a roadmap for the effective implementation of the SDGs, and also to guide the cooperatives at primary, district and central level. Additionally, the cooperatives contribute to providing employment both directly and indirectly. Around 29,042 females and 31,475 males are employed directly in cooperatives.³ Through various programs and support for the promotion of small scale production and different service sectors, indirect employment in cooperatives may be even higher. The cooperative sector along with NGOs are expected to invest NRs 86 billion annually (NPC, 2018).

Civil Society

Civil society is another important partner in the initiative towards realizing the SDGs. Civil society, community-based organizations, NGOs and INGOs have been actively engaged in promoting the SDGs in Nepal, and a SDGs Forum has been formed, which works for the advocacy of the goals. The forum has been involved in research and analysis, awareness, advocacy and implementation of sector specific programs. Their work on policy advocacy and implementation of targeted programs include those related to women, child, health, education, poverty alleviation, income generating activities, skills development and capacity building. Civil society initiatives have an important role to play in upholding the agenda of 'leaving no one behind' and meeting many of the SDGs. They are contributing to the development of a just, inclusive and peaceful society through their dedicated work in advocacy for equality; empowerment of Dalits, indigenous groups, youths, persons with disabilities and other marginalized groups; access to justice, equity, human rights, governance, rule of law and other

cross cutting issues. They can also assist in building the capacity of the provincial and local governments on SDG-based planning and budgeting, monitoring local programs, and raising awareness about the SDGs for their effective integration. For example, women's groups has been advocating on the issues of women and girls such as gender based violence, sexual and reproductive health and rights issues and gender responsive SDGs implementation in the national and international platform. (BBC, 2020). Thus, collaboration with civil society has contributed to bring about social and economic transformation in the country. The government therefore encourages their commitment and contributions to promote and achieve the SDGs in Nepal. The civil society space and contributions will be further strengthened in the years ahead.

Parliamentarians

The National Assembly in the Federal Parliament has the Sustainable Development and Good Governance Committee, which has representation from all major parties in order to provide oversight and national budget scrutiny on the SDG agenda. It also advocates for the SDGs and sensitizes parliamentarians about the importance and integration of the SDGs in parliamentary discourse and activities. The committee has also worked on awareness and monitoring issues. In order to further strengthen its work at the provincial level, it organized advocacy programs with parliamentarians in all seven provincial assemblies in 2019. The committee has also established a resource center with a website to provide relevant information on the SDGs. In addition, it has formed a SDG Champions Group, which consists of provincial assembly members. The committee has also developed a Parliamentary Checklist to make national laws and budgeting SDG-oriented.

Auditing Institution

The Office of the Auditor General of Nepal (OAGN), as a Supreme Audit Institution, has been contributing to implement the SDGs through audits as to International Organization of the Supreme Audit Institutions (INTOSAI) strategy plan and in line with the Abu Dhabi Declaration on XXII INCOSAI (International Congress of Supreme Audit Institutions). The OAGN has constituted a SDG Unit to coordinate and facilitate audit-related issues regarding the SDGs. It conducted the performance audit on the preparedness of the government to implement, follow up, and review of the SDGs. Through the audit reports, it has been pointing out prevalent issues and challenges to achieve the SDGs such as integrating the SDGs into plans, sector strategies and programs, localization at sub-national level, mobilizing financial resources, capacity development, data and M&E.

The OAGN has been actively participating in the SDGs audit-related programs conducted by INTOSAI and Asian Organization of Supreme Audit Institutions (ASOSAI). It participated in the SDGs audit program run by INTOSAI and the 12th ASOSAI Research

Project on Audit on Implementation of SDGs - Leveraging digital or big data to achieve the SDGs conducted by ASOSAI. It has been sharing experiences and information regarding the SDGs audit in the SAI Leadership and Stakeholder Workshop.

United Nation Agencies and other Development Partners

SDGs realization cannot be a one country agenda. It is a global development framework with mutual accountability. Therefore, collaboration and cooperation with the international community is crucial. The government appreciates the support and cooperation received from the UN agencies, international development institutions and development partners for the implementation of the SDGs. The United Nations Development Assistance Framework (UNDAF) for 2018-2022 for Nepal, the guidance framework for the UN agencies, facilitates the Government in the implementation process of SDGs. The framework is aligned with national priority areas such as health, education, climate change, etc. (UNDAF, 2017). Development partners such as Asian Development Bank and the World Bank have been focusing in infrastructure development.

Chapter 4

Towards ‘Leaving No One Behind’

Nepal has made conscious efforts to incorporate the concept of ‘leaving no one behind’ in the last several years. The equity-based principle of the SDGs has a strong resonance in Nepal, as the country has now adopted a forward-looking and transformative constitution with inclusive, federal, democratic republican polity with a strong commitment to justice and the enjoyment of fundamental rights by all the people. The constitutional provisions, specific legal acts, creation of institutions and growing investment in social security and dedicated uplifting programs all point to the commitment of the government to promote inclusiveness in political, social and economic fields.

4.1 Constitutional Provisions

The constitution’s focus on unity in diversity while recognizing multi-ethnic, multi-lingual, multi-religious, multi-cultural and diverse regional characteristics is a clear expression that it has a strong ownership of all the people of Nepal. The objective of building an egalitarian society is founded on the proportional, inclusive and participatory principles by eliminating discrimination based on class, caste, religion and language.

Democratic norms and values, people’s competitive multiparty democratic system of governance with a federal republican structure, with full freedom of press and impartial and competent judiciary, outlines its system of governance. Thirty fundamen-

tal rights have been outlined ranging from political, social, economic and environmental rights to equality of all, right against untouchability and discrimination, and right to employment and housing.

Constitutional commissions on various disadvantaged and marginalized groups have been established to provide institutional and focused policy advice, conduct monitoring and suggest compliance of the implementation of policies. Besides the National Human Rights Commission, they include the National Women Commission, the National Dalit Commission, the National Inclusion Commission, the Indigenous Nationalities Commission, the Madhesi Commission, the Tharu Commission and the Muslim Commission.

This is a clear reflection of a strong will and commitment of the state to move ahead with inclusiveness for a transformative change. Preventive and punitive measures against discrimination based on race, gender, caste, religion and other minority status have been systematically strengthened with legal and administrative provisions.

4.2 Enactment of Laws and Relevant Regulations

Many specific laws have been enacted to support these constitutional provisions, and more are still under way. Some examples are the Act Relating to Rights of Per-

sons with Disabilities, 2017, the Right to Food and Food Sovereignty Act 2018, the Right to Housing Act 2018, the Right to Employment Act 2018, the Right to Safe Motherhood and Reproductive Health Act, 2018, the Social Security Act 2018, the Act Relating to Children 2018, and the Act Relating to Compulsory and Free Education 2018.

Several acts were amended in the past, such as the Caste-based Discrimination and Untouchability (Offense and Punishment) Act to make the government a bailiff against discrimination cases, and the Community Forestry Act to make them more effective in favor of the disadvantaged and marginalized groups living near forest areas.

Furthermore, the elimination of discrimination against women, gender equality and empowerment has received high priority in legislative provisions, administrative interventions and affirmative actions. Besides the Safe Motherhood and Reproductive Health Rights Act, the Sexual Harassment at the Work Place (Elimination) Act, 2015, the act to Amend Some Nepal Acts for maintaining gender equality and ending gender based violence (2015), the Witchcraft-related Accusation Act 2015 have been adopted by the parliament. Several policies have included a gender-focused approach, such as the Agriculture Development Strategy, National Health Strategy and gender and social inclusion (GESI) provisions in programs under different ministries. Similarly, the National Action Plan against Gender Violence and Empowerment of Women, the National Action Plan against Trafficking of Women, actions on women, peace and security and actions against harmful practices have further contributed to uplift the status of women, and promote equality and empowerment of women and girl children in Nepal. The country has also been implementing gender-responsive budgeting for more than a decade.

These laws and policies need to be backed by concerted awareness at the political, social and economic levels, and through a process of socialization that starts at home and continues through school, work and so on. There will be more acts and related regulations that will be enacted and implemented in the coming years to give effect to the various provisions made in the constitution.

4.3 Inclusive Political and Administrative Participation

With the adoption of the inclusive constitution, and mandatory provisions for representation of all minority groups, there is a strong representation of women and all marginalized groups in the highest legislative body, the Federal Parliament, as well as at the provincial and local governments and legislative bodies.

The parliamentary electoral law for the House of Representatives has a provision on proportional representations. This has completely changed the composition of the highest elected representative body in the country, and it is growing closer to the population composition of the country than at any time in the past.

Similarly, 330 members of the seven provincial parliaments and about 35,000 elected representatives in 753 local councils (Table 4.1) have equally strong representation of women and marginalized groups, as per the electoral law. Women make up 33.5 per cent of the Federal Parliament, and 34 per cent of the provincial assemblies. All minority groups have been ensured of their representation with a system of mandatory provisions of their candidacy under proportional representation. Similarly, women now hold 41 per cent of the elected posi-

TABLE 4.1: Genderwise representation at local level

| Position | Female | Male | Total | | Total |
|---------------------------|--------|-------|-------|-------|-------|
| | No | % | No | % | |
| Mayor/Chair | 18 | 2.39 | 735 | 97.61 | 753 |
| Deputy Mayor/Deputy Chair | 700 | 92.96 | 53 | 7.04 | 753 |
| Ward President (Chair) | 61 | 0.90 | 6682 | 99.10 | 6743 |
| Ward Member* | 7006 | 34.63 | 13223 | 65.37 | 20229 |
| Dalit Female Ward Member | 6567 | 24.35 | - | - | 6567 |
| | 14352 | 40.95 | 20693 | 59.05 | 35045 |

Source: ECN, 2018.

*Except Dalit Female Ward Member seat.

tions in local assemblies and ward committees, with 47 per cent of them belonging to the traditionally marginalized Dalit community.

In the Asia Pacific region, Nepal is one of the two countries with the highest percentage of women in the Federal Parliament. According to the International Parliamentary Union 2020 data for women parliamentarians, Nepal is ranked at number 43 out of 193 countries around the world. Nepal is also one of the countries with the best political representations of the minority communities in the region.

With affirmative action in public administration, women's participation in public service has reached 13.6 per cent in 2019 from 12 per cent in less than a decade. Similarly, out of about 53,500 vacancies in the last few years, 21,500 were filled up under the reservation program for women and other disadvantaged and minority groups.

4.4 Social Security and Protection

In Nepal, where a significant portion of the population is poor, deprived and vulnerable, social protection plays a leading role in providing decent livelihoods and improved living standards. The primary goal of social protection in Nepal is to ensure that no one

lives below a certain standard (low consumption or poverty), everyone has access to basic social services and there is immediate relief from crises and vulnerabilities. Nepal has incorporated various elements of the social protection floor comprising of social assistance, insurance, care and relief programs. Many cash transfer programs for the elderly, single and widowed women, children from deprived sectors, and people from marginalized groups have been introduced; these have significantly helped reduce the poverty incidence. Legal and policy provisions for social protection are also taking place for the sound functioning of the programs. The three tiers of government, by and large, are engaged in social protection, and most of the security and protection schemes have been financed by the central government treasury. In recent years, the private sector has been also participating in social protection programs through contribution-based schemes and corporate social responsibility.

Following the constitution, which guarantees the right to social security and protection for the economically and socially vulnerable population, Nepal has continued financing social protection programs by expanding flagship social assistance schemes, social insurance programs, social care and services, schemes on labor market management, housing and disaster or crisis

response. The government has, therefore, gradually increased its coverage over a period of time addressing the universality and sustainability of the protection schemes. The levels of cash allowances have also been enhanced concurrently with the growing capacity and the availability of resources. After the 2006 political change, additional schemes and programs addressing insurance, assistance, care and welfare and relief have been introduced. Most of the schemes are need-based and right-based addressing fundamental rights ensured by the constitution. Contribution-based schemes have also been introduced in recent years. These include the Contribution-based Social Security Program in formal sector labor, the Contribution-based Pension System in public service, and the Health Insurance Programme, among others. The beneficiary coverage of basic social protection schemes has been expanded in recent years, and is estimated to be about 24 per cent in 2019/20. Around 12 per cent of the budget allocation goes towards social protection schemes (MOF, 2020b). The 15th Plan has set its target to expand basic social protection coverage to 60 per cent of the population. Under the long-term vision, it has set a target to increase the population coverage to 75 per cent in 2030 and 100 per cent in 2043 (NPC, 2020a).

4.5 Targeted Programs with focus on Equity

Some region- and area-specific programs; poverty eradication programs; and focused policies and programs related to women, children, youth, senior citizens, people with disabilities, Dalits, Madheshi and indigenous peoples and other disadvantaged groups such as sexual and gender minorities, have resulted in the enhancement of meaningful participation of the marginalized groups and those left behind in na-

tional life. Many sectoral programs ranging from agriculture, education, health, financial inclusion, micro enterprises, skill development, and income generating and employment-related activities have also contributed to promote equity, empowerment and inclusiveness in the country. These programs have been implemented at all levels of government. Similarly, many stakeholders, especially civil society organizations and cooperatives, have also contributed to promote the equity agenda with advocacy and implementation of various targeted programs in favor of the marginalized groups.

4.6 Intergovernmental Fiscal Transfers

As part of the federal system of financial governance, federal grants such as fiscal equalization, conditional, matching and special grants are provided, and revenue and royalty are shared among the provinces and local governments. Some of the important equity principles have been adopted in allocation of resources. Besides population, necessary weightage has been given to HDI, poverty, geography, inequality, infra-structural challenges and backwardness.

Similarly, the provincial and local governments are also disbursing their resources to implement equity-based targeted programs across the sectors with a view towards uplifting the status of the most disadvantaged groups.

Our experiences show that these various inclusive policies, proportional representation, dedicated support provisions, social protection system and many other specialized programs have contributed to uplift the status of the marginalized and disadvantaged people, especially those who are farthest behind. These steps have made

contributions to reduce multidimensional poverty, enhance opportunities and reduce some level of inequality. Vulnerable groups need more focused and targeted programs. At the same time, it is important that their issues are integrated into larger sectoral programs as well, in order to have a holistic impact on the ground. Further consolidation of these initiatives with stronger focus on empowerment and inclusive economic activities, adoption of other appropriate

regulatory and promotional measures with close coordination with sub-national governments, civil societies and communities would be important. Similarly, continuous focus on changing societal prejudices and malpractices against marginalized people would contribute to accelerate the effective implementation of the SDGs and bring a transformative change in the country with a strong dimension of equity across the sectors.

Chapter 5

Tracking the Progress of the SDGs

Nepal has aligned the SDGs into its national plans and programs, complementing it with national indicators to better reflect the country-specific aspirations and contexts. It has been collaborating with all stakeholders and making necessary institutional arrangements as discussed above. It is important to review the SDGs against these commitments and arrangements to see whether the efforts have been successful. Progress in each of the 17 Goals has been analyzed, as the review was carried out under the theme of Accelerated action and transformative pathways: Realizing the decade of action and delivery of sustainable development. Since it is not possible to analyze the progress against all the indicators because of the limitation of disaggregated data, effort has been made to highlight the major indicators.

5.1 Beyond VNR 2017

While the government has always expressed its commitment towards the SDGs at the national and international levels, it has also realized that the goals will not be achieved without the same level of commitment and integration at the provincial and local levels. Dedication and coordination among the three tiers of government and strengthening partnerships with all is necessary to meet the SDGs. The government has prepared the 15th Plan with a long-term vision incorporating the goals and targets of the SDG roadmap taking 2030 as a milestone.

The general elections, and provincial and local level elections, all took place following the presentation of the last VNR. Since the provincial and local structures were created with new responsibilities, efforts to develop and consolidate their legal, institutional and financial rules and regulations and to develop plans and programs are being carried out. In the last two years, they have steadily built the necessary foundations, and the integration of the SDGs is underway. The Federal Government has initiated capacity building programs at the provincial and local levels in order for them to internalize and mainstream the agenda of the SDGs. As a result, some of the provincial governments have included the SDGs in their plans and programs.

Nepal has been able to maintain a high economic growth rate of around 7 per cent in the last few years, and the absolute poverty and multidimensional poverty levels have been gradually reducing every year. Macroeconomic policies have been adopted with a view to promoting higher economic growth with better employment opportunities to an ever larger number of people. Inflation is in tolerable level, and robust policies are in place to promote private investment in the productive sector. Similarly, the budgets of the government have been prepared with an emphasis on promoting human development, generating employment, enhancing inclusive, equitable and rapid economic growth, developing infrastructure and building infrastructural resilience. Efforts

have been made to reduce trade deficits by promoting exports. We have seen some improvements, though there is a long way to go to enhance our export potentials and bridge the huge imbalance between imports and exports.

Apart from other responsibilities, all three levels of government have expenditure and revenue rights. The Local Government Operation Act 2017, the Inter-Governmental Fiscal Management Act 2017 and the National Natural Resources and Fiscal Commission Act 2017 have been adopted to facilitate the coordination among the three tiers of the government. Consolidation of further work on revenues and expenditures is expected to help generate resources at the provincial and local levels in the days ahead. The three-year MTEFs and annual programs and budgets have well emphasized the budget allocation for SDGs financing (NPC, 2019b). Accordingly, the prioritization and budget allocation have been carried to start up and expedite the goals and targets in which Nepal is lagging behind compared to other goals and target.

Internal resource mobilization has been increasing over the years. Revenue to GDP ratio now remains at 24 per cent, which is on a higher side among countries in a comparable situation. Domestic and external borrowings have helped to narrow down the financing gap. Nepal has adopted a prudent policy and its debt burden remains low at 30.3 per cent of GDP, fiscal space for productive investment (MOF, 2020a).

The private sector has also been encouraged to promote the SDGs in all its relevant activities. Their skills, entrepreneurship and investments play vital role in achieving the SDGs, in particular those that are related to economic growth, employment generation, agriculture, industry, services, infrastruc-

ture, energy, cities and settlements, sustainable consumption and production patterns, among others. Similarly, they could further contribute to promote inclusive and sustainable growth and sustainable business practices. The SDG financing strategy expects an annual NRs 729 billion (36%) investment from the private sector to promote the SDGs in Nepal (NPC, 2018). Similarly, cooperatives and CSOs have been playing an important role in promoting the SDGs, and have been encouraged to mobilize financial and non-financial resources.

On the external resource mobilization, Nepal has been making efforts to increase the financial and non-financial resources from the global arena. In the last few years, Nepal has been receiving enhanced levels of grants and loans from the development partner countries and institutions, which is at 4.3 per cent of the GDP. As the share of external assistance is about 13 per cent of the annual government expenditure and almost a half of the total development expenditure, they play a significant role in Nepal because of the huge investment and resource gaps. While Nepal is making efforts to further enhance its absorptive capacity, the current level of disbursements will not be enough to meet the financing requirements to achieve the SDGs. The SDG financing strategy has estimated that foreign assistance worth NRs 298 billion (about US\$ 2.4 billion), more than double the current level, will be needed every year in order to achieve the SDGs by 2030 (NPC, 2018).

The SDGs have been prioritized in all plans and programs of the government. The march towards Prosperous Nepal and Happy Nepali will also be instrumental in the implementation of the SDGs. The 15th Plan has been fully aligned with the SDGs. The graduation from LDC status in the next few

years, and achievement of the SDGs by 2030 are part of the important milestones of the long-term vision of Nepal. The 15th Plan also provides a roadmap towards prosperity and happiness in various phases. The first phase will focus on building social, economic and physical infrastructure. Efforts will be made towards building infrastructure in energy, road, information technology and communication. Similarly, the access of the poor to education and health will be strengthened. In the second phase, efforts will be made towards not only achieving high economic growth but also ensuring even distribution of the results in order to make them equitable and sustainable. The budget coding of the SDGs has begun, and the MTEF has prioritized projects aligned with the SDGs. Similarly, many sectoral strategies on economic, social and environmental fields are being aligned with the SDGs. Provincial and local level planning guidelines have been prepared to promote the SDGs at the provincial and local levels. Nepal has been using the M&E system to evaluate its programs and projects, and it will be aligned with the monitoring and follow up of the SDGs.

To strengthen reliable, quality and consolidated data, a new Statistics Bill is under ap-

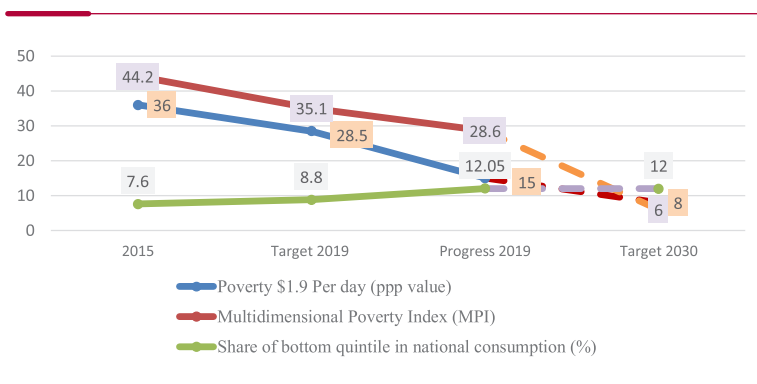
proval in the Federal Parliament. Similarly, a national strategy for development of statistics is being implemented. These initiatives will strengthen our capacity to generate more disaggregated and quality data on various economic, social, environmental and other cross-cutting issues in the days ahead. The civil service and governance reforms are ongoing processes. Nepal has seen improvements in a number of indicators, including the Ease of Doing Business Index and the Corruption Perception Index in the last few years.

5.2 The Progress on SDGs Implementation

SDG 1: End poverty in all its forms everywhere

Table 5.1 presents the progress of SDG 1 in 2019. The percentage of people living below the national poverty line significantly dropped from 38 per cent in 2000 to 21.6 per cent in 2015 - an average reduction of 1.1 percentage points per annum. The population below the poverty line in 2019/20 is estimated to be 16.7 per cent. Multi-dimensional poverty reduced from 59 per cent in 2006 to 39 per cent in 2011 and 28.6 per cent in 2014 (NPC, 2018b). The target is to reduce multi-dimensional poverty to 6 per cent by 2030.

Fig. 5.1: Targets and achievements in poverty and consumption status (%)



The reduction in poverty levels became possible due to various efforts led by the government and supported by all stakeholders. Over the past two decades, Nepal has made significant progress in poverty reduction and human development. There has been remarkable progress in reducing poverty and raising per capita income especially between 2015 and 2019. Implementation of the targeted programs, growing social protection schemes and other measures, ac-

TABLE 5.1: SDG I - End poverty in all its forms everywhere

| Targets and Indicators | | Baseline2015* | Target2019* | Progress2019** | Target2030* |
|--|---|---------------|-------------|----------------|-------------|
| Target 1.1 By 2030, eradicate extreme poverty for all people everywhere | | | | | |
| 1.1.1 | Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural) | | | | |
| 2 | Poverty \$1.9 per day (PPP value) | 36 | 28.5 | 15 | 8 |
| 3 | Per capita Gross National Income (GNI) (US\$) | 766 | 821 | 1051 | 2500 |
| Target 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty | | | | | |
| 1.2.1 | Proportion of population living below the national poverty line, by sex and age | 21.6 | 17.1 | 16.7 | 4.9 |
| 1.2.2 | Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions | | | | |
| 1 | Multidimensional Poverty Index (MPI) | 44.2 | 35.1 | 28.6 | 6 |
| 1.3.1 | Proportion of population covered by social protection | 8.1 | 27.3 | 17 | 80 |
| 1 | Social protection expenditure in total budget (%) | 11 | 12.1 | 11.7 | 15 |
| Target 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources | | | | | |
| 1.4.1 | Proportion of population living in households with access to basic services | | | | |
| 1 | Households having access to market centers within 30 min walk (% of total) | 45 | 57 | 44.7 | 90 |
| 1.4.2 | Proportion of total adult population with secure tenure rights to land | | | | |
| 1 | Share of bottom quintile in national consumption (%) | 7.6 | 8.8 | 12.05 | 12 |
| 2 | Households having property/tangible assets in women's name (% of total) | 19.7 | 25.1 | 26 | 40 |
| Target 1.5 By 2030, build the resilience of the poor and those in vulnerable situations | | | | | |
| 1.5.1 | Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population | | | | |
| 1 | Loss of lives from disaster (number) | 8891 | 331 | 968 | 205 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

cess to energy and transport infrastructure, income generating activities through promotion of micro credits, cooperatives, entrepreneurship development schemes and remittance inflows have all contributed to reducing extreme poverty levels in Nepal.

The GNI per capita reached USD 1051 in 2019 and USD 1097 in 2019/20, while the target is USD 2500 by 2030. The social protection expenditure in total budget has gone up slightly from 11 per cent in 2015 to 12.8 per cent in 2019/20 with an increase in the total outlay figures. The proportion of population covered by social protection was 8.1 in 2015 and now stands at 17. The share of

the bottom quintile in national consumption is 12.05% compared to the 2019 target of 8.8. Similarly, households with assets (land and house) in the name of women is 33.9 per cent, well higher than the target of 25.1 for 2019 (Details are included in Table 5.1).

In 2018/19, the Prime Minister Employment Programme was able to provide employment to 188,000 people at 646 local levels for 12.43 days on an average (MOF, 2020). Likewise, the Garibsanga Bishweshwar (Bishweshwar with the Poor) Programme has been implemented since 2000, and has successfully targeted around 6,000 groups of people from disadvantaged communities.

The Poverty Alleviation Programme, initiated in 2003, is another effective scheme. Provincial and local governments have also included poverty alleviation programs in their planning.

Though Nepal has been able to successfully reduce its proportion of population under the national poverty line with an average of 1.1 per cent per year, the challenge is to sustain the progress and to ensure that it covers all strata of society in an equitable manner. Since a majority of the population is near poor and only slightly above the poverty line, any adverse shock would bring them down to the bottom. Additionally, the aim is to bring down the percentage of people living below the poverty line to 4.9 per cent by 2030. The current level of progress will not be enough to achieve the goal. A number of projects have been initiated and co-ordination needs to be further enhanced to ensure their effectiveness. With more detail

mapping and disaggregated data on multidimensional poverty and targeted and comprehensive interventions, these programs will be further consolidated.

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

The Global Food Security Index score of Nepal is 46 (Figure 5.2).⁴ Similarly, Nepal has a score of 20.8 in the Global Hunger Index, which is still high. However, it has substantially come down from 36.8 in 2000. Though the prevalence of undernourishment has improved to a large extent from 36.1 per cent of population in 2015 to 8.7 per cent of population in 2019, the prevalence of underweight and stunting in children has significantly reduced. Government expenditure on agriculture was 2.21 per cent of the budget in 2017/18, and has now been increased to 2.8 per cent in the budget of 2020/21.

TABLE 5.2: SDG 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|---|---|----------------|--------------|-----------------|--------------|
| Target 2.1 By 2030, end hunger and ensure access by all people | | | | | |
| 2.1.1 | 2.1.1 Prevalence of undernourishment | 36.1 | 27.3 | 8.7 | 3 |
| 2.1.2 | 2.1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)% | - | - | 7.8 | - |
| 2 | Per capita food grain production (kg) | 320 | 376 | 376 | 530 |
| 3 | Global Food Security Index (score) | 42.8 | 57 | 46 | 90 |
| Target 2.2 By 2030, end all forms of malnutrition | | | | | |
| 2.2.1 | Prevalence of stunting | 36 | 32 | 31.6 | 15 |
| 2.2.2 | Prevalence of malnutrition | 11.3 | 8 | 10 | 4 |
| 1 | Per cent of children under age 5 years who are underweight | 30.1 | 20 | 24.3 | 9 |
| 2 | Prevalence of anemia among women of reproductive age | 35 | 26 | 40.8 | 10 |
| 3 | Prevalence of anemia among children under 5 years | 46 | 33 | 52.7 | 10 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

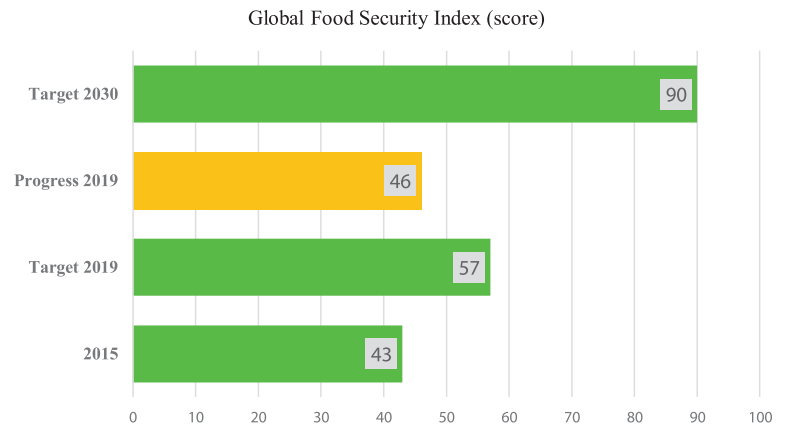
4 <https://foodsecurityindex.eiu.com/Country> (accessed on 10th June 2020)

Child malnutrition has been declining over the years, but not fast enough. The percentage of underweight children (among 6-59 months) in Nepal was 43 per cent in 2000, 29 per cent in 2015 with a further drop to 27 per cent in 2016 and it has decreased to 24.3 per cent in 2019. Nepal has the target of reducing this to 9 per cent by 2030. Similarly, the prevalence of stunting among children under five years of age was 36 per cent in 2016 and it has dropped to 31.6 per cent in 2019. Only 66 per cent of children aged 0 to 5 months are exclusively breastfed and only 35 per cent of children aged 6 to 23 months receive a minimum acceptable diet (GoN & UNICEF, 2018). The proportion of underweight children are generally found more in rural areas, born to uneducated mothers or are from poorer families (Details in Table 5.2).

The government is pursuing its efforts towards reaching Goal 2 through various programs, such as the Nepal Health Sector Strategy Action Plan (2016-2022), The Nepal Water Supply, Sanitation and Hygiene Sector Development Plan, 2016-2030, and the Food and Nutrition Security Plan of Action (2014-2024). The government implemented the first phase and is now executing the second phase MSNP with the goal of improving maternal, adolescent and child nutrition through various interventions. Apart from this, the Food Management and Trading Company Ltd. also supply food-stuff to remote districts.

The Agriculture Development Strategy (2015-2035) calls for a transformation from subsistence farming to commercial farming, achieving self-sufficiency in food grains and increasing agricultural land productivity (MOAD, 2015). The per capita food grain production in 2019/20 was 376 kg, which achieved the target. However, there has not been much progress in round the year irrigated land, which stands at 33 per cent of

Fig. 5.2: Targets and achievements in the Global Food Security Index (Score)



total irrigated land. With estimations of potential climate crisis to agriculture and food security, the government has prepared a roadmap of adaptation planning to ensure that medium- and long-term programmatic actions are climate proofed.

Nepal faces challenges in achieving Goal 2, and the current rate of progress needs to be accelerated to meet the 2030 goal. The main issue in achieving this goal—aimed at zero hunger, food security and improving nutrition—is that it is not stand-alone. Instead, it is interlinked with various other goals, such as Goals 1, 8, 9, 10 and 12, among others. Access to food and improved nutrition is only possible when people rise above the poverty level. Food security is a big challenge among the poor and marginalized groups. Similarly, investing in infrastructure like roads will increase the access of people in remote villages to food. Likewise, investment in education will also significantly impact the food security and nutrition of children, as educated mothers are found to be more conscious and aware of the nutritional values of various food. Investment in agriculture needs to be increased from all sectors, and food is to

be made accessible and affordable round the year in all development regions. Similarly, irrigation facilities, ensuring agricultural inputs on time, and mitigation and adaptation plans to counter the effects of climate change will be further strengthened.

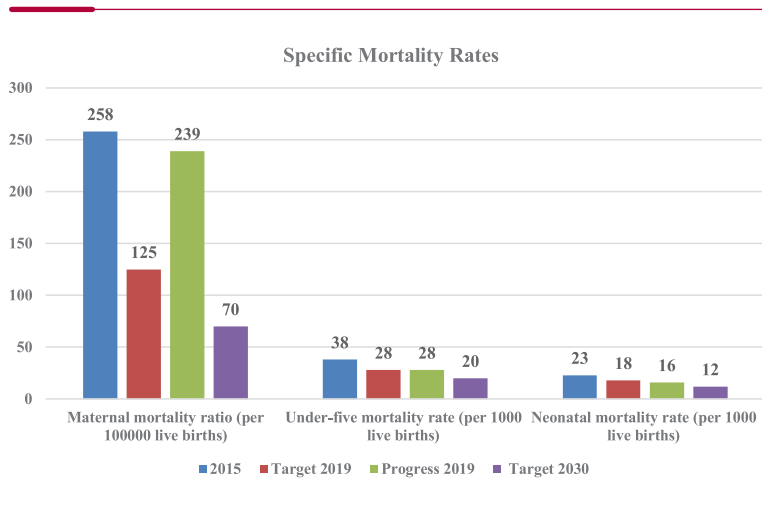
SDG 3 - Ensure healthy lives and promote well-being for all at all ages

Due to various efforts of the government in the health sector, as well as strong community participation, child mortality is decreasing in Nepal. The under-5 mortality rate reduced from 91 to 38 per 1000 during 2000-2015. And it has further reduced to 28 per 1000 in 2019 (CBS, 2020b). The target to reduce this to 18 per 1000 by 2030 looks feasible, with stronger support and more coherent and effective programs.

In the MDG period, neonatal mortality reduced from 38 per 1000 live births in 2000 to 23 per 1000 in 2014 (NPC 2014). It dropped further to 21 in 2016 in the first year of the SDGs, and then reached 20 in 2019/20. The aim is to reduce it to 10 per 1000 live

births by 2030. With continuous efforts and commitment, it should be achievable. The total fertility rate (TFR) of women aged 15-49 declined from 4.1 children per women in 2000 to 2.3 in 2016 and has declined to 2.0 in 2019 (CBS, 2020b). The proportion of pregnant women getting antenatal care check-ups was 56 per cent in 2019 (MOF, 2020a). The proportion of births taking place in health facilities increased from 9 per cent in 2000 to 57 per cent in 2016 to 77.5 per cent in 2019. Additionally, the proportion attended by a skilled health personals increased from 11 per cent in 2001 to 58 per cent in 2016 and then to 79.3 per cent in 2019 (CBS, 2020b). The improvements and implementation of various plans and programs led the maternal mortality ratio (MMR) to drop from 850 per 100,000 live births in 1990 to 539 in 1996, 281 in 2005 and 258 in 2015. It is now at 239 per 100,000 live birth in 2018/19. Nepal aims to reduce the MMR to 70 per 100,000 live birth by 2030. These figures show the remarkable progress made in improving maternal health, and we need to continue accelerating the progress to achieve the goal by 2030 (Details in Table 5.3).

Fig. 5.3: Targets and achievements in maternal and child mortality rate



Health being a priority sector has witnessed significant government investment. Free basic health care systems in health posts, primary health care centers and 25-bed district hospitals are being established, and 70 types of basic drugs have been available free of cost. Under the Safe Motherhood Programme, transport allowances are provided to pregnant women who come for check-ups during pregnancy periods. Additionally, the government plans to increase the percentage of people associated with health insurance from 7 per cent at present to 60 per cent by the end of the 15th Plan period, and reduce personal expenses on health

TABLE 5.3: SDG 3 - Healthy lives and well-being

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|---|--|----------------|--------------|-----------------|--------------|
| 3.1 By 2030, reduce the global maternal mortality ratio | | | | | |
| 3.1.1 | Maternal mortality ratio | 258 | 125 | 239 | 70 |
| 3.1.2 | Proportion of births attended by skilled health personnel | 55.6 | 69 | 79.3 | 90 |
| 3.2 By 2030, end preventable deaths of newborns and children under 5 years of age | | | | | |
| 3.2.1 | Under-five mortality rate | 38 | 28 | 28 | 20 |
| 3.2.2 | Neonatal mortality rate | 23 | 18 | 16 | 12 |
| 3.3 By 2030, end the epidemics | | | | | |
| 3.3.1 | Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations | | | | |
| | a. Number of new HIV infections among adults 15–49 years old (per 1000 uninfected population) | 0.03 | 0.022 | 0.015 | 0.014 |
| 3.3.2 | Tuberculosis incidence (per 100,000 population) | 158 | 85 | 111 | 20 |
| 3.3.3 | Malaria incidence (per 1,000 population) | 0.1 | 0.05 | 0.1 | 0.01 |
| 3.3.5 | Number of people requiring interventions against neglected tropical diseases | | | | |
| | a. Leprosy cases | 2271 | 1693 | 1019 | 0 |
| | b. Kala-azar (Leishmaniasis) cases* | 325 | 203 | 239 | 0 |
| | c. Lymphatic Filariasis cases | 30,000 | 25,100 | 6,500 | 14,000 |
| | d. Dengue cases | 728 | 455 | 698 | 0 |
| | e. Active Trachoma cases | 136 | 85 | 136 | 49 |
| | a. per cent of children under age 5 with Diarrhea in the last 2 weeks | 12 | 8 | 8 | 1 |
| 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases | | | | | |
| 3.4.1 | Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease | | | | |
| | a. Mortality between 30 and 70 years of age from Cardiovascular disease, Cancer, Diabetes or Chronic respiratory disease (per 1000 population) | 2.8 | 2.54 | 2.8 | 1.96 |
| 3.4.2 | Suicide mortality rate (per 100,000 population) | 16.5 | 14.5 | 17.8 | 4.7 |
| 3.7 By 2030, ensure universal access to sexual and reproductive health-care services | | | | | |
| 3.7.1 | Proportion of women of reproductive age (aged 15-49 years) who have their need for family planning satisfied with modern methods | 66 | 71 | 56 | 80 |
| | a. Contraceptive prevalence rate (modern methods) (%) | 47 | 52 | 43 | 60 |
| | b. Total Fertility Rate (TFR) (births per women aged 15-49 years) | 2.3 | 2.1 | 2.0 | 2.1 |
| 3.8 Achieve universal health coverage | | | | | |
| 3.8.1 | Coverage of essential health services | | | | |
| | a. per cent of women having four antenatal care visits as per protocol (among live births) | 60 | 71 | 56.2 | 90 |
| | b. per cent of institutional delivery | 55.2 | 70 | 77.5 | 90 |
| | c. per cent of women attending three PNC as per protocol | 20 | 50 | 16.4 | 90 |
| | d. per cent of infants receiving three doses of Hepatitis B vaccine | 88 | 90 | 86.4 | 95 |
| | f. per cent of people living with HIV receiving Antiretroviral combination therapy | 39.9 | 90 | 75 | 95 |
| | g. per cent of population aged 15 years and above with raised blood pressure who are currently taking medication | 11.7 | 31 | 19.8 | 60 |
| | h. per cent of households within 30 minutes travel time to health facilities | 61.8 | 69.3 | 49.3 | 90 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

care from 53 to 40 per cent. Similarly, the National Health Sector Strategy (NHSS-IP) Implementation Plan (2016-2021) is based on the realization of the SDGs as well as the government's vision to graduate from a Least Developed Country to a Middle Income Country. The NHSS also harnesses a multi-sectoral approach to address the social determinants of health. The Health Policy 2019 has an objective of improving and expanding the health service system in the new federal set up. It also aims to improve the quality of health services and, at the same time, reduce MMR and IMR.

Despite this progress, there are still some challenges to be addressed in the health sector. The main difficulty is ensuring access to each and every citizen of Nepal, in particular, the poor and marginalized communities. The health insurance scheme is being implemented in partnership with the federal government in order to decrease the out-of-pocket expenditure of local people. But there is a long way to go as data indicates that only 7 per cent of the population has health insurance.

Apart from accessibility, the quality of health services would also be maintained as it is crucial for the safety of human lives. The

emergence of new diseases like COVID-19 also poses serious threats to the achievements made so far. This will be a further challenge to a resource-constrained country like Nepal. Though the private sector has also been involved in providing health services, it is mainly concentrated in urban areas. In addition, their services are quite expensive and, thus, out of reach of the common people. Focusing on preventive care by increasing awareness will be an important additional way to ensure healthy lives for all. Local level governments are better positioned to undertake health activities so they would be given responsibility with enhanced capacity to promote the health support programs across the country, especially in rural and semi-urban areas.

SDG 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Nepal has made a commitment to fulfilling the right to education of its people. It has made significant efforts towards ensuring access to educational services by all, including the poor and disadvantaged groups. As a result, the Net Enrolment Rate (NER) in primary education had reached 97.2 per cent in 2018/19, not very far from its goal of 99 per cent in 2030. The proportion of pupil reaching grade eight is 79.3 per cent, while the gross enrolment in secondary education is 60.6 per cent.

Similarly, literacy rate of the population aged 15-24 years was 88.6 per cent in 2015 and reached 92 per cent in 2018/19. As such, it is not very far from reaching its goal in 2030. However, only 31 per cent of the working age population could get vocational and technical skills while the target was 38 per cent. The growth in Internet users is encouraging as 73 per cent of the adult

Fig. 5.4: Targets and achievements in school enrolment (%)

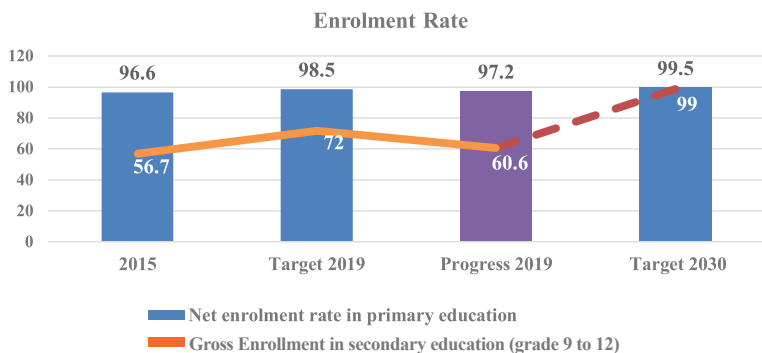


TABLE 5.4A: SDG 4 - Inclusive and quality education

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|---|----------------|--------------|-----------------|--------------|
| Target 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes | | | | | |
| 4.1.1 Proportion of children and young people in primary and lower secondary | | | | | |
| 1 | Net enrolment rate in primary education (%) | 96.6 | 98.5 | 97.2 | 99.5 |
| 2 | Primary completion rate (%) | 80.6 | 90.7 | 85.8 | 99.5 |
| 3 | Proportion of pupils enrolled in grade one who reach grade eight (%) | 76.6 | 81.5 | 79.3 | 95 |
| 4 | Ratio of girls (to boys) enrolled in grade one who reach grade eight | 1.04 | 1.03 | 1.01 | 1 |
| 5 | Ratio of girls (to boys) enrolled in grade one who reach grade twelve | 1.1 | 1.04 | 1.05 | 1 |
| 6 | Learning Achievement / Score (Math, Nepali and English) for grade five (%) | | | | |
| | a) Math | 53.3 | 55 | 35 | 65 |
| | b) Nepali | 63 | 66 | 34 | 75 |
| | c) English | 53.6 | 57 | 41 | 68 |
| 7 | Gross enrollment in secondary education (grade nine to 12) (%) | 56.7 | 72 | 71.4 | 99 |
| Target 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university | | | | | |
| 4.3.1 | Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by gender | | | | |
| 2 | Ratio of girls enrollment in tertiary education (graduate level) | 0.88 | 0.91 | 0.90 | 1 |
| 3 | Scholarship coverage (% of total students) | 37 | 38.3 | 36 | 42 |
| Target 4.4 By 2030, increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship | | | | | |
| 2 | Working age population with technical and vocational training (%) | 25 | 38 | 31 | 75 |
| 3 | Internet users (per cent of adult population) | 46.6 | 59.5 | 58 | 95 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

population was using the Internet in 2018 (Details in Table 5.4a).

The Gender Parity Index (GPI) in enrollment for primary schools was 1.06 against the target of 1.01 in 2019. There were more girls in primary schools than boys. However, the GPI for secondary level was only 0.95 in 2019. This shows that there have been improvements in gender parity. Both Human Assets Index and Gender Development Index indicators show progress (Table 5.4b).

The government has recently approved the National Framework for SDG 4 - Education 2030. Some provincial and local governments have also started the process

of developing their educational plans and programs.

Though there has been significant development in Goal 4 as well, there are some issues that need attention. Apart from increasing the enrolment rate, efforts need to be made towards creating the necessary environment for the completion of secondary education (grade 12). The education sector requires further data strengthening and analysis disaggregated by age, gender, geography and disability. Similarly, more targeted programs need to be implemented in the provinces that lag far behind others, with particular focus on the disadvantaged groups by identifying their contextual equi-

TABLE 5.4B: SDG 4- Eliminate gender disparities in education and ensure equal access

| | Targets and Indicators | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|---|----------------|--------------|-----------------|--------------|
| 4.5.1 | Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data becomes available) for all education indicators on this list that can be disaggregated | | | | |
| 1 | Gender Parity index (GPI) (primary school) | 1.02 | 1.01 | 1.06 | 1.01 |
| 2 | Gender Parity Index (GPI) (secondary school) | 1 | 1 | 0.95 | 1 |
| 3 | Gender Parity Index (GPI) based on literacy (above 15 years) | 0.62 | 0.72 | 0.65 | 0.8 |
| Target 4.6 By 2030, ensure that all youth and at least 95 per cent of adults, both men and women, achieve literacy and numeracy | | | | | |
| 4.6.1 | Proportion of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by gender | | | | |
| 1 | Literacy rate of 15-24 years old (%) | 88.6 | 91.4 | 92 | 95 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

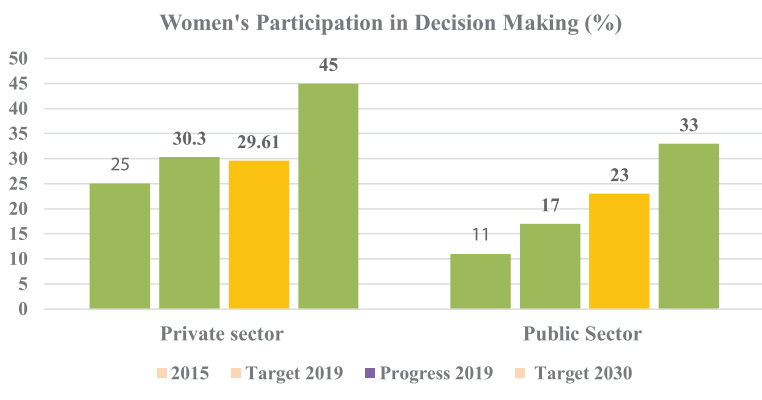
ty barriers in those provinces (NCE Nepal, 2020). Imparting quality education is another issue to enhance human capability and their contributions to society. Collaborative efforts among different layers of government and the private sector are also crucial for the development of the education sector, but attention needs to be paid to close the widening gap in the quality of education imparted through different institutions.

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

Nepal has been successful in narrowing down the gender gap in many of the indicators to a certain extent. Women living below

the poverty line in 2019/20 is 25.34 per cent. The percentage of literate women is 57.7 as compared to 75.6 per cent of men, while 26 per cent of women had property (land and house) in their name in 2015; the figure rose to 33.93 per cent though the target was 29.7 per cent. The target to reach 40 per cent in 2030 therefore looks possible. The proportion of women who experienced physical or sexual violence in their lifetime was 28.4 per cent in 2015 which in 2018/19 went down to 24.4 per cent. Child marriage and polygamy, along with Deuki and Badi customs, are prohibited by law, and the government has been running massive campaigns for awareness and effective enforcement. While progress is being made in preventing the trafficking of women and girls, much more needs to be done (Table 5.5.1).

Fig. 5.5: Targets and achievements in women’s participation (%)



The government has initiated the Gender Action Learning System, which aims to economically empower women from disadvantaged communities. Similarly, a specific legislation, i.e. Act to Amend Some Nepal Acts for Maintaining Gender Equality and Ending Gender Based Violence (2015) brought 88 discriminatory legal provisions in conformity with the principles of gender-equality adopted by the constitution and the CEDAW (MOWCSS, 2018).

TABLE 5.5.1: SDG 5 - Achieve gender equality and empower all women and girls

| | Targets and Indicators | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|---|--|----------------|--------------|-----------------|--------------|
| Target 5.1 End all forms of discrimination against all women and girls everywhere | | | | | |
| 5.1.1 | Whether or not legal frameworks are in place to promote, enforce and monitor equality and nondiscrimination on the basis of gender | | | | |
| 1 | Wage equality for similar work (ration of women's wage to that of men) | 0.62 | 0.72 | 0.66 | 0.92 |
| 2 | Gender Inequality Index | 0.49 | 0.38 | 0.476 | 0.05 |
| 3 | Gender Empowerment Measurement (Index) | 0.57 | 0.6 | 0.62 | 0.69 |
| Target 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres | | | | | |
| 5.2.1 | Violence against women and girls aged 15 years and older by a current or former intimate partner in the previous 12 months | | | | |
| 1 | Lifetime physical and/or sexual violence (%) | 28.4 | 22.2 | 24.3 | 5 |
| 2 | Children aged 1-14 years who experienced psychological aggression or physical punishment during the last one month (%) | 81.7 | 59.9 | 77.6 | 13.6 |
| 5.2.2 | Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence | | | | |
| 1 | Women aged 15-49 years who experience physical /sexual violence (%) | 26 | 19.1 | 11.2 | 6.5 |
| 2 | Women and girls trafficking (in number) | 1697 | 725 | 946 | 325 |
| Target 5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation | | | | | |
| 1 | Women aged 15-19 years who are married or in unions (%) | 24.5 | 18 | 19.3 | 4.1 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

The participation of women in the labor force is 26.3 as opposed to 53.8 per cent of men (NPC, 2020). The female employment to population ratio (EPR) is 22.9 per cent, which is 25.4 percentage points lower than the male EPR. Though women's participation in the cooperative sector is 51 per cent, in total there are only 13.2 per cent of women in managerial positions. While the above data is not very encouraging, the efforts to ensure full and effective participation of women and equal opportunities for leadership at all levels of government have been very fruitful. The proportion of seats held in provincial and local governments is exemplary. Women hold 33.8 per cent of seats in the national parliament, while it is 34.4 per cent in provincial parliaments and 40.75 per cent in local government bodies. This may be attributed to the constitutional provisions for women's representation at all levels of government (Table 5.5b).

Nepal is on track to achieve gender equality and women's empowerment. The government is a signatory to international conventions to promote women's rights, including CEDAW and the Beijing Declaration and Platform for Action 1995.

The government has established various institutional mechanisms for gender equality and women's empowerment at the national level. For example, the Department of Women was established in 1981 to oversee women's empowerment programs. The Ministry of Women, Children and Social Welfare was established in 1995, the National Women's Commission in 2001, and gender focal persons were appointed in all line ministries in 2002. Gender responsive budgeting and gender auditing was initiated by the NPC and the MOF during the 8th Plan period (1992-97). In 2007, a remarkable development on reservations for women

TABLE 5.5.2: SDG 5 - Ensure women's full and effective participation and equal opportunities

| | Targets and Indicators | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|---|----------------|--------------|-----------------|--------------|
| 5.5.1 | Proportion of seats held by women in (a) national parliaments and (b) local governments | | | | |
| 1 | (a) National parliament (%) | 29.5 | 33 | 33.5 | 40 |
| | (b) Provincial parliament (%) | - | 33 | 34.4 | 40 |
| | (c) Local government bodies (%) | - | 40.5 | 40.8 | 42 |
| 5.5.2 | Proportion of women in managerial positions | | | | |
| 1 | Women's participation in decision-making level in the private sector (%) | 25 | 30.3 | 29.61 | 45 |
| 2 | Women's participation in the cooperative sector (%) | 50 | 50 | 51 | 50 |
| 3 | Women in public service decision-making positions (% of total employees) | 11 | 17 | 13.6 | 33 |
| 4 | Ratio of women to men in professional and technical workers (%) | 24 | 28 | 25 | 40 |
| Target 5.a Undertake reforms to give women equal rights to economic resources | | | | | |
| 5.a.1 | (a) Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure | | | | |
| 5.a.1 | Number of enterprises owned by women | - | - | 247880 | |
| 5.a.2 | Women's ownership of property (land and house) | 26 | 29.7 | 33.93 | 40 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

and marginalized groups—including Dalits, indigenous people, Madhesi communities, and persons with disabilities—in public service was introduced. The amended Civil Service Act reserves 45 per cent of all vacancies to six groups, of which 33 per cent are for women.

The main challenge towards ensuring gender equality in social and economic life and eliminating violence is the prevalence of patriarchal social ethos including multiple discriminations at the intersection of caste, class and gender. Unless there is a change in the mindset of the people through sensitization programs and other legislative measures, reaching the targets under this goal may not be possible. The gender issues including Dalit and disadvantaged groups should be treated as a cross cutting issue in all SDGs and special attention needs to be paid across all social groups (DNF, 2020). Nepal will further progress through targeted programs to ensure equitable benefits to all women by 2030. It is essential to focus on the elimination of the structural barriers

to gender equality, taking into account the various roles and vulnerabilities of diverse women and their level of influence at individual, household, community, national, and global levels (BBC, 2020).

SDG 6 - Ensure availability and sustainable management of water and sanitation for all

Basic water supply coverage in the country reached 91 per cent of the population in 2019/20, while only 49.6 per cent of the households have access to piped water supply. Households having access to tap water supply are those that have perennial water sources located within 30 minutes. However, providing safe drinking water is challenging as only 25 per cent of the population has access to safe drinking water. The basic sanitation coverage is reached to 99 per cent.

The proportion of people using latrines has increased from 67.6 per cent in 2015 to 85 per cent in 2018/19. Untreated industrial waste

TABLE 5.6: SDG 6 - Ensure availability and sustainable management of water and sanitation for all

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|---|--|----------------|--------------|-----------------|--------------|
| Target 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all | | | | | |
| 6.1.1 | Proportion of population using safely managed drinking water services | | | | |
| 1 | Population using safe drinking water (%) | 15 | 35 | 25 | 90 |
| 2 | Households with access to piped water supply (%) | 49.5 | 60.3 | 49.6 | 90 |
| 3 | Basic water supply coverage (%) | 87 | 90.2 | 88 | 99 |
| Target 6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all | | | | | |
| 6.2.1 | Proportion of population using safely managed sanitation services, including a hand-washing facility with soap and water | | | | |
| 1 | Households using improved sanitation facilities which are not shared (%) | 60 | 69.3 | 62 | 95 |
| 2 | Proportion of population using latrines (%) | 67.6 | 75.7 | 85 | 98 |
| 3 | Sanitation coverage (%) | 82 | 86.5 | 99 | 99 |
| Target 6.3 By 2030, improve water quality | | | | | |
| 6.3.1 | Proportion of safely treated waste water | | | | |
| 1 | Proportion of untreated industrial waste water (%) | 99 | 75.3 | 95 | 10 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

in water remains at 95 per cent and the target of 75.3 in 2019 has not been met. So, the SDG 6 target of achieving universal and equitable access to safe and affordable drinking water for all needs to be accelerated.

Over the years, the government has created several initiatives for the WASH sector. The 20 years' Water and Sanitation Strategies, which was formulated in 1997, the National Rural Water Supply and Sanitation Policy and Strategy 2004, the National Policy for Urban Water Supply and Sanitation in 2009, and the Sanitation and Hygiene Master Plan were some of the programs implemented by the government. Now, a Sectoral Development Plan (2017-2030), designed by the Ministry of Water Supply, is under implementation in line with the SDG of ensuring access to safe, adequate and affordable drinking water and sanitation services to all by 2030.

Building on the priority given to this sector, more needs to be done to make progress. In these goals, the challenge to the government is ensuring equal access of WASH facilities to high- and low-income households, as

well as addressing the disparity between different provinces and regions. Similarly, the protection of freshwater sources and watersheds, along with integrated water resources management, will be important for ensuring equitable supply and access to water. Geographical difficulties may pose a serious challenge to the government's plans of ensuring universal access to water and sanitation to all households. Since some of

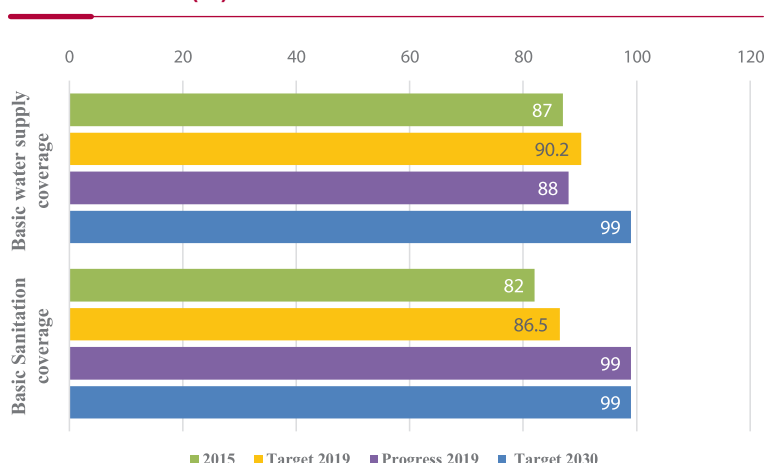
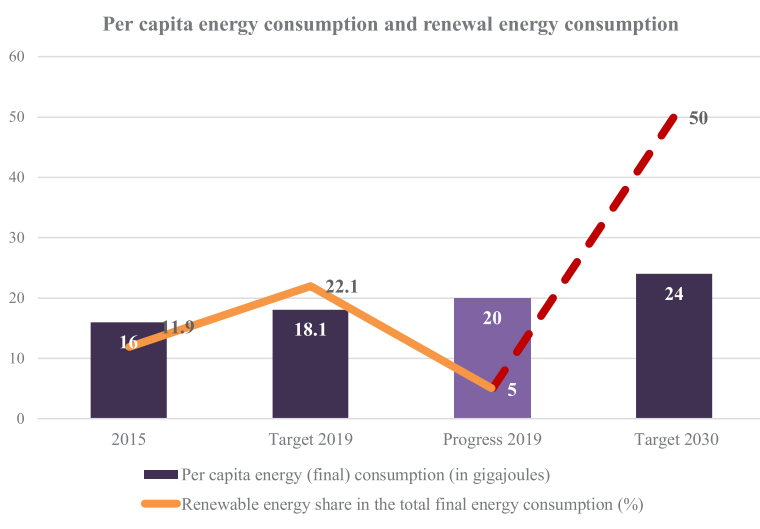
Fig. 5.6: Targets and achievements in basic water supply and sanitation (%)

Fig. 5.7: Targets and achievements in energy and renewal energy consumption


the targets are quite ambitious considering the current status of progress, efforts will need to be accelerated in the days ahead.

SDG 7 - Ensure access to affordable, reliable, sustainable and modern energy for all

The proportion of households with access to electricity has reached 90 per cent. While 68.59 per cent of households in the country

still use solid fuels as their primary source of energy for cooking, the targets for 2019 and 2030 are 65 per cent and 30 per cent respectively. People using Liquid Petroleum Gas (LPG) for cooking and heating has increased from 18 per cent in 2015 to 26.6 per cent in 2018/19, which is more than the target of reaching 23.6 per cent in 2019. While the actual supply of energy was not sufficient a few years back, there has been substantive improvement in this sector. The per capita electricity consumption has also increased from 80 kilowatt-hour (KWh) in 2015 to 260 KWh, which is again more than the target of 230 KWh in 2019.

Nepal has made substantial progress in providing reliable and modern energy to all. It has made huge investments in this sector, and the private sector is also becoming a major partner in power generation. Therefore, there is no doubt that Nepal can easily reach the target of ensuring accessibility of 99 per cent households to electricity, reducing the dependence on firewood to 30 per cent, and limiting the use of LPG to less than 40 per cent of the households. Similarly, it aims to generate 15,000 Mega Watt (MW) of installed capacity, and increase per capita electricity consumption to 1500 KWh in 2030 (Details in Table 5.9).

TABLE 5.7: SDG 7 - Affordable and clean energy

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|--|----------------|--------------|-----------------|--------------|
| Target 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services | | | | | |
| 7.1.1 | Proportion of population with access to electricity | 74 | 80.7 | 88 | 99 |
| 1 | Per capita energy (final) consumption (in gigajoules) | 16 | 18.1 | 20 | 24 |
| 7.1.2 | Proportion of population with primary reliance on clean fuels and technology | | | | |
| 1 | Households using solid fuel as primary source of energy for cooking (%) | 74.7 | 65 | 68.6 | 30 |
| 2 | People using liquid petroleum gas (LPG) for cooking and heating (%) | 18 | 23.6 | 26.6 | 39 |
| 3 | Electricity consumption (KWh per capita) | 80 | 230 | 260 | 15000 |
| Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix | | | | | |
| 7.2.1 | Renewable energy share in the total final energy consumption | 11.9 | 22.1 | 5 | 50 |
| 1 | Installed capacity of hydropower (MW) | 782 | 2301 | 1250 | 15000 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Assessment Report (2016-2019).

The government has initiated development in this sector through the Hydropower Development Policy 2001, National Water Plan 2005, National Energy Strategy 2013-30, Renewable Energy Subsidy Policy 2016 and Nepal's Energy Sector Vision 2013-50.

Nepal has huge potential in the energy sector, but the massive investments required to realize this potential is a major challenge for a resource-constrained country. This explains the dependence on traditional energy sources. Additionally, most of the hydropower projects were not completed on time thereby adding to the initial costs. The lack of infrastructure also poses a major challenge. The potential of all alternative energy sources has yet to be fully re-

searched and tapped (Detail is discussed in Chapter Seven on Good Practices).

SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The average economic growth rate for the past three years was 7.3 per cent. However, due to COVID-19, the preliminary assumption is that the growth rate will be restricted to 2.3 per cent in 2019/20. The per capita GDP growth, which was only 2.3 in the year 2015, increased to 7.45 per cent in 2018/19.

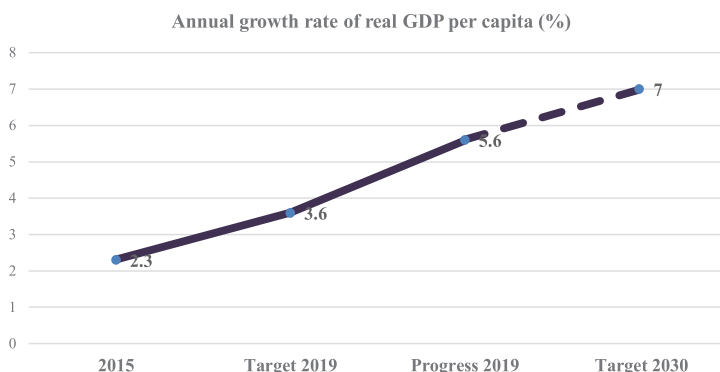
One of the targets under this goal is achieving full and productive employment and

TABLE 5.8: SDG 8 - Decent work and economic growth

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|---|----------------|--------------|-----------------|--------------|
| Target 8.1 Sustain per capita economic growth | | | | | |
| 8.1.1 | Annual growth rate of real GDP per capita | 2.3 | 3.6 | 5.6 | 7 |
| Target 8.2 Achieve higher levels of economic productivity | | | | | |
| 8.2.1 | Annual growth rate of real GDP per employed person | 1.6 | 3.8 | 7.0 | 10 |
| Target 8.3 Promote development-oriented policies including through access to financial services | | | | | |
| 8.3.1 | Proportion of informal employment in nonagriculture employment, by sex | 70 | 54 | 81.2 | 10 |
| 2 | Access to financial services | - | - | 60.9 | |
| 3 | Access to cooperatives (% of households within 30 min walk) | 54 | 60.9 | 60 | 80 |
| Target 8.5 By 2030, achieve full and productive employment and decent work | | | | | |
| 8.5.2 | Unemployment rate, by sex, age and persons with disabilities | | | | |
| 1 | Underemployment rate (15-59 y) (%) | 27.8 | 23.1 | 19.6 | 10 |
| Target 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training | | | | | |
| 8.6.1 | Proportion of youth (aged 15-24 years) not in education, employment or training | - | - | 35.3 | |
| 1 | Youth underemployment rate (%) | 35.8 | 28.9 | 21.4 | 10 |
| Target 8.9 By 2030, devise and implement policies to promote sustainable tourism | | | | | |
| 8.9.1 | Tourism direct GDP as a proportion of total GDP and in growth rate | 2.6 | 4 | 2.7 | 8 |
| 1 | Tourist arrival (million) | 0.8 | 1.6 | 1.2 | 3 |
| 8.9.2 | Proportion of jobs in sustainable tourism industries out of total tourism jobs | | | | |
| 1 | Annual number of jobs in tourism industries ('000) | 90 | 332.7 | 200 | 1000 |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Report (2016-2019).

Fig. 5.8: Targets and achievements in annual growth rate of GDP per capita (%)



decent work for all women and men. Of the 20.7 million people belonging to the working age group, approximately 7.1 million (CBS, 2019a) were employed while 0.9 million were unemployed. 38.1 per cent in the age group of 15-24 years, and 31.1 per cent in the age group of 25-34 were unemployed; therefore, the unemployment rate for the age category of 15-34 years was 69.2 per cent in 2017/18. The female employment to population ratio (EPR) was 22.9 per cent in 2017/18, which was 25.4 percentage points lower than the male EPR. The female labor force participation rate was 26.3 per cent while that of males was 53.8 per cent.

The target also includes expanding financial services to all. The population that had access to financial services within 30 minutes-walk was 81 per cent, and the population per branch of financial institutions was 3363. The population having access to cooperatives within 30 minutes-walk was 60 per cent against the target of 60.9 per cent by 2019.

The labor market in Nepal is mostly informal, and the proportion of informal employment in the non-agriculture sector is 59.2 per cent (CBS, 2019a). As more than half of the population is in the informal

sector and do not have social security coverage, the government is making efforts to include this section of population in the social security scheme. Similarly, the Prime Minister Employment Programme, under which the government is running the employment schemes, aims to provide employment to an additional 200,000 people in 2020/21 (MOF, 2020b). This is even more important as the COVID-19 pandemic will impact the growth in the tourism sector, which was providing direct employment to around 45,000 people in 2018/19. The contribution of tourism to the GDP remained at 2.7 per cent against the target of 4 per cent, and tourist arrivals was 1.2 million while the target was 1.19 million.

Providing employment to the population, which is now returning from different destinations due to COVID-19, is going to pose a big challenge to the government. Hence, it is committed to laying special emphasis on the agriculture sector, as well as the promotion of small and medium scale enterprises, individual entrepreneurship and skills development, in order to create job opportunities for the returning as well as unemployed people.

Tourism is an important sector for Nepal. Around 1.2 million tourists visited the country in 2018/19, spending around USD 48 daily and staying for a period of 12.7 days on an average (NPC, 2020a). There are around 15 five-star hotels, 124 hotels in the 1-4 category, 977 hotels in the other category and 256 homestay provisions to accommodate internal as well as external tourists. This is an important area of the service industry while being a significant source of foreign currency. Rural area-based tourism, trekking, mountaineering and homestays have not only increased tourism benefits to the people living in rural areas but have also contributed to promote Nepal's natural beauty and culture to the international community.

The adverse impact of COVID-19 on the tourism business will affect a vast number of people in Nepal, who benefit directly and indirectly from this sector, because of its growing backward linkages. While the government had aimed to increase tourist arrivals to 2 million in 2020, it may not be possible now in the current scenario of cascading impacts of COVID-19.

Ensuring rapid, inclusive and sustainable economic growth with the development of agriculture, industries and services sectors is critical to reduce poverty and promote prosperity in the country. Therefore, the government has given utmost priority to enhancing productive capacity across the sectors, developing technical skills and entrepreneurship, ensuring access to credit for small and medium enterprises, promoting the establishment of export promotion zones (EPZs) and special economic zones (SEZs), and facilitating the export capacity of enterprises.

SDG 9: Build resilient infrastructure and promote inclusive industrialization

Resilient infrastructure and inclusive industrialization are crucial for promoting rapid and inclusive economic growth in Nepal. The development of road, railway and air transport networks is costly because of the country's geographical terrain. Nevertheless, Nepal has been investing substantially in infrastructure because of its multidimensional transformative effects on the lives and livelihoods of people. As a result, there has been perceptible improvement in the infrastructure sector in recent years (Detail data is included in Table 5.9).

Roads: A total of 15,254 km of black topped, 9,251 of graveled and 9,842 km of earthen roads were built by 2019/20 (up to March).

At the local level, around 3,946 km of black topped, 13,151 km of graveled and 43,066 km of earthen roads were built by the end of 2018/19. A total of 129 bridges have been constructed in the year 2019/20 while around 230 bridges were built in the previous fiscal year. Road density was 0.63 km per square km in 2019/20 and the plan is to increase it to 1.5 km per square km by 2030.

Different programs aiming to build up infrastructure are being implemented at the local level. These include 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.

Some of the challenges in road infrastructure, especially in rural areas, have been the proliferation of poor planned rural transport development because of huge demand and capacity constraints. More efforts will be directed towards making them sustainable, oriented towards enhancing productive capacity of the connected areas, and aligning them with due management of natural resources. Strengthening rural roads, enhancing road safety and ensuring road connectivity to all parts of the country remains the priority of the government.

Rail: The government has also been focusing on rail infrastructure in recent years. Of the planned 70 km of the Jayanagar-Janakpur-Bardibas railroad, 56 km has been completed by 2019/20 (upto March). Similarly, a 925 km east-west electric rail connection from Kakarbhitta in the east to Gaddachau-

TABLE 5.9: SDG 9- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

| Targets and indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|---|----------------|--------------|-----------------|--------------|
| Target 9.1 Develop quality, reliable, sustainable and resilient infrastructure | | | | | |
| 9.1.1 | Proportion of the rural population who live within 2 km of an all-season road | | | | |
| 1 | Road density (km/sq. km) | 0.55 | 1.3 | 0.63 | 1.5 |
| Target 9.2 Promote inclusive and sustainable industrialization | | | | | |
| 9.2.1 | Manufacturing value added as a proportion of GDP and per capita | 6.6 | 8.8 | 5.65 | 15 |
| 1 | Industry's share in GDP (%) | 15 | 17.7 | 14.47 | 25 |
| 9.2.2 | Manufacturing employment as a proportion of total employment | 6.6 | 8.3 | 15.1 | 13 |
| Target 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries | | | | | |
| 9.5.1 | Research and development expenditure as a proportion of GDP | 0.3 | 0.62 | 0.3 | 1.5 |
| 9.5.2 | Researchers (in full-time equivalent) per million inhabitants | | | | |
| 1 | Enrollment in science and technology in proportion to total enrollment (%) | 6.8 | 9 | 10.6 | 15 |
| 2 | Number of patent registered | 75 | 322 | 2 | 1000 |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

ki in the west is expected to be completed in 2029/30. Likewise, a feasibility study has been completed for 77 km metrorail and that of 12 km is being conducted in Kathmandu.

Air transport: Nepal had been relying on its sole international airport, Kathmandu's Tribhuvan International Airport, for its air connectivity to the international community. But this will soon come to an end as Gautam Buddha International Airport is in its final stage, and will come into operation soon. The new airport is expected to benefit 7.6 million people. Similarly, 54 per cent of the construction work of Pokhara International Airport has been completed, and is expected to benefit almost one million passengers per annum. The construction of Nijgadh International Airport has also begun; its first phase is expected to be completed by 2023/24. The 25 private airlines that are operating domestically and the 26 international airlines operating flights from different destinations to Nepal have helped

in increasing connectivity within and outside the country by air.

Air connectivity plays a critical role in many parts of Nepal because of the mountainous terrain. Furthermore, good air services have also been one of the major factors for promoting tourism by making many areas in the mountains and valleys accessible to domestic and international tourists.

Information and communication infrastructure: Nepal has made substantial progress in developing its ICT infrastructure, and the private sphere too has been heavily encouraged in this sector. As a result, there were around 2,793 ICT companies in Nepal in 2018/19. While only 46.6 per cent of people had access to the Internet in 2016, the number increased to 73 per cent in 2018/19. In 2019/20, 86 per cent of the population had access to the radio and 72 per cent of the population had access to television, while the density of mobile phone users was 137 per cent.

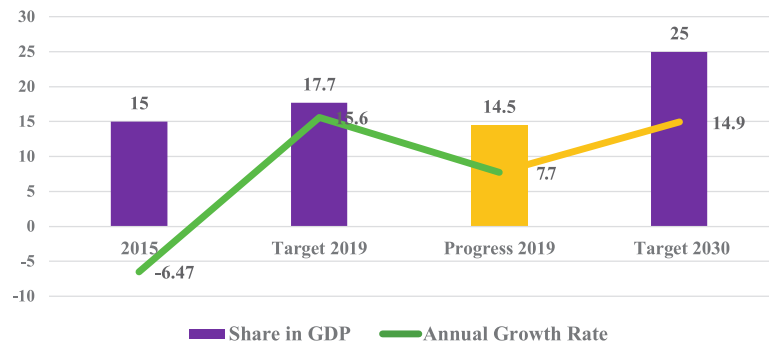
Inclusive industrialization: The share of industry in the GDP is estimated at 13.7 per cent, yet the manufacturing sector contributes only 4.5 per cent in 2019/20. The percentage of employment in manufacturing is 15.1 per cent while it is 21.5 in the agriculture sector. 16.2 per cent males are working in manufacturing sector while that 13.4 per cent female are working (CBS, 2019a).

Nepal has gone through an agriculture-dominated economic structure to a service-oriented economy, without necessarily going through the industrialization process in scale. This has huge implications, such as losing employment generating opportunities in industries to the vast number of surplus labor coming out of agriculture. Therefore, employment generating, inclusive and sustainable industrialization (in key areas where it has competitive advantage) would be critical to create a stronger base of economy, and to enhance employment opportunities for the burgeoning youth.

Science and technology for innovation: Research and development expenditure as a percentage of the GDP has been constant at 0.3 since 2015. There has been an improvement in total enrolment in science and technology from 6.8 per cent in 2015 to 10.6 per cent in 2019 (NPC, 2020) but the number of patents registered in 2018/19 was only two (NPC, 2020).

The government has been implementing the National Science, Technology and Innovation Policy, 2019. The major objectives of the policy are to utilize science, technology and innovation to increase national production and productivity. It also aims to avail its services for the sustainable utilization of natural resources, environmental preservation and disaster reduction etc. Similarly, it also aims to develop skilled human resources. Much remains to be done in this

Fig. 5.9: Secondary sector's contribution and annual growth rate in GDP (%)



area. There is not enough investment in this sector thereby resulting in a low number of experts in the frontier science and technology areas, and also a lack of specialized institutions to utilize the existing ones.

SDG 10 - Reduce inequality within and among countries

The consumption inequality measured by Gini coefficient was 0.30 in 2018/19, and 0.33 in 2015. Similarly, the income inequality, also measured by Gini coefficient, is 0.32. The share of the bottom 40 per cent in total income and total consumption is 20.4 per cent and 25.7 per cent respectively. The target is to reduce consumption inequality from 0.33 in 2015 to 0.16 in 2030 and reduce income inequality from 0.46 to 0.23.

The Palma ratio was 1.3 in 2016/17; the target is to reach 1 in 2030. In 2018/19, the ratio of the richest quintile of income group finishing primary school on time was 1.21, and the ratio of richest vs. poorest children free of stunting was 1.54. The target also includes empowering and promoting the social, economic and political inclusion of all. The Social, Economic and Political Empowerment Index was 0.5, 0.45 and 0.71 respectively in 2018/19.

TABLE 5.10: SDG 10- Reduce inequality within and among countries

| Targets and indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|--|----------------|--------------|-----------------|--------------|
| Target 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average | | | | | |
| 10.1.1 | Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population | | | | |
| 1 | Consumption inequality (measured by the Gini coefficient) | 0.33 | 0.28 | 0.30 | 0.16 |
| 2 | Income inequality (measured by the Gini coefficient) | 0.46 | 0.4 | 0.32 | 0.23 |
| 3 | Share of bottom 40 per cent of population in total consumption (%) | 18.7 | 17.4 | 25.7 | 23.4 |
| 4 | Share of bottom 40 per cent of population in total income (%) | 11.9 | 13.1 | 20.4 | 18 |
| 5 | PALMA Index | 1.3 | 1.22 | 1.34 | 1 |
| Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all | | | | | |
| 10.2.1 | Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities | | | | |
| 1 | Social Empowerment Index | 0.41 | 0.48 | 0.50 | 0.7 |
| 2 | Economic Empowerment Index | 0.34 | 0.43 | 0.45 | 0.7 |
| 3 | Political Empowerment Index | 0.65 | 0.7 | 0.71 | 0.85 |
| Target 10.3 Ensure equal opportunity and reduce inequalities | | | | | |
| 10.3.1 | Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months | | | | |
| 1 | Finished primary school on time (ratio of richest vs. poorest quintile) | 2.20 | 1.88 | 1.21 | 1 |
| 2 | Childhood free of stunting (ratio of richest vs. poorest quintile) | 1.60 | 1.44 | 1.54 | 1 |
| Target 10.5 Improve the regulation and monitoring of global financial markets | | | | | |
| 10.5.1 | Financial Soundness Indicators | | | | |
| 1 | Proportion of farm households covered by microfinance (%) | 24 | 28.3 | 29 | 40 |
| 3 | Global Competitive Index (Score) | 3.9 | 4.1 | 5.1 | 6 |
| 4 | Doing Business Index (country ranking) | 105 | 95 | 94 | 60 |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

Though the poverty rate has declined over the years, there is not much improvement in inequality measured in terms of consumption and income. Furthermore, more disaggregated data will help us better understand the slow improvement in inequality-related coefficients and about those who are farthest behind.

Although there are some positive trends, the pace of the reduction in inequality has been slower than that of poverty reduction. There are considerable disparities among provinces, regions, economic backgrounds and various marginalized groups including sexual and gender minorities with regards

to poverty, income, human development, economic opportunities and employment. Social discrimination also remains a challenge despite constitutional and legal provisions and administrative initiatives and actions.

To address these and other structural inequalities, policies, programs and targeted interventions have been initiated across various sectors at all levels of government for the protection of the rights of the target groups and their empowerment. These interventions include enhanced political and public participation, targeted social security programs to build resilience, skills devel-

opment and capacity enhancement, income generation activities, support for micro enterprises, and many other affirmative actions. These activities are to be successively strengthened and expanded in the coming years to further reduce inequality.

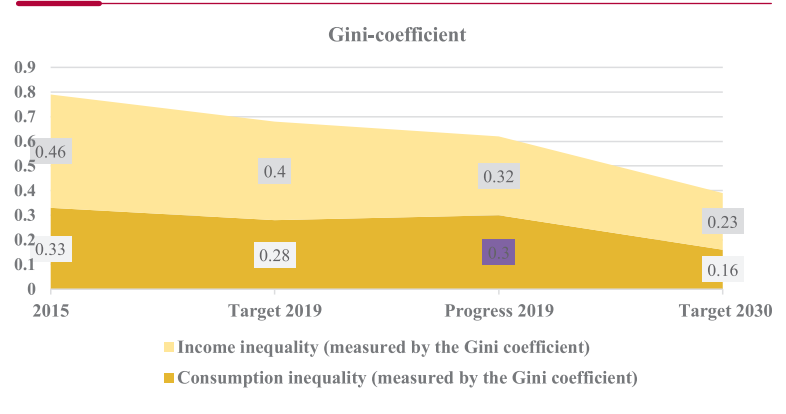
The social, economic and political empowerment indices has shown progress, but the positive trends have to be accelerated with further consolidation of targeted programs and interventions in favor of the bottom quintiles to reach the ambition of the 2030 Agenda.

Similarly, inequality at the global level is increasing every year, even though many of the countries at the bottom of the ladder are making progress and improvements. Enhanced, comprehensive and robust global partnerships in the area of development assistance, and more facilitating support to these countries in promoting their trade and investment will be critical to promote an equitable global order. This will also enhance global stability and equitable prosperity for all. Therefore, international efforts must be collectively geared towards reducing inequality among and within countries around the world.

SDG 11 – Make cities and human settlements inclusive, safe, resilient and sustainable

The number of safer houses has increased over the years. In 2018/19, 40 per cent of houses were considered to be safe, above the target of ensuring 37.9 per cent safer houses in 2019. Household units with thatched/straw roofs was 9.1 per cent in 2016/17, an improvement from 19 per cent in 2015. The population of people living in slums in the year 2016/17 decreased to 200,000 from 2015’s figure of 500,000. Similarly the percentage of households with

Fig 5.10: Targets and achievement in inequality measures (Gini coefficient)



five or more persons decreased from 46.7 per cent in 2015 to 43.6 per cent in 2019. The government is planning to develop 27 new cities in the coming years.

The private sector is also involved in urban real estate. Because they started building residential apartments and housing complexes only of late, they are not enough and out of access to people in general. The demand for safer houses also increased after the 2015 earthquake destroyed thousands of houses, health facilities, schools, and cultural and religious sites.

Fig. 5.11: Proportion of households living in safe houses (%)



TABLE 5.11: SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|---|--|----------------|--------------|-----------------|--------------|
| Target 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums | | | | | |
| 11.1.1 | Proportion of urban population living in slums, informal settlements or inadequate housing | | | | |
| 1 | Population living in slums and squatters ('000) | 500 | 400 | 200 | 125 |
| 2 | Household units roofed with thatched/straw roof (%) | 19 | 15.3 | 9.1 | 5 |
| 3 | Households living in safe houses (%) | 29.8 | 37.8 | 40 | 60 |
| Target 11.3 By 2030, enhance inclusive and sustainable urbanization | | | | | |
| 11.3.2 | Proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically | | | | |
| 1 | Planned new cities (number) | 10 | 23 | 27 | 60 |
| 2 | Households residing with five and more persons (%) | 46.7 | 39.6 | 43.6 | 20 |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

At the current pace, it will be difficult to meet the target of achieving 60 per cent safer houses in 2030. This needs to be accelerated. The government has developed and has been implementing a national action plan on ending gender-based violence. More efforts will be made and necessary policies and programs will be intensified to reduce such violence.

Similarly, in order to develop safe and resilient urban areas, a National Urban Policy was formulated in 2007. A new national urban development strategy was adopted in 2017 with a view to making the cities sustainable, and ensuring safe, adequate and affordable housing in the country. The National Urban Development Strategy is in line with SDG 11 and the New Urban Agenda proposed under Habitat III. It looks at social, physical, and environmental dimensions in a holistic manner, while taking into account the proper land use policy and development of a public transport system to serve such urban settlements.

SDG 12 – Ensure sustainable consumption and production patterns

The agricultural production (for major products) was 3.1 metric ton per hectare in

2018/19. The per capita agriculture production is 197.5 kg. Consumption of wood per capita, which was 0.11 cubic meter per year in 2015, was at 0.65 cubic meter per year in 2018/19; this is proposed to be contained within 0.05 cubic meter per year. Use of fossil fuel was 15.5 per cent in 2019, which is higher than the target. Cereal crops as percentage of cultivated land is 76.3 per cent (Fig 5.12), which is lower than the target. Similarly, the use of plastic per capita, which was 2.7 gram per day in 2015, is now at 2 gram per person and is targeted to be brought down to nil in 2030.

Recycling of plastics in manufacturing industries (as per cent of industries) was hovering around 25 per cent in 2018/19, which was not much of increase from 24.5 per cent in 2015. Similarly, the reuse of glass and metal products in manufacturing industries (as per cent of industries) was also stagnant at 7.2 per cent in 2018/19 while the target was to increase it to 29.3 per cent in 2019.

Sustainable consumption and production is an issue of great importance, especially if we are to use our natural resources in a sustainable manner with inter-generational equity in mind. Although limited progress

TABLE 5.12: SDG 12 - Ensure sustainable consumption and production patterns

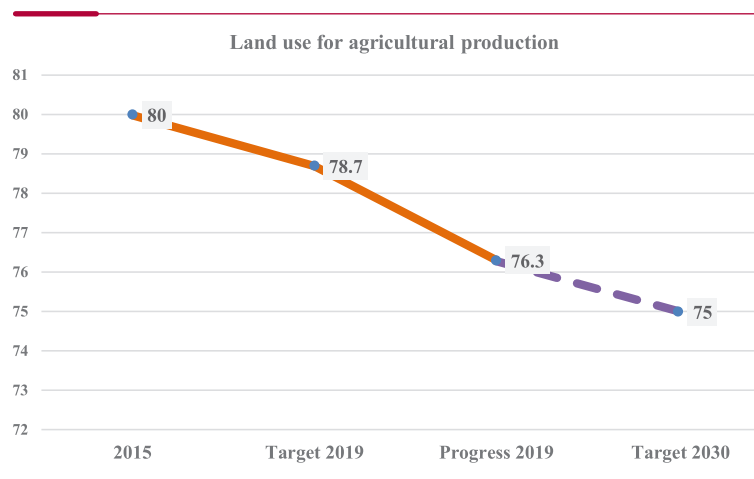
| Targets and indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|--|----------------|--------------|-----------------|--------------|
| Target 12.2 By 2030, achieve the sustainable management and efficient use of natural resources | | | | | |
| 12.2.2 | Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP | | | | |
| 1 | Use of fossil fuel energy consumption (% of total) | 12.5 | 13.2 | 15.5 | 15 |
| 3 | Land use for agricultural production (cereal as per cent of cultivated land) | 80 | 78.7 | 76.3 | 75 |
| 4 | Soil organic matter (%) | 1 | 1.8 | 1.92 | 4 |
| 5 | Consumption of wood per capita cubic meter | 0.11 | 0.09 | 0.65 | 0.05 |
| Target 12.4 By 2030, achieve environmentally sound management | | | | | |
| 1 | Use of plastics (per capita per gram) | 2.7 | 2 | 2 | 0 |
| Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse | | | | | |
| 12.5.1 | National recycling rate, tons of material recycled | | | | |
| 12.5.a | Re-cycling of plastics in manufacturing industries (% of industries) | 24.5 | 42 | 25 | 90 |
| 12.5.b | Re-use of glass and metal products in manufacturing industries (% of industries) | 7.2 | 29.3 | 7.2 | 90 |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

has been made, there is growing awareness among the general public, particularly among the younger generation, towards sustainability. Various policies and programs will be strengthened to encourage sustainable production and consumption. Sustainable agriculture policies are being promoted, with a focus on organic production and the efficient use of water. Efforts need be made towards enhancing regulatory and incentive mechanisms to reduce waste in production and consumption, and for waste management with due emphasis on 'reduce, recycle and reuse'. FPCRN emphasizes for fair and competitive market, responsible supplies and promotion of digital content market to promote sustainable production and consumption. We also need to do more to enhance awareness as well as to promote sustainable consumption and production in the coming years with more targeted programs, in collaboration with all the stakeholders, in particular the private sector and the general public.

SDG 13 – Take urgent action to combat climate change and its impacts

As a least developed and mountainous country, Nepal has minimal contributions

Fig. 5.12: Land use for agricultural production (cereal as per cent of cultivated land)


to the emissions of GHGs, as it emits only 0.027 per cent of the global emissions. Yet, it is one of the most vulnerable countries to the adverse impacts of climate change.

The Himalayan range is the water tower of Asia and it provides water, energy, food and ecosystem services not only to the millions of people in Nepal but close to 2 billion people across the border as well. The number of glacier lakes has increased by 11

TABLE 5.13: SDG 13 - Take urgent action to combat Climate change and its impacts

| Targets and indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|--|-------------------|-----------------|--------------------|-----------------|
| Target 13.2 Integrate climate change measures into national policies, strategies and planning | | | | | |
| 13.2.1 | Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change | | | | |
| | a) Local adaptation plan preparation (number of local levels) | 4 | 36 | 68 | |
| | b) Community level adaptation plan | 31 | 231 | 342 | |
| | c) Implementation of adaptation plan | 0 | 15 | 68 | |
| | d) Climate smart villages | 0 | 45 | 42 | |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

per cent and glaciers recede on an average of 38 square km per year. Hence, climate change has visible and pronounced impacts on snow and glaciers that are likely to increase Glacial Lake Outburst Floods (GLOFs). Nepal has suffered from increased frequency of extreme weather events such as landslides, floods and droughts resulting in the loss of human lives as well as high social and economic costs. Climate change induced and hydrological disasters are already major challenges for Nepal. The International Centre for Integrated Mountain Development (ICIMOD), a regional organization of the mountain countries of the Hindu Kush and Himalayas, has estimated that almost 1.5 to 2 per cent of Nepal's GDP is lost due to these disasters.

Nepal is a party to the 2015 Paris Agreement within the United Nations Framework Convention on Climate Change (UNFCCC). The country submitted its Nationally Determined Contributions (NDCs) in 2016 and is preparing an updated NDC for submission in 2020 to the UNFCCC. The government is preparing the enhanced NDC by raising ambition in adaptation and mitigation targets for the country. Nepal supports initiatives to limit temperature rise to well below 2°C leading to 1.5°C above pre-industrial levels in order to reduce the risks and adverse impacts of climate change on its people and their livelihoods.

With strong financial and technological support from the international community, Nepal has committed to make efforts to achieve some of the long term goals. Nepal will maintain 45 per cent of the total area of the country under forest cover, and forest productivity and products will be increased through the sustainable management of forests. Emphasis will equally be given to enhance carbon sequestration and forest

carbon storage and improve forest governance. Nepal will pilot a sub-national project on REDD+ to reduce about 14 million tons of CO₂-eq by 2020 by addressing the drivers of deforestation and forest degradation, and strengthening governance mechanisms in all types of forests and protected areas. In 2018, 68 plans in the local levels and 342 plans at the community level were prepared; 68 adaptation plans are being implemented (Details are included in Table 5.15).

The National Climate Change Policy 2019 is also under implementation. The main objectives of this policy are to build the capacity of disadvantaged groups to face the challenges of climate change, build resilient ecosystems, reduce carbon emissions and promote a green economy, mobilize international resources for mitigation and adaptation, mainstream climate change in all sectoral and cross sectoral policies, and

mainstream GESI. It has identified eight key sectors ranging from agriculture to biodiversity, energy, industry, transportation and disaster management, among others. It also has provisions for institutional arrangements and implementation programs by all federal units, financial aspects, capacity enhancement, research and monitoring and evaluation, and so on.

The government has taken steps to systematically mainstream climate change in the planning and budgeting process through the endorsement of the National Climate Change Financing Framework 2017. The Ministry of Finance is taking the lead in the climate finance agenda, and taking steps to access and manage domestic and international climate finance. Institutional set ups such as the Climate Finance Unit and Inter-ministerial Coordination Committee on climate finance have been established to coordinate and make necessary reforms in the Climate Budget Tagging process, as well as access international climate finance through the Green Climate Fund and other vertical funds.

The local levels have also internalized climate action and incorporated programs through the Local Adaptation Plan of Action (LAPAs) in 90 village development committees and seven municipalities. Similarly, about 375 local adaptation plans and nearly 2200 Community Adaptation Plans of Action (CAPAs) for community forests have been developed. Nepal had revised the LAPA framework in 2019 to align with the federal restructuring process, and has initiated the process for the formulation of National Adaptation Plans (NAPs).

Furthermore, Nepal is also a signatory to international conventions like the UNFCCC and the Kyoto Protocol, further reinforcing

its commitment to reduce GHG emissions. Similarly, the Nepal National REDD+ Strategy was also endorsed in April 2018. It aims at strengthening resilience of forest ecosystems for emission reduction and increased environmental, social and economic benefits through improved policies, measures and institutions with enhanced stakeholder capacity, capability and inclusiveness.

As global warming keeps increasing every year, Nepal is deeply concerned about the lack of ambition in GHG mitigation measures at the global level. Melting glaciers, erratic weather patterns and rising temperature have adversely impacted the lives and livelihoods of people. Similarly, adaptation efforts need to be enhanced with stronger global partnerships, finance and technological support for the most vulnerable countries. The promised support has also not come forward as per the commitments made at the international level. As a country already suffering losses and damages due to climate change events, Nepal calls for stronger and urgent global actions.

SDG 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Although Nepal is a landlocked country, healthy oceans and seas and sustainable use of marine resources are issues of our common global interests as a consumer of marine resources as well as a user of marine transport for global trade. Nepal is party to the United Nations Convention on the Law of the Sea (UNCLOS). As a party to UNCLOS, Nepal has the right of access to and from the sea as provided by this convention. Smooth and efficient transit reduces the cost of international trade, which in turn contributes to reduce poverty and promote sustainable development. Similarly, Nepal

is eligible to benefit from the common heritage of mankind as all rights in the resources of the area as defined by the treaty are vested in mankind as a whole.

Furthermore, the ecosystems of the oceans and seas and the Himalayan ecosystem are interlinked and interdependent as part of the larger global ecosystem. The recent global climate change impacts have proven that we are all parts of the whole, and interconnected with each other. The melting of glaciers in the Himalaya affects adjacent seas and surrounding areas, and the monsoon clouds generated from the seas and oceans affect the cycle of precipitation in Nepal, thus impacting agriculture, water and livelihoods. This inter-linkage and interdependence call for closer cooperation among landlocked countries and the coastal countries of the region, and seas and oceans beyond.

SDG 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

The forest area is gradually increasing in Nepal. While the figure was only 39.6 per cent in 1987/88, forest areas marks 44.74 per cent of the country in 2019/20. The forest density has remained the same at 430 since 2015 while the target was to reach 487 in 2019. The rapid increase in forest areas during 1987-2015 was because of the successful implementation of forest protection programs, migration from rural areas, and active participation of the community in the protection of forests. Forests under community-based management make up 42.7 per cent of the forest areas in Nepal.

With an effort to conserve biodiversity, 23.39 per cent of the total land area includ-

ing forests have been declared protected. Similarly, the conservation of around 1000 lakes, wetlands and ponds are also taking place. There has been an increase in the number of wild tigers and rhinos as a result of community led anti-poaching efforts, which drastically decreased illegal killings. However, the number of community-led efforts have decreased since 2015 and stood at 126 in 2018/19.

Nepal occupies just about 0.1 per cent of the global area, but harbors 3.2 per cent and 1.1 per cent of the world's known flora and fauna, respectively. This includes 5.2 per cent of the world's known mammals, 9.5 per cent of birds, 5.1 per cent of gymnosperms, and 8.2 per cent of bryophytes. A total of 118 ecosystems have been identified in Nepal (Detail in Table 5.16). The government is committed to conserving the flora and fauna and its efforts have been supported by local communities. The government has been implementing its National Biodiversity Strategy and Action Plan (2014-2020) with support from all stakeholders, national and international. Similarly, the Community Forest Act, 1993, has also contributed towards the sustainable management of forests.

Nepal is a Himalayan country with a fragile ecosystem. The country is cognizant of the need for a fine balance between the protection and sustainable regeneration of natural and biological resources, livelihood opportunities of the mountain people, promotion of their indigenous knowledge and culture, development of infrastructure and building resilience from natural disasters. The promotion of a holistic approach to all dimensions of sustainable development is more critical in the mountains than anywhere else. Furthermore, the protection of the mountain environment has immediate and multidimensional impacts on the low lands in view of their organic linkages through water, energy, food, diverse products and

TABLE 5.14: SDG 15 - Protect, restore and promote sustainable use of terrestrial ecosystems

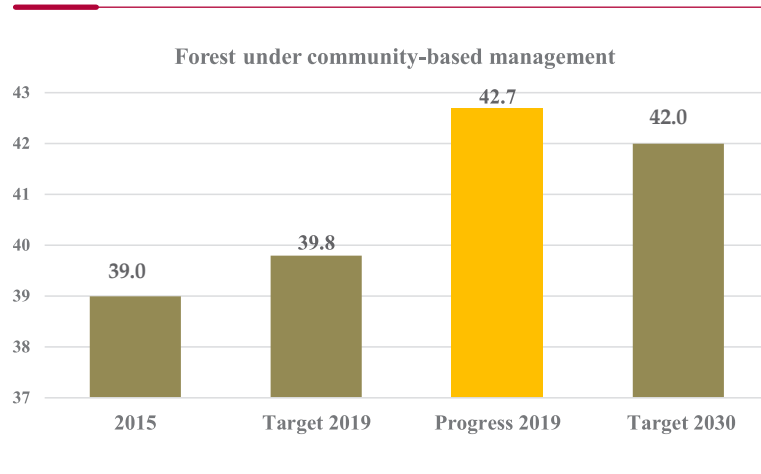
| Targets and indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|---|----------------|--------------|-----------------|--------------|
| Target 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems | | | | | |
| 15.1.1 | Forest area as a proportion of total land area | 44.7 | - | 44.7 | - |
| 1 | Forest under community-based management (% of total dense forest areas) | 39 | 39.8 | 42.7 | 42 |
| 15.1.2 | Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type | | | | |
| 1 | Protected area (including forest, in per cent of total land area) | 23.2 | 23.3 | 23.39 | 23.3 |
| 2 | Conservation of lakes, wetlands, and ponds (number) | 1727 | 2599 | 1000 | 5000 |
| Target 15.2 By 2020, promote the implementation of sustainable management of all types of forests | | | | | |
| 15.2.1 | Progress towards sustainable forest management | | | | |
| 1 | Handover of forests to leasehold forest groups (000 hectare) | 44.6 | 44.6 | 45.4 | 44.6 |
| 2 | Afforestation in public and private lands (hectare per annum) | - | 5000 | 4000 | 5000 |
| 15.3.1 | Proportion of land that is degraded over total land area | | | | |
| 1 | Forest density (Average number of trees per hectare) | 430 | 487 | 430 | 645 |
| 15.5.1 | Red List Index | | | | |
| 3 | Wild tigers (number) | 198 | 205 | 235 | 225 |
| 4 | Rhino (number) | 534 | 600 | 645 | 783 |
| 5 | Community led anti-poaching units mobilized (number) | 400 | 400 | 126 | 400 |
| Target 15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning | | | | | |
| 15.9.1 | Progress towards national targets established in accordance with Aichi Biodiversity Target 2 of the Strategic Plan for Biodiversity 2011-2020 | | | | |
| 1 | Plant (floral) species under conservation plan (number) | 3 | 30 | 7 | 15 |
| 2 | Animal (faunal) species under conservation plan (number) | 5 | 48 | 10 | 15 |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

other ecosystem services from the mountain resources.

Further efforts will be made to prevent the unplanned opening of road tracks, soil erosion, degradation of mountain watershed and unsustainable extraction of sand and pebbles. Similarly, a balance between the protection of the ecosystem and development activities, as well as sharing of benefits with local people and payment of ecosystem services will be further streamlined and institutionalized.

The community forestry program in Nepal has been incredibly successful in protecting forests and promoting sustainable

Fig 5.13: Forest under community based management (%)


utilization of resources with local community ownership, as well as sharing of benefits with the community. As a result, areas covered by forests have increased, and the benefits accrued from the protected forests have been shared by a larger number of the local population. Similarly, integrated watershed management and community based eco-tourism, together with forest and biodiversity conservation, would further contribute to achieve the targets of SDG 15.

SDG 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Good governance and accountability are a priority of the government, and are still a work in progress. In 2015, trafficking of children abroad was 64 (per 100,000); this dropped to 23 in 2018/19. The number of

people affected by any kind of disaster or conflict was 17.1 per 1000 while death from such incidences was 1.7 per 100,000. The targets also include ending the practice of marriage before the legal age and increasing birth registrations. The percentage of girls who were married between 15-19 years of age was 19.3 per cent, and the children under 5 years of age who were registered was 77.2 per cent of the child population. The percentage of women in public institutions has significantly increased (Details included in Table 5.15.1).

As part of the final stage of political transition from the armed conflict, the Truth and Reconciliation Commission and the Commission on Investigation on Enforced Disappeared Persons have been established to provide justice to victims. The government is committed to concluding the process in accordance with the comprehensive peace accord, the directive of the Supreme Court of Nepal, relevant international commitments and concerns of the victims.

TABLE 5.15.1: SDG 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

| Targets and indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|--|----------------|--------------|-----------------|--------------|
| Target 16.1 Significantly reduce all forms of violence and related death rates everywhere | | | | | |
| 16.1.1 | Number of victims of intentional homicide per 100,000 population, by sex and age | | | | |
| 1 | Direct deaths from armed and violent conflict (number) | 1628 | - | 659 | - |
| 16.1.2 | Conflict-related deaths per 100,000 population, by sex, age and cause | | | | |
| 16.1.3 | Proportion of population subjected to physical, psychological or sexual violence in the previous 12 months | 23.6 | - | 13.5 | - |
| 16.1.4 | Proportion of population that feel safe walking alone around the area they live in | - | - | 59.7 | - |
| 16.2.1 | Proportion of children aged 1-17 years who experienced any physical punishment and/or psychological aggression by caregivers in the past month | | | | |
| 1 | Children age 1-14 years who experienced psychological aggression or physical punishment during the last one month) (%) | 81.7 | 60 | 77.6 | 0 |
| 16.2.2 | Number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation | | | | |
| 1 | Children trafficking to abroad (including India) per annum (reported number) | 64 | 47 | 23 | 0 |
| 16.2.3 | Proportion of young women and men aged 18-29 years who experienced sexual violence by age 18 | - | - | 2.1 | - |

Source: *SDGs Status and Roadmap: 2016-2030; **SDGs Progress Assessment Report (2016-2019).

TABLE 5.15.2: SDG 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

| Targets and indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|---|----------------|--------------|-----------------|--------------|
| Target 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all | | | | | |
| 16.3.1 | Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms | 4.2 | - | 7.5 | - |
| 1 | Transparency, accountability, and corruption in public (score out of 6) | 3 | 4 | 3 | 5 |
| 16.3.2 | Unsentenced detainees as a proportion of overall prison population | | | | |
| 2 | Good governance (Reported along a scale of -2.5 to 2.5. Higher values correspond to good governance) for control of corruption | -0.78 | 0 | -0.82 | 2 |
| Target 16.5 Substantially reduce corruption and bribery in all their forms | | | | | |
| 16.5.1 | Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months | | | | |
| 1 | People's perception on corruption (% of people with at least one instance in the past 12 months that require to give a bribe/present) (Corruption index score) | 29 | 21 | 10 | 0 |
| Target 16.6 Develop effective, accountable and transparent institution at all levels. | | | | | |
| 16.6.1 | Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar) | 76 | 81.1 | 77.9 | 95 |
| 16.6.2 | Proportion of population satisfied with their last experience of public services | - | - | 80 | |
| Target 16.9 By 2030, provide legal identity for all, including birth registration | | | | | |
| 16.9.1 | Proportion of children under 5 years of age whose births have been registered with a civil authority, by age | 58.1 | 66 | 77.2 | 100 |
| Target 16.a Strengthen relevant national institutions | | | | | |
| 16.a.1 | Existence of independent national human rights institutions in compliance with the Paris Principles | 1 | - | 3 | |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

As far as making safe and resilient society is concerned, the proportion of women victims of physical or sexual harassment was 11.2 per cent in 2018/19. It was lower than the baseline data, but higher than the target in 2019. Likewise, the percentage of women facing violence in their lifetime was 24.4 per cent in 2018/19. Additionally, 23 cases of trafficking of children were reported in 2018/19 (Detail data in Table 5.13).

The government is committed to strengthening the rule of law and ensuring equal access to justice to all its citizens, especially to those who are disadvantaged. It has adopted various legislations in its endeavor to implement the constitutional provisions on fundamental rights and is working to successively formulate more. Such legislations and institutional mechanisms facilitate the access of marginalized communities to jus-

Fig 5.14: Proportion of children under 5 years of age with birth registered (%)

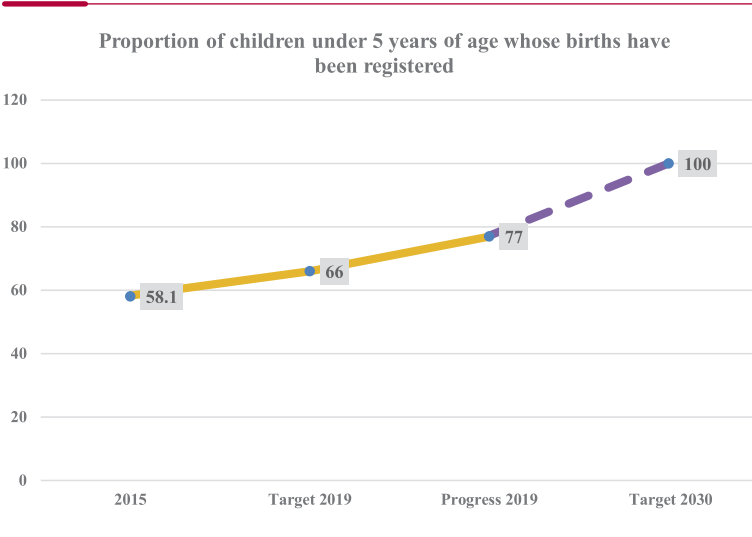
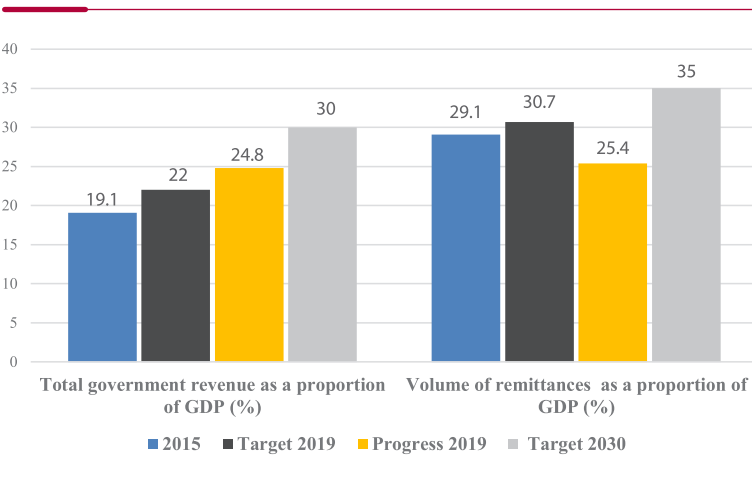


Fig. 5.15: Government revenue and remittance inflow as per cent of GDP



tice, including through the provision of free legal aid services. There is a strong commitment of the government to ensure that they are not barred from getting justice.

Promotion of rule of law, zero tolerance on caste-based discrimination and other harmful social practices, access to justice and institutional capability at provincial and local levels will be further consolidated. Inclusive political representation, targeted support programs, affirmative actions, economic upliftment activities, advocacy and awareness campaigns and the overall transformation of the state structure following the adoption of the Constitution of Nepal have greatly contributed to enhance justice, accountability and inclusiveness. Various Acts have been implemented that can help in achieving the targets; a few examples of such are the Commission for Investigation of Abuse of Authority Act, 1991, Financial Procedures Act, 1999, Good Governance Act, 2007, Public Procurement Act, 2007, Right to Information Act, 2007, and the Audit Act, 1991. Though Nepal has made significant efforts towards creating a peaceful, inclusive and just society, it needs to fast track progress in all the areas under Goal 16 as a cross-cutting issue in order to realize the 2030 Agenda.

SDG 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Nepal has been making remarkable attempts to expedite the implementation of the SDGs through open, transparent and strengthened global partnerships. These goals call for vigorous and enhanced levels of global partnerships in all dimensions in the spirit of mutual accountability: ODA,

TABLE 5.16: SDG 17- Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

| Targets and Indicators | | Baseline 2015* | Target 2019* | Progress 2019** | Target 2030* |
|--|--|----------------|--------------|-----------------|--------------|
| Target 17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection | | | | | |
| 17.1.1 | Total government revenue as a proportion of GDP, by source | 19.1 | 22 | 24.8 | 30 |
| 17.1.2 | Proportion of domestic budget funded by domestic taxes | 76 | 77.1 | 73.9 | 80 |
| Target 17.3 Mobilize additional financial resources for developing countries from multiple sources | | | | | |
| | a) Official development assistance as a proportion of total domestic budget, (%) | 15.1 | 15.8 | 11.2 | 18 |
| | b) Foreign Direct Investment (FDI) as a proportion of total domestic budget | 1.9 | - | 1.94 | - |
| | d) FDI as a proportion of GDP (Inward stock) (%) | 4.8 | 7.3 | 6.2 | 20 |
| 17.3.2 | Volume of remittances (in United States dollars) as a proportion of total GDP | 29.1 | 30.7 | 25.4 | 35 |
| Target 17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress | | | | | |
| 17.4.1 | Debt service as a proportion of exports of goods and services | 12.6 | 13.2 | 8.89 | 15 |
| 1 | Outstanding Debt to GDP Ratio (%) | 26.5 | 28.8 | 30.3 | 35 |
| Target 17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations Level, and through a global technology facilitation mechanism when agreed upon. | | | | | |
| 1 | Internet Density (per 100 person) | 49.8 | 65 | 73 | 95 |

Source: *SDG Status and Roadmap: 2016-2030; **SDG Progress Report (2016-2019).

trade, investment, capacity building, institutions and data. The SDG financing strategy shows that serious commitment and efforts as well as huge investments are required for the effective implementation of the SDGs.

The total government revenue as a proportion of the GDP is 24.8 per cent, and its growth over the past years has remained robust at over 19 per cent, which achieved the target for 2019. While this has been encouraging, the proportion of budget funded by domestic taxes has decreased (73.9%) even with respect to the base year of 2015 (76%). The ODA in Nepal is 11.2 per cent of the national budget and 3.8 per cent of the GDP,

while foreign direct investment is only 0.59 per cent of the GDP; the volume of remittance inflow made up 25.4 per cent of the GDP in 2018/19. Foreign aid has remained a significant contributor to the country's fiscal system although Nepal has not been able to attract as much foreign assistance as other low-income countries.

The total flow of foreign aid in absolute terms has increased over time but the ratio in relation to the GDP has declined over the years. Foreign aid disbursement as proportion of commitment is 65.1 per cent with significant differences between loans and grants. Grant utilization was only 29.9 per cent compared to 70.1 per cent for loans.

Over two-thirds of the aid has gone to productive sectors—agriculture, industry, transport and energy – and the rest to the health, education and environment spheres.

The ratio of outstanding debt to GDP was 28.3 per cent in 2018/19. Debt services as a proportion of exports of goods and services has declined, while outstanding debt to GDP ratio has remained reasonable. So, Ne-

pal has comfortable fiscal space to mobilize public debt for productive investment.

The progress regarding Internet density is expected to be 73 per 100 persons in 2019/20. The government has been promoting new technologies and technological adaptations to increase efficiency in production and enhancing service delivery in key areas of sustainable development.

Chapter 6

Means of Implementation

The means of implementation covers all areas and all stakeholders – public and private, domestic and international, finance and non-finance measures. Ownership and policy commitment, investment, institutions, multi-stakeholder partnerships and monitoring have to move in tandem for the effective implementation and delivery of the SDGs. Nepal has prepared an extensive costing and financing strategy for the SDGs to assess the scope and scale of investment. There is a huge financing gap in investment for the SDGs despite maximum efforts to mobilize all types of resources from the government, private sector, cooperatives and private households.

6.1 Resource Mobilization

The cost analysis carried out by the NPC estimated a total annual investment of NRs 2,025 billion is required for achieving the SDGs in line with the 2030 targets. The financing gap for SDGs in total was NRs 585 billion, with public and private sector investment gaps of NRs 218 billion and NRs 367 billion respectively (NPC, 2018a). This was calculated on the basis of the existing trends of resource mobilization and patterns of available resource allocation against investment requirement in major SDG areas.

Strengthening domestic capability for tax, which has been taking place for a number of years, is showing some positive results in

Nepal. The government revenue as a proportion of GDP is expected to reach around 24 per cent in 2019/20; it was 21.4 per cent in 2015/16.

In Nepal, ODA plays a critical role in meeting the increasing need for investment for poverty reduction, human development and infrastructure building. Despite consistent efforts, low capital formation, low income, persistence of multidimensional poverty, difficult geographic terrain and high cost of infrastructure require huge resources for investment. We are glad that in 2019, the ODA going to LDC showed a small uptick of about 3 per cent in real terms from 2018, reversing the downward trend. While this is a positive trend, development partners are nowhere near the target of 0.15 to 0.20 per cent of their GNI. In 2019, only a few countries met the lower bound of targets. We urge all development partners to report about their plans to meet the upper bound goals and commitment for delivery at the earliest in a spirit of mutual accountability. We would also like to see such an enhanced level of ODA mobilized both for social development as well as for infrastructure and productive capacity development around the world. In the case of Nepal, the ODA has been hovering around 11 per cent of its budget, compared to about 20 per cent in the last decade. Similarly, there is a growing component of loan in relation to grant in the official development assistance. Of the total assistance, it was 24.2 per cent grant and 75.8 per cent loan in 2019/20.

The government has formulated the International Development Cooperation Policy, 2019, based on the national aspirations experiences and achievements gained in the past. Outlining the national needs and priorities for such cooperation, aid mobilization and coordination modalities, it calls for implementation of the aid effectiveness commitments through greater compliance with the principles of 'alignment' and 'ownership,' where the recipient country owns and leads the implementation of aid-supported development projects using its own national systems. It also stresses aid harmonization, which is working well in social sectors such as education and health, in order to roll out similar sectoral harmonized approaches in other sectors on the basis of evaluation.

FDI coming to Nepal has generally increased over the years. But because of the low initial level and slow pace of growth of FDI, it is still far below the full potential of the country. There are no specific investment promotion measures for LDCs adopted by the development partners. We urge all the partners, both from the north and the south, to increase them with promotional measures such as mitigation of risks and concessional measures to promote FDI going to these vulnerable countries. This would be helpful in meeting the investment gap in these countries. In the last few years, Nepal has committed and implemented FDI facilitation policies with a forward-looking approach. The country has consolidated its FDI promotional measures with a more effective one window policy, quicker decision-making process, further consolidation of rules and regulations and additional incentives to promote investment in its SEZs and EPZs. The total FDI inflows in 2018 amounted to USD 160.7 million, equivalent to 0.59 per cent of the GDP. A majority of

FDI is coming from the two neighboring countries, India and China, with a focus on infrastructure, and some productive as well as tourism service sectors.

Remittance is playing a vital role in reducing poverty, enhancing human development and entrepreneurship, and helping increase foreign exchange reserves in the country. While international migration has provided employment opportunities to the youth, it has also led to social implications and the loss of contributions of productive youth within the country. The government has a long-term vision to create better employment opportunities within the country with a view to reducing the number of youth who are compelled to look for employment abroad. In the meantime, as a short term measure, it is working on improving the labor conditions in the destination countries, extending support for better utilization of the skills of the returnees, and providing resources for productive purposes with various schemes and programs, including financial inclusion and financial literacy, in different parts of the country. The remittance to GDP ratio stands at 24.4 per cent, which is one of the highest in the world. The cost of remitting money to South Asia is 5.2 per cent on average, even though some corridors charge higher.

Thanks to fiscal prudence, Nepal's debt situation remains comfortable in terms of its outstanding debt to GDP ratio. There is a balance between internal and external loans, which stands at 30.3 per cent of the GDP as of mid-March 2020. The outstanding external debt amounts to 18.6 per cent of the GDP and internal debt amount to 11.7 per cent of the GDP. This leaves some cushion for the government to promote productive investment through debt financing.

6.2 Information and Communications Technology

Technology plays a critical role in accelerating the implementation of the SDGs across the sectors. With revolutions in science and technology, and the massive transformative power of new technologies—including those related to Artificial Intelligence and the Fourth Industrial revolution—more promotional measures by development partners to facilitate technology transfer and adaptation, with specific technological cooperation for countries like Nepal, will lead to positive impacts. Nepal is also committed to promoting a knowledge-based economy and necessary measures are being taken to support and encourage the transition to a knowledge economy. Similarly, Nepal looks forward to the effective work of the Technology Bank for LDCs with the promotion of useful, transformative and comprehensive technology support to an LDC like Nepal.

Nepal has given priority to the development of the ICT sector as one of the important transformative means to promote sustainable development. The multi-dimensional impact of the ICT sector is obvious, and a new ICT plan and policy has been adopted. The government has been implementing Digital Nepal as a game-changer project. Additionally, the density of mobile phone users has reached 137 per cent due to the wide network and connectivity of telecommunication. Internet density has also increased to 73 percentage of the total population (MOF, 2020a). Today, ICT is widely utilized as a means of communication and entertainment, and a social platform; it is also used for some service delivery and retail services. However, there is more to be done to increase the use of ICT to enhance productivity, educational opportunities, health and social awareness, as well as for

effective service delivery and disaster mitigation.

6.3 Capacity Building

Capacity building is one of the major areas of cooperation that needs to be given high priority in collaboration with countries like Nepal. As the SDGs promote an integrated and holistic concept of development while leaving no one behind, it calls for a paradigm shift in approaching development work. Therefore, capacity enhancement of the government as well as all stakeholders, including those at the subnational levels, will enhance coherence, integration and effective implementation of the SDGs. Such assistance should be targeted, effective and transformative. The share of technical assistance in ODA in 2018/19 was 13 per cent, which was almost the same as in 2014/2015.

6.4 Trade

Trade is an engine of growth, and a fair and inclusive international trade could be effectively promoted to eradicate poverty and promote sustainable development. Countries like Nepal have consistently called for a universal, rules-based, open and equitable multilateral trading regime. It is, therefore, deeply concerned about the recent trends of marginalization of the global multilateral trading system, lack of progress in the Doha round of negotiations, rising tensions between major economies and rise of protectionist tendencies, and, of late, the drastic reduction in international trade due to COVID-19. Nepal currently enjoys various degrees and coverage of duty-free quota-free access to markets of trading partners. However, we are yet to see the effective implementation of duty-free quo-

ta-free market for all products of LDCs by developed countries and developing countries in a position to do so. Furthermore, non-tariff measures, lack of productive and trading capacity, and trade related infrastructure challenges have further hampered the full utilization of Nepal's trade potential. Similarly, regional cooperation to promote trade, transport and connectivity have been prioritized. Further consolidation of efforts to create and strengthen value chain networks, reduction of non-tariff measures, and integrated transport networks would ensure enhanced benefits to all.

Nepal's trade statistics and the import-export ratio give us a picture of where we stand on this. Because of the low base of exports, more needs to be done. In 2018/19, the merchandise import-export ratio was 14.7 (NPC, 2020a). For the first ten months of 2019/20, merchandise exports increased by 4.5 per cent while imports decreased by 13.0 per cent (NRB, 2020). Even though the export figures are showing some signs of improvement in the last few years, there is a huge imbalance between exports and imports because of the high cost of international trade and low productive and trading capacity. The government has initiated many supportive programs to enhance such capacity with policy interventions and incentive mechanisms.

6.5 Multi-stakeholder Partnerships

Nepal is successively strengthening country-owned results framework and planning tools in utilizing development cooperation and assistance. Coherence and coordination among stakeholders is growing, and mutual dialogue and discussions on priorities take place at regular intervals. The proportion of development assistance reflected in the

national budget is increasing and reached 78 per cent in 2018/19. Nepal intends to ensure that each development cooperation assistance is brought within the government's budgetary framework in the coming years. The effective implementation of the Paris Principles and the Busan Partnership for Effective Development Cooperation should be enhanced.

It needs to be reinforced the revitalization of the global partnership for sustainable development. Countries with multiple vulnerabilities – such as least developed, land-locked, and disaster prone and climate vulnerable countries, such as Nepal – should be given due priority in global partnerships in the spirit of 'Leaving no one behind'. It is also important to look at the issue of partnership from the global perspective. Providing support and assistance to vulnerable countries to eradicate poverty and promote sustainable development means investment in peace, stability and global public goods. In a globalized and integrated world, it is a common responsibility and our national efforts and global support should complement each other. It is in this spirit that we should be analyzing the delivery on the means of implementation.

The country is taking on board all stakeholders to promote sustainable development. Through consultations, it has worked with the stakeholders on policies, programs, implementation, and advocacy efforts. Nepal is committed to utilizing the knowledge, expertise, technology and financial resources of all stakeholders for promoting sustainable development. The government is gearing its efforts towards implementing the SDGs with a 'whole-of-government' and a 'whole-of-society' approach. There is enough space for the private sector, cooperatives and CSOs to contribute in the goals related to poverty, education, health, and

employment, inter alia. The private sector could utilize corporate social responsibility-related activities to contribute to achieving the SDGs. The government remains committed for consolidation and deeper coordination with all stakeholders, the private sector, civil society, parliament, and major groups to take forward and deepen the SDG agenda in Nepal. Partnerships will be further promoted at the federal, provincial and local levels. (Some of the specific details of the collaboration has been elaborated in the Policy Environment and Coherence Chapter of this report.)

6.6 Data, Monitoring and Accountability

Monitoring and data have received the priority attention of the government. A new statistical development strategy has been prepared and a new statistics act is in the process of enactment. This is expected to further promote quality, timely and disaggregated data collection in the days ahead. The government has initiated a National Data Profile portal as an integrated open data platform for all three tiers of government.

As Nepal has increased the number of indicators to 479 as per its national context and the realities on the ground, the process of collecting data to monitor those indicators is going to be another important and challenging task for the government. For that reason, it expects strong support from all stakeholders. Therefore, the capacity of CBS is being strengthened and that of each ministry to provide timely information on policies and their implementation status will also be further consolidated. Nepal had the last national census in 2011, and preparations are on for the next one to be held in 2021. Similarly, the national living stan-

dards survey was last performed in 2011 and the next survey is being conducted this year.

While Nepal is committed to enhancing the means of implementation with stronger national commitment, there is a need for equally vigorous and enhanced levels of global partnerships in all dimensions for the acceleration of the implementation of the SDGs. Transformative actions have to be taken by all stakeholders to speed up and scale up our activities to achieve the SDGs in the years ahead.

6.7 Systemic Issues

Although the global macroeconomic situation was improving slowly from the 2008 financial crisis, the COVID-19 pandemic has triggered massive macroeconomic shocks around the world. The recent report on Global Economic Prospects from the World Bank, released in June 2020, states the global economy is likely to contract by 5.2 per cent in 2020, and some projections portray slow recovery in the next year. In mid-May, UNCTAD projected up to 40 per cent reduction in FDI, WTO estimated almost 35 per cent reduction in international trade and the World Bank announced up to 20 per cent reduction in remittances globally. These drastic changes will have cascading impacts on the economic and financial situation of all countries including Nepal.

Given these sweeping short-term and possible medium- to long-term impacts across the sectors, combined with heavy dependence on the external sectors for development efforts in Nepal, there is need for focused but comprehensive international support measures to help vulnerable countries tide over the impacts of COVID-19. While there has been some short-term sup-

port from IMF, the World Bank and Asian Development Bank, a global stimulus package would be critical to the countries facing limited capacity and deleterious impacts like Nepal. Nepal is still assessing the full implications of COVID-19, and signs are clear that it will have a comprehensive and long-term cross sectoral negative impact. It will certainly have adverse impacts on poverty, health and education, inequality, employment, economic growth and sus-

tainable development across the sectors. The SDG implementation capacity could be severely undermined.

Promoting policy coherence and protecting policy space to ensure poverty reduction and sustainable development is critical for Nepal, as it has an initial condition of a low-level of human and economic development, high degree of vulnerabilities and limited capacity and resources.

Chapter 7

Good Practices

The SDGs are ambitious and of a transformative nature. There is need for a paradigm shift in the way the policies and programs are implemented. Effective implementation of some of the key entry points of the SDGs could have a demonstrative effect on accelerating progress on other goals. Nepal can offer a few examples by way of Good Practices. They have a strong reflection on equity and multi-dimensional impacts. We present our valuable experiences in relation to (i) contributions of the cooperative sector in Nepal, (ii) the development of and access to sustainable energy and (iii) community forestry management.

An attempt has been made to look at these experiences from a holistic perspective. Several aspects, such as the rationale for policy commitment, implementation modalities, investment, institutional arrangements and partnerships, have been presented in a nutshell. This provides us with a glimpse of what can be possibly achieved under specific circumstances, and how this has positively contributed to transform the lives of the people of Nepal.

7.1 Cooperative Movement

The cooperative sector plays an important role in the realization of the SDGs by connecting all three dimensions of sustainable development. Cooperatives are collaborating with the government to eradicate poverty and promote sustainable development. They are oriented towards supporting the economy through the mobilization of re-

sources across the country, women's empowerment and development of leadership skills at the community level.

One of the most important features of the cooperative movement in Nepal is their capacity to bring people together. Cooperatives allow even small income earners to join the credits and savings institutions, and lend them funds for various social needs and economic purposes without necessarily having to go through burdensome procedures. Similarly, consumer cooperatives have pulled their resources and skills together to create marketable products in scale, and also provide marketing services. Likewise, small scale off-grid rural energy programs have thrived, also because of the cooperatives bringing all the users together. Since the members of cooperatives are themselves owners and shareholders, it also empowers them to manage resources or services for themselves, enhancing their capability and skills along the way. This has also contributed to increase financial literacy and improve the status of financial inclusion in the country.

Though the first Cooperative Act in Nepal was enacted in the 1960s, the cooperative movement gathered momentum only during the 1980s and has not looked back since. During the 1980s, community-based savings and credit groups were formed supporting the local community through investments of small capital. The Cooperative Act and the Cooperative Regulations were enacted in 1992 and 1993 respectively. According to the Act, people could form

independent cooperatives to suit their requirements.

Thereafter, a new cooperative act and regulations were enacted in 2018 and 2019 respectively to be in line with the requirements of the new federal structure. As the new constitution has delegated authority to the local and provincial governments to promulgate laws as per their need, they can also enact and implement the cooperative law. There are 34,837 cooperatives in total, out of which a majority i.e. 13,578 are savings and credit cooperatives; 10,921 cooperatives are related to agriculture; and around 1,423 are consumer cooperatives (MOF, 2020a). There are 463 energy related cooperatives as well. The share capital of cooperatives is NRs 77 billion, the saving is NRs 351 billion and the credit (investment) is NRs 342 billion (MOF, 2020a). The remaining are engaged in multipurpose activities while others are working in the area of fruit and vegetable harvesting, bee-keeping, energy, coffee, sugarcane, health, etc.

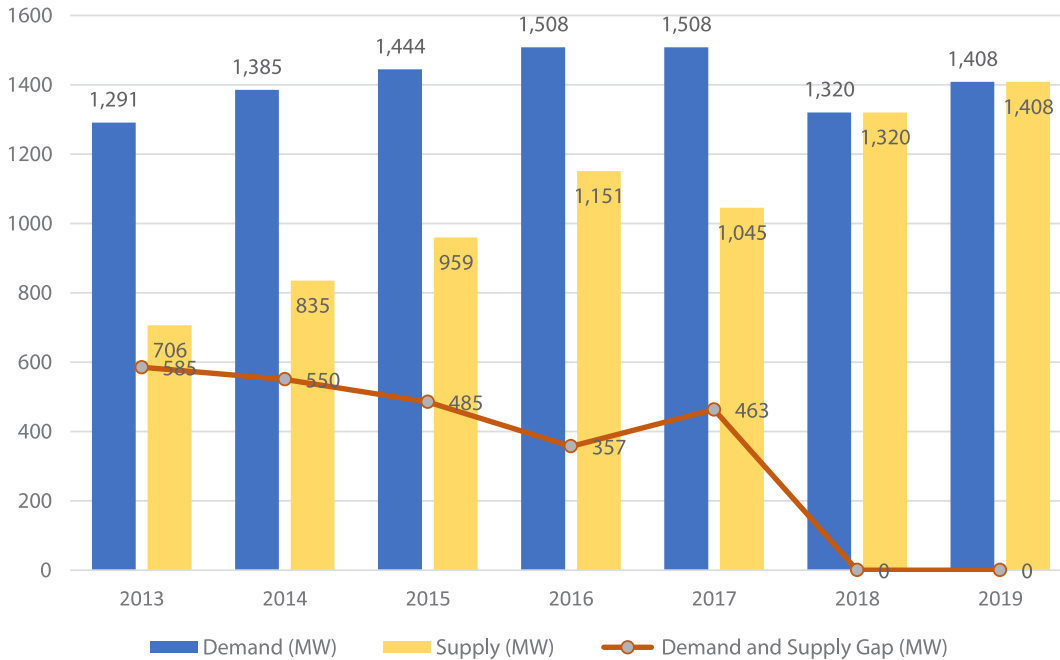
Cooperatives have not only been working towards strengthening the economic and social statuses of local people, they have also been specifically working towards women's empowerment. Data shows that out of the 6,515,460 cooperative members, currently more than a half are female (MOF, 2020a). Cooperatives have been especially beneficial to women as they support the members by providing resources as well as economic empowerment, and ensuring market access to their products. The cooperatives do not differentiate between class, caste and ethnicities, and ensure participation and interactions among all women breaking social barriers and thus promoting social inclusion. When women are socially and economically empowered, the benefits flow to households and society at large.

However, the data of the total number of employees and the participation of women at the decision-making level in the cooperative sector are not exceptional. Almost 68,400 people are directly employed in cooperatives. Attempts are being made to ensure equal participation at all levels of the cooperative sector. Efforts will also be made towards strengthening financial procedures and enhancing administrative as well as technical capabilities.

7.2 Sustainable Energy

There was a general trend towards promoting access to electricity in Nepal in the last several decades. It picked up momentum after the transition to peace from the armed conflict, and after Nepal suffered a debilitating power shortage and load-shedding spanning almost 15 hours a day at times.

The strong commitment to the electricity development decade since 2016; policy initiatives; institutional reforms; increasing investment; support from development partners; incentive mechanisms; public private partnerships; and the balanced development of grid, mini-grid and off-grid solutions turned the situation around. In the last five years, the gap between the demand and supply situation has almost been closed, and 90 per cent of the population has access to electricity, in particular, renewable energy. Of the total hydropower production of 1286 MW, private sector developed hydropower projects contributed 651 MW, a little over half of the total hydropower production in 2019. The cross-border energy trade has covered almost one-third of the total grid electricity (Figure 7.1). The per capita electricity consumption has increased 260 KWh (MOF, 2020a).

Fig. 7.1: Electricity supply and demand (MW)

Source: Economic Survey 2019/20 (MOF, 2020a).

The objective of ensuring universal access to clean, reliable and affordable energy is a challenge anywhere in a developing country, but more so in a country with low income, difficult geographic terrain and dispersed settlements. But a holistic approach, promotion of diverse sources of energy and various modalities for urban and rural populations have served us well.

To promote the grid connected energy, the government increased investment of its own resources, promoted private sector involvement and FDI with incentives and priority facilitation. It also ensured local involvement and local sharing of benefits with effective social and environmental assessments.

Consolidation of institutional reforms, enhancement of effectiveness of the National Electricity Authority, better and enhanced

transmission capacity, reduction in losses and cross-border trade improved the enabling environment for progress in the grid-connected energy sector. Now it is moving towards the establishment of the National Transmission and Grid Company, the Generation Company, and the Power Trade Company to ensure the division of responsibilities and independent work streams.

For rural energy promotion, Nepal has adopted several policies and programs that have been successful in mobilizing communities and local organizations to promote off grid, mini/micro grid and individual instalments. Working in collaboration with development partners, INGOs and the private sector, especially the communities and users committees including through the public private partnership model, Nepal has been successful in promoting sustain-

able energy in rural areas. The current National Rural Renewable Energy Programme is geared towards accelerating progress in this area with full participation of all stakeholders including the communities.

Following the Rural Energy Policy of 2006, the adoption of several policies and strategies, such as the Renewable Energy Subsidy Policy, 2016, Renewable Energy Subsidy Delivery Mechanism, 2016, Biomass Energy Strategy, 2017 National Renewable Energy Framework, 2017, National Energy Efficiency Strategy, 2018, and the Climate Change Policy, 2019, have provided strong and important frameworks to promote rural energy.

A dedicated institution, the Alternative Energy Promotion Centre (AEPC), was also established by the government to promote rural energy with Public Private Partnership. It has collaborated with almost 500 private companies and a similar number of local communities across the country. AEPC provides demand side cooperation such as capacity building, technical and financial assistance, coordination and quality control, while it engages with the

private sector for manufacturing, supply, installation and after-sales services of different renewable energy technologies, with particular focus on rural areas. It is implementing different programs and projects to promote renewable energy systems in the country in sectors like mini and micro hydropower, improved water mills, solar photovoltaic and solar thermal, biogas, biomass and bio-fuels, and wind energy. Through its Productive Energy Use Program, AEPC also promotes productive energy use of renewable energy to generate employment and income of rural men and women through micro, small and medium enterprises (MSMEs), as well as to enhance the high load factors, which could lead to sustainable operation in the long run.

There has been a substantial and speedy improvement in the access to electricity in rural areas in the last one decade due to the strong participation of local communities and the private sector. In the last year, the cumulative contribution of renewable energy in rural areas was the production of over 68 MW energy, which is about 6 per cent of the total production. Yet it provided elec-

Table 7.1: Cumulative achievement in technology promotion in sustainable energy

| Program | Unit | Achievements till 2018/19 |
|--|------|---------------------------|
| Mud Improved Cooking Stoves | Nos | 1,423,242 |
| Metallic Improved Cooking Stoves | Nos | 85,805 |
| Solar Home System | Nos | 911,097 |
| Urban Solar Home System | Nos | 21,144 |
| Micro/Mini Hydro | Kw | 32,159 |
| Solar/Wind Min-grid System | Kw | 563 |
| Solar Drinking Water and Irrigation Pump | Nos | 1,364 |
| Large Biogas Plant | Nos | 247 |
| Domestic Bio gas | Nos | 425,511 |
| Institutional Solar PV System | Nos | 1,993 |
| Improved Water Mill (IWM) | Nos | 11018 |

Source: AEPC (2019).

tricity to a large number of people in rural areas, including far-flung areas with dispersed settlements. As Nepal used various sources of energy based on the availability of resources and the need of the population, it increased electricity access and cooking energy in different parts of the country.

The distributed energy services picked up speed and widened their reach with focused policy measures, institutional consolidation, private sector involvement, technology assistance, subsidy mechanism, international partnership and strong local participation. The Central Renewable Energy Fund (CREF) is responsible for the effective delivery of subsidies and credits to the renewable energy sector. The CREF Financial Management Mechanism is implemented through private commercial and development banks in accordance with well-defined eligibility criteria with additional subsidy to the less developed and hard to reach areas. Subsidies will be gradually phased out and replaced by credit facilities to be handled by the private sector.

Some of the key subsidy determinants are as follows:

1. The subsidy amount varies according to geographic regions.
2. The subsidy amount generally covers 40 per cent of the total costs with more to the least developed regions. Around 30 per cent from credit and around 30 per cent from private sector investment or community or households in kind and/or cash can be mobilized.
3. The least cost to energy output from among the available technologies gets subsidy prioritization.
4. Mini/micro hydropower is taken as the basic infrastructure necessity for rural

electrification and the government has fixed subsidy levels based on the Community Rural Electrification Policy.

5. Subsidy for Renewable Energy Technologies is provided to the least cost to energy output, best available technology on the basis of technology type, cost and capacity, geographical location and targeted beneficiaries.

Energy is a golden thread connecting the three dimensions of sustainable development. Its multidimensional impacts have been clearly visible. Access to energy has positively affected health, education, women's empowerment, cooking, lighting, water lifting and public services. It has reduced deforestation, increased livelihood opportunities even in rural areas, enhanced the overall national productivity and promoted the balanced development. However, we have a long way to go to increase the use of sustainable energy for cooking, transportation and other purposes. A large majority of the rural population still depends on solid biomass for cooking.

With the prospect of doubling the capacity of hydropower generation with grid connection in the next few years, as well as the establishment of industrial scale solar farms coming up in the country, there will be substantial enhancement of its capacity in the coming years. This will positively contribute to promoting energy intensive industries, enhancing household consumption and replacing LPG for cooking in urban and semi-urban areas. This will not only help increase production and productivity in the country, but also help strengthen energy security as well as reduce pressure on foreign exchange by curtailing the import of LPG for cooking.

Similarly, the robust enhancement of off-grid electricity will further improve health conditions, particularly of women and children, as well as enhance productive capacity in rural areas, including of women, and contribute to uplift their income and general welfare. This will also have a positive impact on the preservation of Nepal's fragile natural environment and natural resources.

The 15th Plan proposes to rapidly increase hydropower generation to ensure energy security. Some of the major objectives relate to promoting energy efficiency, ensuring quality, reliability, with clean and affordable energy, and institutionalizing regional trade in energy. The priority will also be on multi-purpose storage projects to ensure steady energy supply throughout the year. Basin-wise planning and development, power purchase module, and strengthening and upgrading transmission/distribution systems are being given priority. Meanwhile, enhancing both the household and

industrial consumption of hydroelectricity by remarkably replacing the use of petroleum products in cooking, transportation and small and medium industries is a major challenge to the promotion of green energy.

This clearly shows that strong policy commitment, institutional consolidation, higher level of investment, incentive mechanisms with encouragement of private investment, balance between rural and urban electrification and enhanced community and local partnerships have proven to be major contributors in accelerating clean, affordable and sustainable energy in a country with limited income and capacity, and difficult terrain.

7.3 Community Forestry

The community forestry program was initiated with the realization that the participation of local people is critical to protect and manage this wealth and to ensure the sus-

Table 7.2: Forest management and administration history in Nepal

| Time | Change | Function |
|---------|--|--|
| 1978 | Community Forestry Rules | To involve the local people in the management of forests. |
| 1982 | Decentralization Act | To empower the local level administration. |
| 1983-88 | Establishment of five Regional Directorates and 75 District Forest Offices (DFO) | To match with the decentralization act. |
| 1989 | Master Plan for Forestry Sector | To improve the policy of the forestry sector. |
| 1993 | Five Regional Directorates and 74 DFOs Huge reduction in central organization | To reduce central control and reduce whole forestry programs. |
| 1993 | New Forest Act | To handover national forests to adjoining forest users for accountable management. |
| 1995 | Forest Rules | To launch the forest management programs according to the Forest Act, 1993. Complete power to forest user groups for decision-making. Government stood as the facilitator in community forestry programs. |
| 1998 | Forest Rules | To launch the forest management programs according to the Forest Act, 1993. Complete power to forest user groups for decision-making but legal provision to contribute 40 per cent of community forestry income as government treasure. |
| 2019 | Forest Act | New legislation in the context of the federal system. |

tainable use of forest resources. Forests are important not only as sources of timber and non-timber forest products (NTFP) but also as tourist attractions. Meanwhile, forest areas provide several ecological services. Forests play an important role in the protection of the rich bio-diversity of Nepal.

Community forest management is one of the success stories of Nepal in taking sustainability and livelihood issues together. Community forestry generally involves three major activities. First is local decision-making and controlling of an area of forest land, second is the local control of benefits, including revenue and forest products, and third is increasing local value-added manufacturing with maintenance of the long-term ecological integrity of the forest ecosystem. Table 7.3 depicts the chronological development of forest management in Nepal.

It would be useful to look at how community forestry has come to this stage. When the community forestry rule was being promulgated in 1978, the forest resources had depleted severely. This was mainly because of population growth, settlements in forested areas and unsustainable use of resources. During the period of 1963/64-1978/79, the area covered by forests had shrunk from 6.4 million hectares to 4.3 million hectares.

This led to efforts towards the conservation of forest areas and arrangement of the supply of forest products through expansion and consolidation of the relevant structure all over the country. Forest development works were undertaken with forest offices in all of the 75 districts then; five regional offices and 200 ranger offices were set up by 1990. In 1989, a master plan for the forestry sector was formulated with the objective of improving the forest sector policy. The master plan, which was prepared by the com-

bined efforts of the government, development partners and international agencies, had long- and medium-term objectives. The medium-term objectives of the plan were to promote people's participation in forest resources development, management and conservation. It also aimed at developing the legal framework needed to enhance the contribution of individuals and institutions towards forest resource development, management, and conservation and also strengthen the organizational framework.

Similarly, the long-term objectives were to meet the people's basic needs for fuel wood, timber, fodder, and other forest products, and contribute to the growth of local and national economies by creating opportunities for income generation and employment. It also included protecting the land against degradation by soil erosion, floods, landslides, desertification and other effects of ecological imbalance, and conserve the ecosystem and natural resources. The holistic approach taken by the master plan was critical to set all the stakeholders on the path of the sustainable protection and use of forests.

The most important development in institutionalizing community forestry was the enactment of the Forest Act, 1993 which guaranteed the rights of the local people in the management of the forests. With this, Nepal became one of the first countries to enact a law allowing the control of Community Forest User Groups (CFUGs) on natural resources. The act allowed CFUGs to develop, conserve, use and manage the forest resources. Community forestry would give the rural people, who are basically the users of forest products and are involved in farming, the control and management of forestry resources. This would simultaneously make them realize the importance of using natural resources in a sustainable

manner. Henceforth, all the periodic plans, fiscal policies, forest and forestry laws and regulations supported the facilitation of sustainable forest management in Nepal.

The forest area in Nepal is gradually increasing because of the concerted efforts, holistic approach and involvement of the local people in protecting and sharing the resources. The country's forest area was only 39.6 per cent during 1987-1988, and was the same in 2007. At the beginning of the 10th Plan i.e. in 2002, there were 12,000 CFUGs managing the forest areas. At the end of the plan, there were 14,500 user groups formed to manage nearly 1.24 million hectares (25%) of land. In addition to the community forests, more than 950 leasehold forestry user committees have been formed to manage 3,700 hectares of forest land. In 2008, there were already 19,000 user groups all over the country managing 25 per cent of the forest area.

In 2019/20, forest areas make up 44.74 per cent of Nepal's land. The forest density has remained the same at 430 since 2015 while the target was to reach 487 in 2019. We have to work further to enhance the density of the forest as well. The communities manage 42.7 per cent of the forest area in Nepal (NPC, 2020a; 2020b).

Nepal will maintain 45 per cent of the total area of the country under forest coverage, and forest productivity and products will be increased through the sustainable management of forests. Emphasis will equally be given to enhance carbon sequestration and forest carbon storage, and improve forest governance. Nepal will pilot a sub-national project on REDD+ to reduce about 14 million tons of CO₂-eq by 2020 by addressing the drivers of deforestation and forest degradation and strengthening governance mechanisms in all types of forests and pro-

tected areas. About 375 LAPAs and nearly 2200 CAPAs for community forests have been developed. Similarly, the Nepal National REDD+ strategy was also endorsed in April 2018. It aims at strengthening resilience of forest ecosystems for emission reduction and increased environmental, social, and economic benefits through improved policies, measures and institutions with enhanced stakeholder capacity, capability and inclusiveness.

Community forestry initiatives have not only helped Nepal maintain and conserve its forests, they have also supported the social and economic empowerment of local communities. The Federation of Community Forestry Users Nepal (FECOFUN) is a formal network of user groups which has around 3 million members. Among 22,266 CFUGs and other community-based forest management groups (such as leasehold forestry groups, religious forestry groups, buffer zone and traditional forest management groups), approximately 16,186 are affiliated with FECOFUN. FECOFUN is moving ahead with the goal of developing means of livelihoods and opportunities to reduce poverty through sustainable forest management and utilization of resources, abiding by the approach of consensus in decision making.

Effective participation of all sections of community and ethnic groups, including indigenous people, Dalit and other disadvantaged groups, in policy decisions and implementation has been important in upholding the values of good governance, empowerment, self-respect, self-reliance and the approaches of consensus. Similarly, the participation of women and their role as CFUGs is considered equally important. Women's participation in other sectors and especially in decision making positions is not very encouraging, while the presence of women in key positions is very high in the

forestry sector. The Gender Equality and Social Inclusion Strategy, and in particular the one in the forest sector, has substantially contributed in ensuring female inclusion and empowerment. Similarly, it is not that only women benefit from their participation as user groups but the conservation and management of forests also seem to be efficiently carried out by female members. It is because their priorities in terms of resource use tend to follow more rigid rules allowing regeneration of forests.

The challenges we face now is how we can further strengthen community forestry management on a long-term basis, ensuring economic benefits and strengthening interlinkages with watershed management, protection of wetlands and bio-diversity. Bio-diversity and wetlands need to be given high priority for protection, as they reinforce each other. Similarly, making sustainable use of timber and NTFPs, and promoting a forest-based tourism industry, as well as development, commercialization and promotion of herbal products in order to further improve the livelihood of the communities, will be crucial. Making supportive financial mechanisms accessible to the communities should be given due priority. Finding a proper balance between the protection and sustainable use of resources and the needs and aspirations of the people living in the community and beyond remains an important priority of community forestry management. In making use of the forested area, a corridor concept should be followed and the government should make sure that there is an integrated approach to it. Efforts should be accelerated to end encroachment and illegal logging. Furthermore, in view of its substantial contribution as a carbon sink, further promotion of the forest sector with support and cooperation from all climate change-related funds is critical.

The community forestry program in Nepal has clearly shown how a balanced and holistic approach to the use of natural resources, along with strong participation of local communities and appropriate legal and institutional mechanisms, have contributed to promote the three dimensions of sustainable development in this sector. This should be further strengthened in the years ahead. International support and cooperation in this sector will be critical to continue to protect the resources, ensure better livelihood opportunities to local people and those beyond the area, and derive global benefits from the protection and promotion of sustainable forests.

7.4 Social Protection System

Nepal has been experiencing social protection for a long time, even with very limited schemes. In 1995, the country started a notable effort in social protection by introducing old-age allowance for the population of 75 years and over through its annual budget speech. Until a decade ago, there were limited schemes regarding social protection. After the political change in 2006, new schemes have been implemented each year that extend social protection coverage. More than 80 schemes exist under the social protection floor in 2019/20. Almost three million people, about 12 per cent of the population, receive allowance-based social security assistance. This has been designed in a way that it takes into account various degrees of vulnerability and deprivation based on old age (with special provisions for people from remote regions and those with health problems), single women, widows, people with disabilities, girl children, child support, and social protection grants for indigenous and other groups on the verge of extinction.

The constitution has ensured social protection as a fundamental right. Various acts and regulations have been regulating the schemes, with the Social Protection Act 2017 and Contribution-based Social Protection Act 2017 in the lead. The institutional set up has been continuously improving through the introduction of ICT-based registration and updates, and social allowance payments are mostly carried out under the banking system. The three tiers of government have been engaged in the process. The federal and provincial governments have been financing social protection schemes as it falls under their responsibility. Local governments have been allocating budgets for their self-introduced schemes as well.

In 2018/19, 17 per cent of the population had been covered by basic social protection programs; the figure is estimated to be at 24 per cent in 2019/20. In 2019/20, budget allocation for social protection programs was 11.7 per cent and it has been increased to 12.8 per cent for 2020/21 (MOF, 2020b). The 15th Plan aims to extend basic social protection coverage to 60 per cent of the population. Under its long-term vision, the plan has set a target to increase the population coverage to 75 per cent in 2030 and 100 per cent in 2043 (NPC, 2020a). Nepal has, therefore, come quite far from a narrow social protection mechanism to the current state of growing social protection grants. This is indeed a very important directional change for the country. There is still a long way to go towards making social protection sustainable and universal, yet it is already proving important contribution in uplifting the vulnerable population.

Similarly, under the health-related provisions, free medical treatment is being provided to those suffering from designated major illnesses, such as cancer, heart and

kidney-related issues and other grave diseases. A health insurance program has been initiated to cover the poor and the marginalized, and the distribution of free medicines of common ailments has been continued. Similarly, the safe motherhood program known as Aama Surakshya, as well as the new-born program, have been established as an effective incentive mechanism to promote the health of the mother and the new-born. These protection and promotional activities have contributed substantially to decrease the maternal morbidity and mortality as well as infant mortality rates (IMR) in the country. Similarly, multi-sector nutrition programs are being implemented throughout the country with measurable progress in the health of newborns and other children. This has been further enhanced with special focus on the first 1,000 days (Sunaula Hazar Din) from the start of a woman's pregnancy to a child's second birthday, which offers an extraordinary window of opportunity for preventing under-nutrition and its consequences.

Under education-related grants, girl children and children from the Dalit, indigenous and other marginalized groups receive scholarships. Day meal programs are being provided to almost 2.2 million pupils studying in community schools throughout the country. The government is also linking some cash transfers with key services and programs aimed at increasing productivity and labor market participation.

Nepal has also started a contribution-based social security system. The Contribution-based Social Security Act, 2017, is now in implementation with increasing contributors and beneficiaries. It has come out with 20 per cent contributions from the employer and 11 per cent from the employees of formal sectors. So far, more than 200,000 employees and 25,000 employers/establish-

ments (MOF, 2020b) have registered, with the number expected to gradually increase over the years. The government is committed to develop an integrated social protection framework in order to consolidate and institutionalize the social protection system in Nepal. This will also promote transparency, effectiveness and coordinated re-

sponse (vertical coordination) among the three government tiers. Similarly, concerted efforts are to be made to include informal labor, as well as those in foreign employment, within the social security system. This will contribute towards the establishment of an inter-agency information system and network.

Chapter 8

COVID-19 and its Impact on Nepal

Nepal has made commendable efforts for the implementation of the SDGs since its adoption. However, different calamities, disasters and the circumstances that were beyond its control have undermined its efforts. The 2015 earthquake led to huge losses of lives and property, and also had extensive adverse impacts on Nepal's development efforts. Similarly, the COVID-19 pandemic has caused abrupt halt in economic activities. The pandemic is not only affecting our health sector, it also has a widespread impact on agriculture, manufacturing, construction, wholesale and retail trade, transport, tourism and education, as well as general economic activities, remittances and employment. The pandemic may not only undermine the present achievements; lockdowns and disruptions in economic activities, social distancing and other restrictions imposed can have long-term impacts on the lives and livelihoods of the people and the socioeconomic situation of the country. In this context, the NPC has been conducting a comprehensive study on the socioeconomic impacts of COVID-19. The impact on some major sectors are discussed below.

8.1 Poverty and Food Security

The COVID-19 pandemic worldwide is pushing tens of millions of people back into extreme poverty (UNECOSOC, 2020) and Nepal may not remain an exception. Multiple factors such as loss of employment, rising prices of essential items and health-related concerns may have a combined effect on

daily wage earners and people with limited income. The World Bank predicted that up to 100 million people could be pushed back below the poverty level and almost one-third could be in South Asia (World Bank, 2020).

Economic activities had almost come to a standstill due to the lockdown, and daily wage laborers have been suffering the most. Nepal has been dependent on remittances—its ratio to the GDP was 25.4 per cent in 2018/19, one of the highest globally. During the ten months, the remittance inflow decreased by 6.1 per cent (NRB, 2020). There are estimates that Nepal will experience a decline of 14 per cent in remittances due to COVID-19 in 2020 (World Bank, 2020). So, an increase in poverty level could be expected due to the decline in remittances.

Millions of poor households across the South Asian region fear starvation, inadequate food supply and soaring prices. The rural and the urban poor, who spend up to four-fifths of their income on food, are the ones mostly affected. It is feared that in countries like Nepal, with high levels of food insecurity and widespread malnutrition among children, the consequences of the virus spreading widely could reverse the declining trend in poverty and prove to be catastrophic and far reaching (World Bank, 2020). The loss of jobs due to the pandemic poses a serious threat to the food security of many people. This problem may be compounded by the fact that many schools providing free day meals to poor children are closed now. Furthermore, the increase in food prices will have an impact on food security.

8.2 Health, Education, Gender and Social Inclusion

Nepal has been making substantial efforts in the health sector, as a result of which there has been remarkable progress in many indicators (NPC, 2020). But now, due to the pandemic, the focus has been more concentrated on COVID-19. Vaccination programs and other campaigns, the treatment of other diseases have been adversely affected by it. The budget in the health sector for 2020/21 has significantly increased compared to the previous year to combat the COVID-19 situation (MOF, 2020).

The immediate fallout of the pandemic has also been felt in education sector. Though most schools and colleges have started virtual learning programs in order to continue the learning process online, it may not be as effective as the earlier learning method. Further, the digital divide between the rich and the poor may widen the existing gap in education. However, the pandemic has raised the demand of the effectiveness of the existing health and education system and created an opportunity for restructuring the system to enhance its quality, coverage and affordability.

The pandemic may also result in a dip in the income and labor force participation rate of women. Women are likely to face many hardships, as there is a risk of them falling into the poverty trap or being vulnerable. Several people, particularly women, have become jobless due to the closure of medium and small scale industries, small individual businesses and the hospitality industry where women are largely employed. Inadequate access to social safety nets especially in the informal sector, has made the further vulnerable.

The COVID-19 pandemic has revealed that the world's formal economies and the

maintenance of our daily lives are built on the invisible and unpaid labor of women and girls. With children out of school, intensified care needs of older persons and ailing family members, and overwhelmed health services, demands for care work in a COVID-19 world have intensified exponentially (UN Women, 2020).

8.3 Economic Growth, Employment, Infrastructure and Industry

Most of the economic indicators were satisfactory till March 2020. Since then, there have been massive impacts on overall economic activities. Though it has been predicted that the effects will be not as grave as in other countries, the decrease in growth rate will have a severe cumulative effect on poverty and employment. CBS has preliminary estimates that the growth rate will fall to 2.3 per cent in 2019/20, well below the average growth (7.3%) realized in the previous three years (CBS, 2020a). According to World Bank predictions, Nepal's growth rate will be between 1.4 and 2.9 per cent in 2020/21, which could slightly increase to between 2.7 to 3.6 per cent in 2021/22 (World Bank, 2020). This is a deep plunge from the ambitious 9.6 per cent growth target of the 15th Plan. Due to COVID-19, the manufacturing sector is expected to experience a negative growth rate of 2.3 per cent in 2019/20 (MOF, 2020a). Disruptions in global trade, restrictions on the movement of people, sharp fall in global tourism, steep reduction in global demand and slow recovery of the global economy will have long-term adverse consequences on Nepal. Its multidimensional impacts will have to be assessed further as we go forward.

Furthermore, a drastic reduction in economic activities will lead to reduced rev-

venues and credit contraction, which will have negative impacts on public infrastructure work and private sector economic activities. There will also be a reduction in exports due to the decline of demand in the major trading partners.

With a decreasing demand for labor in foreign countries and a standstill in economic activities in Nepal, growing unemployment rates may pose a serious challenge. Further, it is expected that significant numbers of Nepali working abroad may lose their jobs, and about 700,000 are expected to return to Nepal within one year. Additionally, as the tourism sector is being seriously affected, it will have negative effects on the livelihood of hundreds of thousands of people directly and indirectly involved in this industry. The World Bank has estimated that if the lockdown lasts for four months, employment would fall by double-digits in South Asia. The employment multiplier is high in Nepal, compared to the other South Asian countries—for every USD 1 million in foregone demand, there will be 250 fewer people employed (World Bank, 2020). Like other disasters, this pandemic is already impacting the most vulnerable and those belonging to disadvantaged and marginalized groups; inequality might be further widened.

8.4 Environment and Climate Change

While COVID-19 has negatively impacted all the sectors discussed, climate change may be one area where it has positive effects. Due to the lockdown, travel ban and economic slowdown, the air quality has improved and GHGs emissions have dropped sharply. This may be only temporary, but it provides an opportunity to promote a green economy and reduce GHGs emissions. The international community could

also contribute by promoting a low-carbon economic growth when they build back and start their recovery processes. It could include enhancing climate resilience, promoting clean energy, adopting green policies and expanding cooperation for green jobs and employments. Similarly, the entire situation may also revolutionize the use of new technologies and promote digitalization drives around the world.

8.5 Measures to Reduce Pandemic Impacts

Many specific and targeted measures have been initiated to offset the impacts of the pandemic. Health-related interventions have been given the topmost priority. Policy initiatives have been taken to reorient economic activities with greater emphasis on the agriculture, skill development and employment generating activities for migrant returnees and unemployed people, enhance government expenditure on priority infrastructure projects and provide special credit facilities to the affected sectors. Supportive monetary and fiscal policies are also being adopted.

8.6 Global Partnership

With almost all the countries in the world trying to mitigate the impact of COVID-19, the developing and least developed countries may be left to fend for themselves. This would be devastating for our global commitment to fight poverty and promote sustainable development. Therefore, the international community should come forward with a robust and comprehensive global program to provide targeted support to these countries in order to confront the pandemic with the least damage to their economy and livelihoods.

Chapter 9

Conclusion and Next Steps

The mixed progress that Nepal has experienced in the achievement of the SDGs so far has convinced us that we need to accelerate progress in the areas where we are on track and initiate more innovative approaches to expedite the progress in the areas where we are lagging behind. Where data in general, and disaggregated data in particular, are not available we will make efforts to collect them. Nepal is aware that transformative measures need to be taken by all stakeholders to accelerate progress in the coming decade of action and delivery in order to achieve the SDGs by 2030.

9.1 Lessons Learned and Conclusion

Nepal's overall progress in the SDGs is mixed. There is good progress in poverty reduction and some of the human development-related goals such as education, gender quality and empowerment, and biodiversity. The goals related to water and sanitation, energy and infrastructure are also in the right direction. Nepal lags behind in the areas related to hunger, industrialization and climate change impacts.

1. Natural calamities and disasters pose a great challenge further compounding the country's multiple vulnerabilities. The earthquake of 2015 had significant impacts in the past, and now the COVID-19 pandemic is going to have serious consequences across the sectors, especially on the vulnerable population. Therefore, building resilience, targeted support for the vulnerable groups, especially at the time of disasters, and strong focus on disaster risk reduction and disaster preparedness will be critical.
2. There is also progress on equity and integrated approach. Even distribution of progress among various sections of the population, with priority attention to those who are farthest behind, needs to be further enhanced under every goal. The concept needs to be deepened and widened, especially to deal with the most vulnerable population, inter-sectional and the fragile environment.
3. Progress is speedier when policy commitment, institutional arrangements, resource allocation and partnerships are promoted together and work towards the same direction.
4. There are some data discrepancies. Disaggregated data for most of the indicators are not available. The indicators could be reviewed and consolidated making them more appropriate in the Nepalese context. A mechanism to ensure the quality of data would help to accelerate the progress in the right direction. Monitoring and evaluation needs to be further strengthened with a view to promote the virtuous cycle of policy-practice-outcome.
5. There is a large gap in financial resources in the public and private sectors. Capacity constraints also persist particularly at the sub-national levels. Multi-stakeholder partnerships are in place, but they could be further enhanced and synchronized for accelerat-

ed and transformative actions. International partnerships need to fulfil their commitment towards the SDGs.

9.2 Next Steps to Accelerate the Implementation of the SDGs

Integrated Approach and Equity

Nepal believes that the integrated approach to the three dimensions of sustainable development is critical to speed up and ensure progress in all SDGs. Reinforcing synergy is fundamental to attaining the goals. While we have initiated many policy instruments both at the national and sectoral levels to consolidate such an integrated approach, we will continue to work at reinforcing synergy and managing trade-offs.

Some of the challenges we face in taking forward the integrated approach in a robust manner are the management of transition pathways, and the incentives and investment required to do so. Broad-based ownership of an integrated approach by all stakeholders should be promoted. A deeper analysis of direct and indirect impacts on livelihoods and the balance between the short-term losses and the long-term gains needs to be strengthened. An integrated approach in projects and programs implemented by the provincial and local levels should be further enhanced with more advocacy, coherence and capacity-enhancement in the years ahead.

'Leaving no one behind' is another fundamental cross-cutting feature of the SDGs. While Nepal has made good progress in making sustainable development more inclusive over the last several years with an enhanced participatory approach and spe-

cific policy intervention, it is still a work in progress. Nepal recognizes the prevalent issues of intersectional discrimination, exclusion, violence, inequality and exploitation across the group in the society which requires special attention for ensuring equity (DNF, 2020, NSF, 2020; VSO, 2020; YAN, 2020). Based on its own constitutional commitment. Nepal will continue to take necessary measures to ensure equity with necessary legal provisions, policy measures, institutional arrangements, investments and broad-based multi-stakeholder partnerships. Due emphasis will be given to analyzing the impact on the bottom quintile of the population and the inter-sectionality of the marginalized and disadvantaged population.

Acceleration of the Economic Pillar of Sustainable Development

While considerable progress has been made in the social sector, the achievement of the economic dimension of the SDGs remains challenging for Nepal due to some specific structural constraints. A rapid, inclusive and sustainable economic growth, together with a higher level of economic productivity, innovation and gainful employment opportunities, would go a long way towards uplifting the status of the people. Structural challenges such as the initial conditions of the low level of human development, limited productivity growth, landlockedness and rough mountain terrain have made it difficult to sustain a high level of economic growth, despite the best efforts by the government and other stakeholders. Meanwhile, unequal control and access to resources needs to be well addressed.

High infrastructure cost has constrained our capacity to provide basic infrastructure to all, and has also increased the cost of service delivery and doing business in the country.

Maintaining such infrastructure is also costly due to our geographical situation. While Nepal is committed to enhancing its concerted efforts to promote rapid and inclusive growth, these structural vulnerabilities could be mitigated with a stronger regional cooperation and an enhanced level of targeted support from the international community to complement its national efforts.

Ensuring Environmental Resilience

Fragility of the mountains and hills, climate change impacts, migration and a few business practices have put tremendous pressure on natural resources in various parts of the country. Sustainable management of natural resources remains our priority. While we have increased protected areas as well as the areas covered by forests up to 44.7 per cent of the total land area, biodiversity loss, soil erosion, floods, droughts, erratic weather patterns and climate change have undermined the lives and livelihood opportunities of a vast number of people. Building resilience of all, but especially those at the bottom, is critical to mitigate the impacts of these disasters and challenges. Therefore, Nepal is committed to moving towards a low-carbon economic growth with sustainable use of natural resources, and expects the international community to also commit itself to a higher level of ambition of GHG emission reduction and an enhanced level of support to climate vulnerable countries and communities.

Institutions and Good Governance

Institutions play a crucial role in effectively implementing policies and programs. There is a strong national ownership of the SDGs at the political and decision making level. The High Level National Steering Committee chaired by the Rt. Hon. Prime Minister and Implementation and Monitoring Committee chaired by the Vice-Chair of the NPC, along with thematic committees

chaired by members of the NPC reiterate the commitment of the government to accelerate the SDGs through robust plans and monitoring. The Sustainable Development and Good Governance Committee of the National Assembly and the Office of the Auditor General are also engaged in oversight, monitoring and auditing of SDG implementation in Nepal. Further consolidation of coordination should be ensured to accelerate the speed and scale of implementation. New monitoring mechanisms and reporting guidelines have been successively adopted and consolidated based on its implementation experiences. M&E guideline mainstreaming the SDGs has been developed with a view to accelerate our progress and also enhance our focus and efforts towards the areas in which we are lagging behind. Capacity enhancement, especially at mid-level decision makers and at the implementation level, strengthening of effective and timely monitoring, assessment of impacts, performance auditing, results-based outcomes, together with independent monitoring and evaluation, will be further promoted.

Good governance and administrative reforms have remained a priority of the government. While some important steps have been taken to improve good governance, with zero tolerance towards corruption, performance-based evaluation criteria, delegation of authority, early budget allocation, use of ICTs, and timely auditing, such reforms and other institutional arrangements should be further consolidated and expanded in the years to come. We are cognizant that effective SDG implementation calls for capable institutions and good governance.

Resource Mobilization and Stronger Global Partnership

Nepal has a good track record in the mobilization of domestic resources compared to other least developed countries. Revenue

mobilization has reached around 24 per cent of the GDP in the last several years and remains steady (MOF, 2020). The costing and financing strategy of the SDGs in Nepal has revealed that the country will need to invest almost 50 per cent of its GDP every year to reach the goal (NPC, 2019). Given the limited capacity of its domestic resources, the funding gap remains high. Therefore, the international community should prioritize financing assistance and support for the countries that are committed to accelerating progress towards the SDGs, and that have limited capacity to generate other types of resources from the international capital markets. As agreed under Goal 17, all developed countries should also deliver on their commitment to provide 0.15 to 0.20 per cent of their ODA to the LDCs like Nepal. They should also ensure that besides assistance in the social sector, due priority should be given to enhancing assistance for infrastructure and productive capacity building in countries like Nepal.

Furthermore, trade-related infrastructure assistance and climate change-related funds should be made available to Nepal on a priority basis. Source countries of FDI should initiate promotional measures to encourage FDI going into these vulnerable countries. Effective duty-free and quota-free market access with elimination of non-tariff barriers should be ensured for all its products in the international markets. Similarly, the cost of sending remittances should be reduced substantially. South-South cooperation should be further strengthened and widened. These measures, when collectively implemented, would go a long way towards availing the resources required to meet the rising investment needs of Nepal to achieve the SDGs. Countries suffering from multiple vulnerabilities should be given special consideration in the mobilization

of international resources in order to reduce global inequality.

9.2.6 Consolidation of Multi-stakeholder Partnerships

Nepal is aware of the fact that the SDGs cannot be achieved by the government alone. The support, participation and cooperation of all stakeholders are crucial. All stakeholders play a critical role in advocacy, knowledge generation, investment, implementation, monitoring and evaluation. The public and private sectors, cooperatives, civil society organizations, women's, youth, Dalit, Madeshi, indigenous groups, sexual and gender minorities, LGBT and other marginalized groups should fully engage in accelerating towards the SDGs. Nepal has made good progress in involving all stakeholders in the implementation of the SDGs in their respective areas of competence. They are also involved in the High Level Committee for the SDGs. Participation and collaboration should be further strengthened with all stakeholders and major groups to speed up progress in the years ahead.

9.2.7 Localization of SDGs

Nepal has adopted a federal structure with provisions of distribution and sharing of power, duties and responsibilities under the new constitution. The provincial and local level governments and legislative bodies will have to play key roles in integrating the SDGs and the attendant principles into their respective areas of responsibilities. Provincial and local level planning need to be institutionalized by mainstreaming and localizing the SDGs. There will be a need for the consolidation of efforts and capacity building of all federal units, particularly in the local level. Effective integration and implementation should be strengthened while promoting disaggregated data collection, comparative

analysis, monitoring and evaluation at the provincial and local levels. At the same time, more efforts are needed to enhance resources and technologies for addressing climate and environmental issues at sub-national level.

9.2.8 Strengthening Institutions and Statistical Systems

Capacity development of all the institutions and stakeholders will have an important role in accelerating the progress of the SDGs. New innovations and new partnerships will have to be created. Everyone involved in the implementation and decision-making levels should have the necessary expertise and tools to enhance the effectiveness of their implementation modalities.

ICT plays a very important role as well. The use of ICTs, big data and other evolving technologies will be critical in speeding up implementation, promoting partnerships and monitoring and evaluation.

Disaggregated, quality and timely data plays an essential role in assessing the status and accelerating implementation with effective interventions. Policy formulation and program development are greatly affected by the availability of quality and reliable data. Nepal is in the process of adopting a new statistics act that could further strengthen the statistical capacity in the country. This could be further consolidated in the days ahead.

9.2.9 Recovery from COVID-19 and Resilience to Multiple Vulnerabilities

The COVID-19 pandemic could immensely affect the capacity, resources and mobilization of partnership for the SDGs. The health,

social and economic impacts of COVID-19 are going to be devastating for countries with multiple vulnerabilities. As a LDC with limited health capacity and internal resources, and high degrees of dependence on a narrow base of sources of foreign currency receipts such as tourism, exports, remittances, investment and global assistance and cooperation, COVID-19 will have both short- and long-term impacts on the country.

Various reports are already indicating drastic reduction in economic activities, trade, tourism, transport, industry and other services resulting in steep losses in income across the sectors. Poverty is likely to be increased together with its cascading impacts on health, education, employment opportunities and other economic activities. This will have substantive negative impacts on the achievement of the SDGs, including on inequality. While on the one hand, greater resources will be needed for health-related infrastructure, health facilities, social protection and other stimulus and support measures, on the other, there will be steep reductions in revenue due to the lockdown, supply disruptions, reduced international trade and contraction in social and economic activities. Therefore, special global cooperation programs should be initiated and strengthened to support national recovery around the world. The international community should prioritize vulnerable countries like Nepal in providing necessary support to deal with the deleterious impacts of COVID-19 on the lives and livelihoods of people. The fundamental principles of the SDGs, such as equity and the targeted protection measures for vulnerable groups, will be important to take into account while dealing with the impacts of COVID-19.

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