

Joint SDG Fund - 1st Call on SDG Financing - Nepal

Joint Programme Document

A. COVER PAGE**1. Fund Name:** Joint SDG Fund**2. MPTFO Project Reference Number** *(leave blank / automatically populated in Atlas)***3. Joint programme title:** Reorienting public finance for SDGs acceleration and leveraging additional resources in Nepal**4. Short title:** SDG Aligned Public Finance**5. Country and region:** Nepal, Asia and the Pacific**6. Resident Coordinator:** Sara Beysolow Nyanti, sara.nyanti@un.org**7. UN Joint programme focal point:**

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9. Short description: The Joint Programme aims to leverage the competencies of the specific UN agencies at the national and subnational levels to assist the Government of Nepal to strengthen and bring alignment and coherence in the public finance management system in the areas of budgeting and medium-term planning framework for the SDGs. The results of the joint programme can be transformational, as it seeks to address one of the key gaps that is the disconnect between planning and budgeting with focus at sub-national level. And by facilitating, at a technical level, planning, resource allocation and expenditure reviews in line with the SDGs, the programme will contribute to enhanced results, transparency and accountability. It will also ensure that Nepal is better positioned to attract and leverage additional resources needed to meet the SDGs at the national and subnational levels.

10. Keywords: SDG budget code, Medium Term Expenditure Framework, SDG Financing Architecture**11. Overview of budget -**

Joint SDG Fund contribution	USD 999,996.00
Co-funding	USD 190,000.00
TOTAL	USD 1,189,996.00

12. Timeframe:

Start date	End date	Duration (in months)
2021	2022	12 months

13. Gender Marker: The overall score

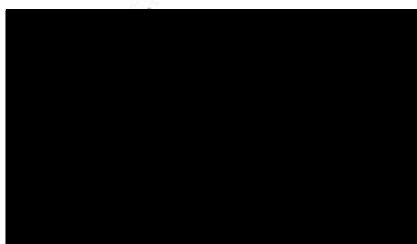
14. Participating UN Organizations (PUNO) and Partners:

14.1 PUNO

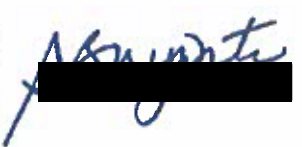










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14.2 Partners

- Key national partner – Ministry of Federal Affairs and General Administration
- Other Partners – Ministry of Finance, National Planning Commission, Ministry of Women, Children and Senior Citizen, Provincial Planning Commissions



SIGNATURE PAGE -

<p>Resident Coordinator: Sara Beysolow Nyanti Date: 23 August 2021 Signature and Seal</p>  	<p>National Coordinating Authority Name of institution: Ministry of Federal Affairs and General Administration</p>
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<p>Participating UN Organization Name of PUNO: UN Women Name of Representative: Gitanjali [Redacted] Representative a.i., Date: 20 AUGUST 2021 Signature and seal</p>  	 Government of Nepal Ministry of Federal Affairs and General Administration Provincial and Local Governance Support Programme Programme Co-Ordination Unit Singhadurbar, Kathmandu
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B. STRATEGIC FRAMEWORK

1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

2. Programme Outcome [pre-selected]

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

3. UNDAF Outcomes and Outputs:

3.1 Outcomes (from UNDAF/Cooperation Framework)

- By 2022, impoverished, especially economically vulnerable, people have increased access to sustainable livelihoods, safe and decent employment, and income opportunities
- By 2022 there is improved, equitable access, availability and utilization of quality basic social services for all, particularly for vulnerable people
- By 2022, environmental management, sustainable recovery and reconstruction, and resilience to climate change and disaster are strengthened at all levels
- By 2022, inclusive, democratic, accountable and transparent institutions are further strengthened towards ensuring rule of law, social justice and human rights for all, particularly for vulnerable people

3.2 Outputs (from UNDAF/ Cooperation Framework)

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4. SDG Targets directly addressed by the Joint Programme

2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries

5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

17.9 Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation

3.2 Expected SDG impact

This initiative will primarily contribute to Goal 17 by making more resources available for the effective implementation of SDGs. This will be done by strengthening alignment



between development priorities and budgets through SDGs coding; making Medium Term Expenditure Framework (MTEF) and analysis of budget expenditure against the SDG coding. While doing so, special focus will be given to budget allocation and expenditure tracking through a gender lens. As a result, it will also contribute to Goal 5 with allocation of sufficient budget for gender equality and empowerment of women and girls.

5. Relevant objective(s) from the national SDG framework (*max 5; indicate source*) -

- Expansion of fiscal space to mobilize additional resources from federal, provincial and local government levels (15th five-year development plan)
- Prioritizing SDGs and allocating a higher budget for SDGs (SDGs Needs Assessment, Costing and Financing Strategy).
- Roll-out of revised MTEF formats with reliable budget ceilings that include integrated reporting formats clarifying the linkages between budgets and measurable performance targets (Nepal Development Finance Assessment)

6. Brief overview of the Theory of Change of the Joint programme (*1 paragraph*) -

Effective and accelerated implementation of the SDGs will be achieved by strengthening the linkages between the national development plan, sector policies with greater priority for the SDGs and mainstreaming SDGs into the public financial management system. The key pathways for this will be (i) incorporating SDGs in MTEF in federal and select subnational governments; (ii) institutionalizing SDG expenditure tracking of the national budget against the coding. In line with the federal context, SDG coding and MTEF will be piloted in two local government in each of the seven provinces. Gender equality will be a cross-cutting theme.

Proposed revised content:

7. Trans-boundary and/or regional issues (*optional-list and briefly explain if relevant*)



C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

Nepal has made demonstrable progress in localizing the Sustainable Development Goals (SDGs). The Government of Nepal's (GoN) commitment to SDGs has been reaffirmed in several key policy documents and institutional arrangements. To a large extent, SDGs have been integrated in the national plans, including in the current 15th Development Plan. Nepal has also prepared SDG: Status and Roadmap to localize the SDGs indicators with baselines and targets for 2030. Building on this report, Nepal prepared a Needs Assessment, Costing and Financing Strategy for SDGs that estimates available resources as well as the public and private investment needed to address the financing gaps to meet the 2030 targets. The strategy estimates that 55 percent of the required finances should be covered by public finance. In this context, it becomes critical to orient public finance towards development priorities in line with SDGs as well as to engage the private sector and development partners to move towards an integrated approach to SDG financing. Furthermore, given that Nepal plans to graduate from being a LDC in the near future, integrating ODA, public finance as well as private sector finance will be increasingly important for Nepal. Thus, partnership at the global, national and local levels will need to be further strengthened.

In 2017, the Ministry of Finance (MoF) conducted a Development Finance Assessment (DFA) with the objective to provide an overview of development finance flows and the institutions and policies that align this finance with national development goals and priorities. An important recommendation made in the assessment is the need for a road map, building on the concept of an Integrated National Financing Framework (INFF), to increase the alignment of financing flows to national development goals, improving the basis for achieving development results including the SDGs. These achievements on localizing the SDGs provide a tremendous opportunity to further accelerate the implementation of SDGs in Nepal.

However, as with many other countries, historically there has been a wide institutional disconnect between the planning process and budgeting/financing for development in Nepal. This has been identified as one of the critical gaps in public financial management in the country across all periodic reviews including the DFA. The specific challenges noted include (i) lack of alignment between the annual budget, projects and programme activities and multi-year planning; (ii) mismatch in the areas of investments proposed annually by respective line ministries compared to the priorities identified by the planning document, agreed upon by all stakeholders; (iii) inclusion of projects in the budget without proper technical and financial feasibility analysis; and (iv) lengthy and cumbersome government procurement processes, without regular and effective monitoring.

It is important to note that in the past efforts were made to align development priorities with the budget, which includes the initiative by the GoN on SDGs coding in the national budget. However, there are concerns that the coding system is applied in an ad hoc manner without defined processes and criteria.

Similarly, the institutionalization of gender-responsive budgeting (GRB) at the federal level is a strong testament of the government's commitment to socially responsive budgeting. An important result has been an increase in the percentage of the budget categorized as directly gender responsive from 11.30 percent to 38.26 percent over the last 10 years. Thus, if GRB is institutionalized at sub-national levels aligning with the process of decentralization, similar outcome can be ensured at the local levels too. Akin to the experience with SDG coding,

significant gaps have been noted in the current GRB approach, including gaps in reporting on actual expenditure, and limited or no analysis of the impact of public resources on improved service delivery in the short term, and the impact on reducing persisting gender gaps across sectors in the long term.

It is therefore essential to strengthen the linkages between a long-term periodic plan, medium-term expenditure framework and the annual budget. The long-term plan should form the basis of the MTEF to further guide the formulation of the annual and sectoral budgets. Building such linkages requires a procedural mechanism or system for which strong regulatory and institutional reforms are prerequisites. These reforms would entail objective analysis of the periodic programmes and policies; strengthening the evidence base to establish criteria for prioritizing sectors and identification of projects; a monitoring and evaluation framework with robust indicators to track progress on envisioned goals periodically; and, more importantly, ensuring coherence between sectoral ministries, the Ministry of Finance and planning authorities. Such reform measures aimed at strengthening the government's planning, budgeting, and monitoring systems are key to the achievement of the national SDGs. It will also promote the effective utilization of available funds, which in turn may act as leverage to attract more development finance into the country and narrow the existing SDG financing. The 2017 DFA points to the significant potential of raising more finance from Official Development Assistance (ODA) grants and concessional lending, primarily by increasing the capacity to utilize the finance offered and by accessing other and new concessional arrangements from other sources, such as global programmes and funds.

The SDG financing strategy points to an urgent need to institutionalize improved project prioritization criteria for allocation of public funding by the GoN. The criteria used so far are, by and large, ad hoc, based on power and influence of higher authorities or governing institutions. In the absence of an institutional mechanism, funding from development agencies is often driven by funding sources (or availability of resources) and not necessarily informed by evidence/need based planning. In addition to revisiting the project and programme prioritization criteria, there is an urgent need to develop evidence-based reporting and Monitoring and Evaluation (M&E) systems in Nepal.

The problem is starker at the subnational level, where provincial and local government are not only required to balance developing planning and finance, but also to ensure availability of adequate resources to carry out their constitutionally mandated functions. Under the erstwhile unitary system of government, the central government had sole authority over the State's income and expenditure. However, in the changed context of federalism, resources must be shared with lower levels of government, which requires the vertical transfer of resources to subnational government.

If Nepal's subnational governments are to effectively carry out their functions of public service delivery and development in pursuit of SDG achievement, they must have a fair share of national resources. The DFA also points to other forms of disparity, including regional disparities. For example, food self-sufficiency is much lower in the mid-western and far-western development regions than in other regions. Further significant gender gaps are discernible, with women and socially excluded groups lagging far behind in education and health, and gender disparities being more significant in mid-western and far-western areas than in other parts of the country. In this context, it is imperative to track the flow and utilization of funds across the three levels and gather evidence (including on existing gaps and bottlenecks) that can support evidence-based gender responsive programming to support the realization of the national SDGs.



While noting that addressing deficiencies of national public financial architecture is a larger structural problem that requires significant legal and institutional reforms at the national and subnational level; this Joint Programme (JP) seeks to focus on two strategic areas that offer significant opportunities to strengthen PFM in line with SDGs: 1) SDG coding of national and sub-national budget; 2) SDG linkage from plan to budget through MTEF.

It should be noted that while the potential impacts of COVID-19 are not yet fully understood in Nepal, the JP will maintain flexibility to ensure that the priorities for financing the SDGs are articulated with a fuller understanding of the implications of COVID-19 as this develops. In addition, risk management will be integrated into the finance strategy to ensure that the future risks of pandemics and other exogenous shocks are better mitigated

1.2 SDGs and targets

Goal	Target/Indicator	Baseline	Target
5. Achieve gender equality and empower all women and girls	5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels Indicator: 5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	TBC	TBC
SDG 17. Strengthen the means of implementation and revitalize Global Partnership for Sustainable Development	17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	TBC	TBC
	17.9 Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation	TBC	TBC

This JP will primarily contribute to Goal 17 by making more resources available for the effective implementation of SDGs. This will be done by strengthening alignment between development priorities and budget through SDGs coding, making MTEF SDG responsive, and tracking and analysing budget expenditure against the SDG coding. Special focus will be given to budget allocation and expenditure tracking through a gender lens. As a result, it will also contribute to Goal 5 with allocation of sufficient budget for gender equality and empowerment of women and girls.



1.3 Stakeholder mapping and target groups

Mainstreaming SDGs into financing architecture requires the concerted efforts of many actors implementing complementary initiatives over time. The objective of this programme is to establish a coherent public financial management process centred around the achievement of SDGs in collaboration with a range of stakeholders with direct and indirect links to the process. The potential partner institutions identified for this programme are:

Ministry of Federal Affairs and General Administration (MOFAGA)

MOFAGA is the ministry of Nepal that supervises activities undertaken by local governments in Nepal. It also regulates and manages the civil service. MoFAGA is the only ministry with direct linkage with the country's municipalities, rural municipalities and provinces. It also plays direct role in implementing various eServices in the local governments. As per the Constitution, Local Government Operation Act 2074 and Intergovernmental Financial Management Act 2075, MOFAGA carries out capacity building, facilitation, coordination of local governments. As per the constitution and laws, Local governments play important role in delivering SDGs with significant resources transferred to them through inter-government fiscal transfer as well as their own internal revenue. Local governments are also supposed to develop Medium Term Expenditure Framework (MTEF), in addition to the annual budget. MTEF and annual budget are key financing instruments for the achievement of SDGs.

National Planning Commission (NPC)

NPC is the country's apex planning body and custodian of localizing and adopting SDGs in Nepal. The NPC is an important stakeholder in the national planning and financing framework. It is responsible for setting longer term development vision and direction; forecasting national development resources; estimating sectoral expenditure needs and preparing national level medium-term expenditure framework; and embedding SDGs in national planning. While Nepal has made progress in aligning its development programmes with SDGs, the process still needs to be streamlined with the government's Financial Management Information Systems to track expenditure against the SDG targets. This in turn requires strong coordination among and between all three tiers of government and their respective line agencies at the federal, provincial and at the local government levels.

Ministry of Women, Children and Senior Citizen (MoWCSC)

MoWCSC aims for gender equality and women's empowerment through institutionalizing gender responsive governance to ensure environment that promotes their decent livelihood. It aims to end all forms of violence against women. It seeks to ensure that women have equal access to opportunities, resources, mediums and benefits through which women can initiate and assume leadership position for the economic prosperity and sustainable development.

Provincial and Local governments

With the new constitution adopted in 2015, Nepal became a federal country with seven provinces and 753 local governments. Provincial and local government as per the Constitution have important roles in delivering services and development activities that covers many SDGs.



UN Women's partnership with the Ministry of Women, Children and Senior Citizens (MoWCSC) will be leveraged to ensure a strong focus on gender equality across the key components of the programme

2. Programme Strategy

2.1. Overall strategy

The JP aims to leverage the competencies of specific UN agencies at the national and subnational levels to assist the GoN to strengthen and bring alignment and coherence in the public finance management system in budgeting and medium-term expenditure framework, to support integrated financing for the SDGs. While the JP will ensure the linkages at federal level and provide necessary support, the focus will be at sub-national level. The results of the JP can be transformational as it seeks to address a key gap: the disconnect between planning and budgeting. By facilitating, at a technical level, planning, resource allocation and expenditure reviews in line with the SDGs, the programme will contribute to enhanced results, transparency and accountability. It will also ensure that Nepal is better positioned to attract and leverage additional resources needed to meet the SDGs at the national and sub-national levels. A unique feature of the JP for Nepal is to strengthen integration across planning, budgeting and reporting at the national and subnational levels, barring which it would be challenging to accelerate implementation of the SDGs in Nepal's decentralized context.

The stakeholder dialogues in support of Nepal's SDG adoption identified three areas of support required to transition the national planning and financing architecture towards an SDG based approach. The initial interventions identified are *SDG based budget classification*, through technical and methodological support for activity level budget coding; a comprehensive budget classification manual; *sectoral and project level evaluation criteria embedded in MTEF*, through addendum to federal and subnational government's MTEFs;

Nepal is among the world's top 20 countries prone to multi-hazard risks, and the fourth most vulnerable to climate change, posing serious threats to the Sustainable Development Goals (SDGs). As a signatory to the 2016 Paris Agreement of the United Nations Framework Convention on Climate Change and the Sendai Framework for Disaster Risk Reduction, Nepal is ensuring its existing strategies and legislation are better aligned with these priorities and is developing a national adaptation plan to address climate risks in key sectors.

Nepal has started coding the national budget from a climate angle since the last few years. This initiative has further been expanded and Nepal piloted the climate coding of sectoral plans and budget in the agriculture sector. Building on this achievement, this project will ensure the integration of climate and disaster concerns in all three outputs to make Nepal's development framework climate conscious.

As a result of these interventions, the subnational government bodies will increase their capacity to:

1. Improve budget allocation mechanism by SDG-informed MTEF and budget decision making
2. Link budget allocations and expenditures with SDGs and be accountable to the public for progress on specific SDG



SDG based budget classification

Effective budget classifications enable governments to budget and spend based on priorities, such as the SDGs, without placing an additional burden of manual data entry and grouping. Budget classifications, or Charts of Accounts (COA), track spending by economic purpose, fund source, sectors and geography (at the subnational level). Nepal also maps budget classifications to government objectives as per the Government Financial Statistics 2014 (GFS), and the Classification of Functions of Government (CoFoG). Currently, Nepal's budget also presents SDGs-based classification.

Building on the experience and practices at national level, the JP will provide technical support to the province government and local governments in introducing SDGs budget coding.

In this context, the proposed coding system will facilitate analysis during the budget formulation process, to inform decisions on budget allocations by sectors, agencies and programmes. The tagging of budgets with SDGs through the chart of accounts (COA) will help to inform allocation on SDGs, track spending across sectors and levels of government, and further improve effectiveness and efficiency of budgets in achieving SDGs over time. Lessons learned from the application of GRB classification criteria will inform the SDG coding exercise.

The JP will also assist tracking of selected SDGs on a pilot basis. The pilot will be rolled out in all seven provinces and selected local governments under each province. In line with the SDG principle of Leaving No One Behind (LNOB), emphasis will be placed on tracking expenditure for its impact on the lives of women from the most excluded communities.

The JP will also focus on capacity development of relevant staff members involved in keeping records of government expenditures in implementing SDG tagged COA. This support will be particularly relevant for provincial and local government officials, given the persisting demand for capacity development of officials at those levels.

Embedding SDGs into the Medium-Term Expenditure Framework

MTEFs provide an institutional arrangement that helps in planning, prioritizing and managing revenue and expenditure over a three-year rolling period. Embedding spending for the SDGs and their financing into MTEFs serves as a disciplining device for executing plans, while improving synergies across sectors; and also places public finance at the service of sustainable development.

Nepal adopted the practice of using a three-year MTEF from the 10th five-year plan in 2002-03. Over the years, however, the MTEF has only been intermittently used, published in some years, and abandoned in others. Up to 90 percent of projects received a P1 score, which implies highest priority in terms of allocation. The inclusion of a multiplicity of projects for priority funding in the annual budget defeats the purpose of midterm budgetary planning. This results in insufficient funds for important projects and a range of incomplete and unimplementable projects at the end of the fiscal year. The current MTEF is the sixth edition and has been prepared for a three-year period: from 2019-20 to 2021-22. Recognizing the importance of MTEF in effective and accountable public financial management practice, Intergovernmental Fiscal Management Act 2017 has mandated preparation of MTEF for all three tiers of government.



National Planning Commission has recently revised MTEF guidelines for the federal ministries as well as for the province governments. Drawing from NPC's work, the JP will extend necessary support to MOFAGA to pilot the MTEF formulation in all seven provinces and fourteen local governments.

In doing so, the JP will specifically focus on the following improvements during the piloting phase:

- Improved policy-planning-budgeting linkage for the selected pilot SDGs, i.e. support the planning and budgeting processes to synergize and use evidence-based policy options in planning and budgeting.
- pilot SDG-based MTEF and budget templates to effectively use the SDG framework during budget negotiations between the line ministries/departments.
- Align budget circulars and project prioritization criteria for SDG-based budget and project justification.

These will contribute to a more effective and SDG-driven MTEF process. The national level MTEF will serve as the guiding framework for the provincial and local level MTEF. Emphasis will be placed on the integration of a gender lens in the MTEF.

2.2 Theory of Change

Nepal is a federal state and there are wide developmental disparities across provinces, including in gender. The JP is formulated on two key assumptions: first, that it is not possible to address these disparities and accelerate progress on the SDGs without addressing the apparent disconnect between the planning and budgeting systems and moving towards the *a priori* use of SDG criteria in the budgeting and monitoring systems to prioritize key development indicators to ensure that no one is left behind; and, second, that a joint programme on the part of the UN that has SDGs at its core, and can leverage the competencies of the different agencies in tandem, can help the government make this a reality and assist the government to leverage additional funds. The key pathways towards this end are as follows:

- (i) the adoption of an SDG-based budget classification to align budget allocations with the SDGs, to facilitate tracking of expenditure and its efficient and effective utilization, to help leverage additional resources;
- (ii) strengthening the linkages between development plans and priorities with the medium-term expenditure framework, annual budget and other financing instruments and making them SDGs consistent, will increase the availability of increased public finance for development projects with high SDG/developmental impact over the medium term and reduce the number of incomplete and/or low impact ones; and

MTEF will help build consensus on measures to strengthen institutional linkages and interactions across the planning, budgeting and financing frameworks; advocate for information sharing and transparency, which is key to delivering results; and facilitate the engagement of the private sector and development partners in line with SDGs and development priorities identified in the national plan on a more consistent basis and in areas that have been identified in the Financing Strategy. That strategy estimates that approximately 40 percent of the financing will have to be channelled from the private sector and other partners to meet the financing requirements to achieve the SDGs in Nepal. Therefore, the engagement of the private sector and leveraging private sector finance in this process is paramount, particularly as public resources alone would not suffice for Nepal to meet its aspirations to graduate from an LDC. Additionally, 25% of national budget is currently

funded by ODA with a significant portion of grants. ODA will naturally shrink after LDC graduation so the role of the private sector, both domestic and international, is critical in order to meet the financing gap.

Commitment of all levels of government to develop and apply SDG coding of national budget; to track expenditure against the coding; and work towards shifting the basis on which allocations are made, are pre-requisites. Identification of dedicated focal points who can drive this process from within the government ministries/sectors will be important. Furthermore, engagement of parliamentarians and civil society organizations will be critical in advocating/pushing the government to make strategic budget allocations in line with the SDGs.

To enhance impact and leverage synergies, the JP will establish linkages with other government-led, UN supported initiatives, such as UNDP's Accelerating Implementation of SDGs in Nepal project. The JP will seek alignment with the Provincial and Local Government Support Programme (PLGSP) and UN Women's initiative on Gender Responsive Budgeting (GRB).

Outcome Statement

SDG implementation accelerated through SDG-aligned planning and resource allocation

The programme will be implemented in all seven provinces and fourteen local governments (two within each province). At the provincial level, Provincial Policy and Planning Commission and relevant units at local level would be involved for the programme. The provincial and local governments would be coordinated through MOFAGA. The JP will coordinate with the Provincial Centre for Good Governance (PCGG) for implementing activities at sub-national level.

Outcome TOC if SDGs responsive medium-term expenditure framework piloted; and if SDG budget coding and expenditure tracking system is developed and piloted at the federal and subnational level, then implementation of SDGs will be accelerated,

Assumptions

Political will to increase allocations for SDGs and adopt budgetary/legislative reforms

Province and local governments adopt and use SDG coding

Evidence and information on government spending available

Provincial and local governments adopt SDG-aligned MTEF and SDG coding.

Risks

Political instability

Limited availability of resources for SDGs due to global macroeconomic environment /humanitarian emergency in light of COVID -19

Weak capacity at provincial and local levels to drive SDG-aligned MTEF and budgeting exercise: The legal provision on timeline for preparing MTEF at subnational level is three years, and may push the subnational government to postpone MTEF preparation until the very end of the Joint Programme implementation period



2.3 Expected results by outcome and outputs

Outcome:

SDG implementation accelerated through SDG aligned planning and resource allocation

Output 1.1: SDGs responsive medium-term expenditure framework piloted in all seven provinces and selected local governments

Activity 1.1.1 Review MTEF design and the process at sub-national level to deepen SDGs based criterion for project selection and prioritization

A comprehensive review of the current MTEF procedure and structure will be carried out to identify gaps in line with SDGs criteria for project selection and prioritization. MOFAGA with technical guidance of NPC, the nodal agency for MTEF, will lead the process in close consultation with province governments. This review would inform the MTEF formulation process for provincial and local level. It is mandatory by law for all governments to prepare MTEF.

Activity 1.1.2 provide technical support to all seven provinces and selected local government to develop SDG responsive MTEF

In line with the national framework, support will be provided to provinces and local governments to develop SDG-aligned MTEF to secure more financing for high-impact SDG projects. While doing so, the JP will also provide comprehensive trainings on the SDGs based MTEF guidelines to the officials of province and local governments.

Output 1.2: SDG budget coding and expenditure tracking system developed and piloted at sub-national level

Activity 1.2.1 Prepare a comprehensive SDG budget code guidelines for all provinces.

Aligned with the practices at federal level and the ongoing efforts at province level, JP will provide technical support to province governments in formulating SDGs budget code guidelines for all provinces. The project will also provide support in rolling out SDG budget code at provinces and pilot local governments. For the roll out, the JP will provide necessary trainings and capacity building measure to the officials of province governments and pilot local governments.

Activity 1.2.2 Conduct Public expenditure tracking of national and sub-national budget of selected sector

Against the SDG coding of national budget, the JP will also conduct public expenditure tracking survey of selected sectors and sub-national government using SDGs lens.

Activity 1.2.3 – Strengthen capacity of local governments for revenue mobilisation

As per Nepal's Constitution and laws, provincial and local governments are mandated for revenue mobilisation in a number of sectors. Due to the inadequate capacity, Local



governments however have not been able to identify and implement avenues for revenue mobilisation at local level. The JP will provide technical support to review various options and help provincial and local governments to prepare strategy and action plans for revenue generation.

2.4 Budget and value for money (max 2 pages)

This JP builds on the comparative advantage, expertise and past experience of all three partner agencies and leverages their ongoing initiatives to facilitate execution, avoid duplication and draw on their existing financing and technical capacity. UNDP's experience and engagement with NPC, MoF and the parliament at the federal level on SDGs mainstreaming and localization (including SDG baseline report, DFA, SDG costing and financing strategy) provides a solid foundation to work on the financing framework. UNDP has supported provincial governments in developing provincial SDG baseline reports. This is an important milestone, which the JP will take forward in terms of working on SDG-aligned MTEF and SDG budgeting coding and tracking. UN Women has a long experience of working with the Ministry of Finance and MoWCSC on Gender Responsive Budgeting. These partnerships will be leveraged to support the implementation of SDG coding of the national budget. UNCDF's long experience on PFM and fiscal federalism complements well with the proposed activities. The JP will enable these three agencies to come together, to deliver high impact results in a cost-effective manner.

By integrating gender across the programme, evidence will be generated on the gender differential impact of fiscal policy on diverse groups, including women from the most vulnerable sections, and will be used to generate insights to inform policy priorities and the strategic use of public resources to further the SDG principle of LNOB.

MOFAGA is proposed to be the lead agency for this JP. MOFAGA however will coordinate with NPC for technical guidance. The JP also proposes capacity development of government officials at the federal and subnational levels to ensure that the system and policies developed through the technical support of the JP will be continued after the project is phased out.

2.5 Partnerships and stakeholder engagement (max 2 pages)

The MOFAGA will be the lead government entity for implementation of the JP, with the active participation of NPC, province governments and pilot local governments.

MOFAGA, being the only ministry with direct link with the local governments, has a unique role for coordinating and ensuring synergy across sub-national level.

MoWCSC is the nodal ministry for gender equality and empowerment of women. It will be periodically consulted on aspects related to gender mainstreaming in the JP.

The programme will engage select subnational government. The programme will be implemented in all seven provinces and fourteen local governments. At the provincial level, the Provincial Planning Commission, will be the government counterpart. Similarly, relevant local units will be involved in various aspects of the JP. The engagement of provincial and local government will be coordinated through MOFAGA.



Contribution of PUNO and broader UNCT and strategic contributions from other partners

The PUNO will contribute in their areas of comparative advantage, drawing on their ongoing programmes that complement the JP. While UNDP will take the lead in administering the programme and working closely with the MOFAGA in spearheading the JP, UNCDF and UN Women will assign dedicated core staff for implementation of programme activities. The UNCT will also be informed of the intervention. Where piloting of interventions is in a particular sector where another UN agencies have expertise, they will be duly consulted and included in national, provincial and local dialogues for consensus building and for informing the policy processes. Similarly, stakeholders working in PFM and in areas that the JP builds on will also be consulted and their strategic advice sought. Dedicated consultations will be held during the inception phase of the programme and structured engagement facilitated to work on the programme's outputs and align them to other ongoing initiatives/ key interventions. This will help to garner broader level support. Feedback will also be sought from the stakeholders before relevant guidelines and resource materials are finalized.

Stakeholder consultations (financial sector and private investors/capital)

The JP will draw in and mobilize expertise from across the PUNO at the country, regional and global levels given that each agency has strong networks and technical expertise, which can be leveraged to support initiatives in respective area of expertise and share experiences and lessons from other countries with similar contexts.

SDG fund donors that are present in the country will be consulted during different stages of programme implementation. They will be invited to stakeholder consultations and will be informed of the progress of the programme through designated channels/platforms. The JP will draw on the mapping of key programmes implemented by other donors to ensure complementarity.

Stakeholders directly involved in the JP will be provided with updated information on a regular basis. These include the government counterparts, relevant SDG donors and donors working in PFM, and sectors (selected for the pilots) at the provincial and local levels. A communication strategy will be prepared for the same, including for informing the media and academia about the JP.

Stakeholders' engagement with the financial sector, as well as private investors will be held. These include the networks that have already been established in-country, including civil society organizations, NGOs, banks and financial institutions that have an interest in the SDGs and where they would benefit from the programme's interventions. As observed from national consultations that have taken place regarding Nepal's graduation from LDC category, effective coordination, synergy and concerted effort of the government, private sector and CSOs has been acknowledged. The JP also offers an opportunity to integrate SDGs into the planning and budgeting mechanisms at subnational level in Nepal's federal context, which is highly relevant for tracking SDGs and ensuring that the national plans of actions related to the SDGs are materialised in order for Nepal to embark on a sustainable trajectory to graduate from a LDC.



3. Programme implementation

3.1 Governance and implementation arrangements

The RCO will take the overall lead in the JP's implementation by coordinating the three participating UN agencies. The RCO will also be responsible for coordination with national counterparts in any overarching policy level decision required for the JP's implementation. Above all, the RCO will focus on bringing together agencies for the implementation in coherent and coordinated approach. The RCO will also carry out the end-of-project evaluation for taking stock and dissemination of lessons learned among the UN agencies.

UNDP, with its role as SDGs integrator, has been engaged with federal, provincial and local government as well as with the private sector and CSOs since the beginning in mainstreaming and localizing SDGs. UNDP has provided technical support to develop national baseline and roadmap as well as costing and financing strategy. UNDP also developed a reference manual for SDG based local level planning for local governments. With the MoF, UNDP conducted the Development Finance Assessment for Nepal in 2017. UNDP is therefore best positioned to lead and coordinate the work on all components at all three levels of government. As the lead agency, UNDP will be accountable for coordination of programmatic activities and narrative reporting. It will coordinate with the two participating UN organizations, compile annual work plans, resource allocations, monitoring plans, and narrative reports.

As a participating UN organization, UN Women will be responsible for mainstreaming gender across all components/interventions of the programme from planning, implementation to evaluation. In addition, UN Women is a member of the GRB Committee, chaired by the Ministry of Finance, mandated to provide oversight and coordination support to GRB initiatives. UN Women has previously provided direct technical support to the MoF to develop and implement Gender Responsive Budgeting guidelines. It will therefore bring its experience and networks to support the process of SDG budget coding and expenditure tracking from an SDG perspective with a strong focus on gender equality and empowerment of women.

As a participating UN organization, UNCDF plays a key role in supporting the Government of Nepal to strengthen local government finance and establishing a strong base for inter-governmental fiscal transfer mechanism and, more recently, in opening up non-grant finance instruments for local development. UNCDF will bring its experience and expertise in public finance management and in elements of fiscal federalism and municipal revenue improvement into the JP.

An Advisory Committee will be established by MOFAGA chaired by the National Project Director of the PLGSP and comprised of the representatives from the Foreign Aid Division of MOFAGA, NPC, MOF, MOWCSC, UNDP, UN Women and UNRCO. The committee meets twice a year and provides strategic guidance and monitoring for effective implementation as well as to approve budget and work plans. The Advisory Committee will identify two pilot local governments under each province in consultation with the Provincial Planning Commissions. The JP will be implemented as the supplementary program to the PLGSP. PLGSP's technical team and provincial and local level structures such as Provincial Centre for Good Governance (PCGG) will be used for the implementation. Except a project coordinator and one finance associate to coordinate the activities of three agencies and facilitate from UN side for overall reporting and financial management, no additional technical staff will be hired for project implementation.

3.2 Monitoring, reporting, and evaluation

Reporting on the Joint SDG Fund will be results-oriented, and evidence-based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- Annual narrative progress reports, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period.
- Mid-term progress review report to be submitted halfway through the implementation of Joint Programme¹; and
- Final consolidated narrative report, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the JP, with the involvement of Joint SDG Fund Secretariat, to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, six-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. The JP will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in-kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

¹ This will be the basis for release of funding for the second year of implementation.



After competition of a joint programme, a final, independent and gender-responsive² evaluation will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant undg guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

3.3 Accountability, financial management, and public disclosure

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channelled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

² [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

This section refers to cooperation or assistance agreements form the legal basis for the relationships between the Government and each of the UN organizations participating in this joint programme. For example: the Basic Cooperation Agreement for UNICEF; Standard Basic Assistance Agreement for UNDP, which also applies to UNFPA; the Basic Agreement for WFP; as well as the Country Programme Action Plan(s) where they exist; and other applicable agreements for other participating UN organizations. For the Funds and Programmes, these are standing cooperation arrangements. For the specialized Agencies, these should be the text that is normally used in their programme/project documents or any other applicable legal instruments. The text specific to each participating UN organization should be cleared by the respective UN organization.

- Indicate the title and date of the agreement between each Participating UN Organization (PUNO) and the government in the following format:

Agency name: United Nations Development Fund (UNDP)

Agreement title: Standard Basic Assistance Agreement concluded between the Government of Nepal and UNDP

Agreement date: 16 July 1984

Agency name: United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)

Agreement title: Standard Basis Assistance Agreement between the Government of Nepal and UN Women

Agreement date: 9 December 2014

Agency name: United Nations Capital Development Fund (UNCDF)

Agreement title: Standard Basis Assistance Agreement between the Government of Nepal and UNCDF

Agreement date: 23 February 1984

A handwritten signature or mark, possibly a stylized 'X' or a signature, located at the bottom center of the page.

D. ANNEXES of the Joint Programme template

Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
Technical Assistance in Support of the Provincial and Local Governance Support Programme	The programme aims to strengthen the capacity of provincial and local governance systems and processes and inter-governmental relationships to maximize the benefits of cooperative federalism in the progressive realization of economic prosperity, equality and social justice. This TA project will provide catalysing technical support to achieve the key results of PLGSP Programme under the three outcomes and seven sub-outcome areas with activities under fourteen outputs.		UNDP	Ministry of Federal Affairs and Local Government, UK, EU, SWISS, Norway	\$20,000	Tek Tamata
Accelerating Implementation of the SDGs in Nepal	This project aims to support Nepal in achieving the SDGs by creating an enabling environment and capacity development through accelerated implementation. The project will have two outcomes: 1) Planning, budgeting, monitoring & reporting systems at all		UNDP	NPC, MOF, MOFE	\$50,000	Dharma Swarnakar, Kalpana Sarkar



26

	levels of government are SDG responsive and functional; and 2) Resilient and innovative financing available for SDG implementation.						
Municipal Investment Finance / Municipal Finance Capacity Building Programme	The Programme aims to provide technical assistance to enhance the capacity of pilot municipalities to identify, prioritize, formulate and finance projects and strengthen the capacity of TDF for operationalizing the Municipal Investment and impact investment financing facilities with blended financing models to better support local governments.	UNCDF	Town Development Fund EU	\$30,000	Pragyan Joshi		
Strengthening Gender Responsive Budgeting in Federal Nepal	-To strengthen the evidence base on GRB through a forward- looking assessment -To advocate for increased financing for gender equality commitments at the national and subnational levels -To advocate for increased financing for gender equality commitments at the national and subnational levels	UN women	UNDP (PLGSP) National Administrative Staff College	\$80,000	Navanita Sinha		

Technical support to GRBC-lead MoF	To support governments and other concerned stakeholders at local and provincial levels for application of the GRB concept in government budgets and financial management.	UN Women	MoF, MoWCSC,	\$10,000 (Staff time)	Navanita Sinha
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Annex 2. Results Framework

2.1. Targets for Joint SDG Fund Results Framework - Set targets in the tables below, if relevant

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement (set the targets, if relevant)

Indicators	Targets	
	2020	2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope ³		
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale ⁴		
This can be addressed in the 6 months after approval		

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented (set the targets, if relevant)

Indicators	Targets	
	2021	2022
4.1: # of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)		1
4.2: # of integrated financing strategies that have been implemented with partners in lead ⁵		
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational		

³ Additional resources mobilized for other/ additional sector/s or through new sources/means

⁴ Additional resources mobilized for the same multi-sectoral solution.

⁵ This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

2.2. Joint programme Results framework -

Complete the table below – add rows as needed.

Result / Indicators	Baseline	2020 Target	2021 Target	Means of Verification	Responsible partner
Outcome 1: SDG implementation accelerated through SDG aligned planning and resource allocation					
Indicator 1.1: Sub-national budget aligned with SDGs	TBD	TBD	TBD	Analysis of subnational budgets	UNDP, UN Women, UNCDF
Output 1.1: SDGs responsive medium-term expenditure framework piloted in all seven provinces and selected local governments					
1.1.1 No. of provinces and LGUs that develop SDG-aligned MTEF	0		14	Annual Reports. MTEF framework	UNDP, UN Women, UNCDF
1.1.2 No. of government officials of sub-national government trained on SDGs based MTEF	0		1500		UNDP, UN Women, UNCDF
1.1.3. Proportion of recommendations from women's groups incorporated in MTEFs for select provincial and local governments	0	60%	80%	MTEF framework Charter of demands incorporated	UN Women,

Output 1.2: SDG budget coding and expenditure tracking system developed and piloted at the federal and sub-national level						
1.2.1. Guidelines for SDG budget coding	Not Available	Draft Available	Available	Guidelines	UNDP	
1.2.2. # of local governments who presents their annual budget with SDGs Coding	0		14		UNDP	
1.2.3 # of government officials trained on SDGs budget coding	0		1500		UNDP, UN Women, UNCDF	
1.2.4 No of expenditure tracking reports available	0	Tracking tools developed	7 tracking reports	Expenditure Tracking Reports	UNDP	
1.2.5 # of local government with Revenue Improvement Action Plans (RIAP)	Not prepared/updated		14		UNCDF	
1.2.6. Analysis from GE specific PETS	Not Available	Draft Findings Available	Available	GE specific PETS report	UN Women	

Annex 3. Gender marker matrix -

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
N°	Formulation			
1.1	Context analysis integrate gender analysis	3	Yes, gender is integrated in the context analysis. Reference is made to the specific vulnerabilities faced by women in Nepal, and the gender gaps in development indicators. The proposal refers to past work on gender-responsive budgeting and	Proposal


			how lessons learned from that can inform the proposed initiatives	
1.2	Gender Equality mainstreamed in proposed outputs	3	Yes, gender is mainstreamed across all three outputs	Proposal, results matrix
1.3	Programme output indicators measure changes on gender equality	3	Yes, dedicated gender-sensitive indicators are included across outputs	Proposal, results matrix
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	3	Yes. Partnership with the Ministry of Women is envisioned	Proposal
2.2	PUNO collaborate and engages with women's/gender equality CSOs	3	Yes, consultations with women's groups is envisioned	Work plan
3.1	Programme proposes a gender-responsive budget		Yes, dedicated resources have been earmarked for GE/SDG Goal 5	Budget
Total scoring		3		

Reference no for GAM on IASC website: G222911623

Annex 4. Budget and Work Plan

The total budget of this project is USD 1,189,996, out of which the contribution of SDG Joint Fund is USD 999,996 and the contribution from PUNOs is USD 190,000. Almost 75% of the budget is allocated for contractual services followed by staff and personnel cost. As mentioned in the above section, this project will mainly contribute to SDG goal 17 with more than 50% of the budget. Talking about the budget distribution by outputs, 53% budget is for output 1.1 (SDGs responsive medium-term expenditure framework piloted in all seven provinces and selected local governments), and 47% is for output 1.2 (SDG budget coding and expenditure tracking system developed and piloted at the federal and sub-national level).

4.1 Budget per UNSDG categories



UNDG BUDGET CATEGORIES	PUNO 1: UNDP		PUNO 2: UN Women		PUNO 3: UNCDF		TOTAL				
UNDG BUDGET CATEGORIES	Joint SDG (USD)	PUNO contri (USD)	Joint SDG (USD)	PUNO contri (USD)	Joint SDG (USD)	PUNO contri (USD)	Joint SDG total (USD)	PUNO Contri total (USD)			
Staff and other personnel	55,967.00	70,000.00	20,000.00	90,000.00	15,250.00	30,000.00	91,217.00	190,000.00			
2. Supplies, Commodities, Materials	5,000.00		1,000.00				6,000.00				
3. Equipment, Vehicles, and Furniture (including Depreciation)	8,000.00		-				8,000.00				
4. Contractual services	490,663.00		133,033.00		107,750.00		715,380.00				
5.Travel	22,000.00		1,500.00		6,000.00		29,500.00				
6. Transfers and Grants to Counterparts	-		-				-				
7. General Operating and other Direct Costs	35,760.00		32,653.00				68,413.00				
Total Direct Costs	617,390.00				188,186.00			129,000.00		934,576.00	
8. Indirect Support Costs (Max. 7%)	43,217.30				13,173.02			9,030.00		65,420.32	
TOTAL Costs	660,607.30		201,359.02		138,030.00		999,996.32	190,000.00			
1st year [30%]	198,182.19	21,000.00	60,407.71	27,000.00	41,409.00	9,000.00	299,998.90	57,000.00			
2nd year	462,425.11	49,000.00	140,951.31	63,000.00	96,621.00	21,000.00	699,997.42	133,000.00			



4.2 Budget per SDG targets

SDG TARGETS	%	USD
5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	20	201,359
17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	29	288,594
17.9 Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation	51	510,043
TOTAL	100	999,996

4.3 Work plan

Outcome - SDG implementation accelerated through SDG aligned planning and resource allocation			
Annual target/s	List of activities	Time Frame	Planned Budget
			PUN O/s
			Impl eme



		Overall Budget description				Joint SDG Fund (USD)	PUNO Contributions (USD)	Total Cost (USD)	Involved	Integrating partner/s involved	
2021	2022	Q3	Q4	Q1	Q2						
Output 1.1: SDGs responsive medium-term expenditure framework piloted in all seven provinces and selected local governments											
Reference book for SDGs aligned MTEF	SDG aligned MTEF prepared for provincial and local governments	Activity 1.1.1 Review MTEF design and the process at sub-national level to deepen SDGs based criterion for project selection and prioritization									
		Review /study the existing MTEF framework of subnational governments from SDGS lens					5,000	55,000		UNDP, UN Women, UNCDF	Direct selection agencies/secutors, contractual services
		Prepare a reference book for the SDGs based MTEF for the local governments					15,000				
		Documentation of global best practices/case studies for gender analysis of MTEF '					15,000				
		Technical support to mainstream gender in MTEF tools and processes					20,000				
		Activity Sub-Total						55,000			
		Activity 1.1.2. Provide technical support to all seven provinces and local government to develop SDGs responsive MTEF									
		Technical support to all seven provinces and 14 local governments to prepare SDGs based MTEF (14*5000 plus 7*7000)					119,000				
		Training to the officials of province and local governments on SDGs based MTEF. (75*1500)					112,500				
		Prepare Voluntary Local Review of SDGs of 14 pilot local governments					70,000				

[illegible]

The engagement and buy-in of partners, including development partners and private sector finance will be essential for this project. The existing working relations and coordination mechanisms will be used for consultations and to ensure sharing of information on the programme, which will increase ownership.

As the federal structure of Nepal is still relatively new, some issues regarding clarity in the roles and responsibilities of different levels of government (federal, provincial and local) may arise, with an impact on the initial sense of ownership of the programme. However, as this programme has been discussed with and agreed to by the Ministry of Finance, the PUNOs will be able to work under this high-level government guidance to address any such concerns and ensure that commitment to the programme is communicated at and attained all levels. The risk assessment matrix will be periodically reviewed to reflect emerging risks/challenges and identify mitigation measures and strategies on a real-time basis.

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
COVID-19 to detract the focus on budget systemic reforms and to pre-determine the budget allocations for 2021 fiscal year towards health and social support without using SDG framework	12	4	3	'People' dimension of SDGs is anyway the top priority for Nepal and so investments for one year in specific SDG areas like SDG3 without using systemic solutions is not a major risk. However, the JP team will support the relevant government institutions in linking possible additional funding towards health care with specific SDG3 indicators and targets and embedding it in MTEF.	UNDP

Confusion and unclarity on the roles of three levels of government (federal, province, and local) may create some issues of ownership of this initiative.	8	2	4	This project will work in close consultation with all three levels of governments and will create an environment for regular dialogue and interactions among them.	UNDP
Programmatic risks					
Weak capacity of provincial and local government to formulate SDG-aligned MTEF and budget tracking.	8	4	2	The JP will provide additional technical support to mitigate the capacity gap at provincial and local levels	UNDP
Institutional risks					
The legal provision on timeline for preparing MTEF at subnational level is three years, which may push the subnational government to postpone the MTEF preparation till the very end of the Joint Programme implementation period.	8	2	4	Efforts will be made select subnational governments that have started working on preparation of MTEF (well ahead of time) in current year's plan of actions.	UNDP

9/