



# Joint Programme 2022 Annual Progress Report

SDG Financing Portfolio - Component 1

## Cover page

**UNCT/MCO:** Nepal

**Reporting Period:** 1 January - 31 December 2022

**JP title:** "Reorienting Public Finance for SDGs Acceleration and Leveraging Additional Resources in Nepal"

**Stakeholder partner:** National Government; Sub-national Governments;

**Thematic SDG Areas:** SDG localization;

**PUNOs:** UNDP, UN-Women, UNCDF

**Top- up received as part of DEM:** No

**Total estimated expenditures:** US\$ \$ 702,621.2

**Total estimated commitments** (including expenditures): US\$ \$ 874,654.9

**Gender Marker:** Gender-sensitive (for example, the JP acknowledged and aimed to address gender to enhance the policy/programme, such as undertaking gender analysis to ensure policies/programmes do no harm)

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## Executive Summary

The Joint program in 2022 has achieved most its targets as indicated in the results framework which contributed in creating policy environment for SDGs financing at province and local level. This was achieved through development of resources books, guidelines, manuals etc complemented by several capacity development measures to ensure the effective application of these policy instruments.

Two resource books have been published and disseminated by the Ministry of Federal Affairs and General Administration (MOFAGA) with JP's technical support to inform local level planning and budgeting process from SDGs and Gender mainstreaming lens. These include:

- Resource book on SDGs responsive Medium Term Expenditure Frameworks (MTEFs) for local governments; and
- Resource book on SDGs coding of local government program and budget. Seven resource books (one each for seven provinces) on SDGs coding of provincial budget and programs.

Using these resource materials, SDGs Responsive MTEFs were prepared for five provincial and 14 pilot local governments and created enabling environment in accelerating the implementation of SDGs.

The JP also provided training to 1400 (1257 male and 143 female) officials of federal, provincial and local governments on SDGs responsive MTEF, SDGs coding of government budgets and programs, Gender Responsive budgeting and revenue improvement actions. It has made significant contribution in enhancing provincial and local government capacity in SDGs based programming and budgeting as well as tracking of the progress.

The JP also supported the preparation of 14 “Voluntary Local Review (VLRs) in consultation with respective pilot local government. These VLRs will be published in 2023.

To mobilize additional financing for SDGs at local levels, the JP provided technical support to LGs 11 pilot LGs to formulate Revenue Improvement Action Plans (RIAPs). The RIAPs will be finalized and published in 2023.

The SDG JP also mainstreamed gender perspective by strengthening evidence base through assessment, capacity building training and consultation meeting to inform way forward. For instance, a paper on “a compendium of good practices on gender integration in MTEF” and a resource book on “local governance and SDG responsive medium-term expenditure framework: improving GESI prioritization & financing” is being finalized in consultation with vulnerable women groups.

## Annual Progress

### Overall JP self-assessment of 2022 progress:

On-track (expected annual results-achieved)

### Overall progress and key developments to date (3 key JP milestones)

1. Policy instruments on SDGs financing strengthened. The MTEF at the Provincial and Local level has been strengthened as a key policy instrument for SDG financing. This was facilitated through the development of two resource books under the leadership of the Ministry of Federal Affairs and General Administration (MOFAGA). 1) resource book on SDGs responsive Medium Term Expenditure Frameworks (MTEFs) for local governments, 2) Resource book on SDGs coding of local government program and budget. Additionally, seven Resource books (one each for seven provinces) on SDGs coding of provincial budget and programs for all seven provinces have been developed and disseminated.

2. Capacity building of federal, provincial and local government on SDGs financing. Capacities of 1400 (1257 male and 143 female) officials at the federal, provincial and local level on SDGs responsive MTEF, SDGs coding of government budgets and programmes, Gender Responsive Budgeting and Revenue Improvement. This will contribute in enhancing provincial and local government capacity in SDGs based programming and budgeting as well as tracking of the progress. Additionally, 50 officials’ expertise was strengthened on RIAP through partnership with local development training academy (LDTA).

3. Evidence base on SDG and gender responsive public financing strengthened. The JP has significantly contributed towards strengthening the evidence base on SDG and gender based public financing. In the reporting period four policy tools/ knowledge products have been developed and disseminated at the provincial and local level.

i) Voluntary Local Review (VLRs) of 14 pilot LGs each LGs. Draft VLRs have been submitted to LGs for their review and inputs and the VLRs will be published in 2023;

ii) SDGs Responsive MTEFs for five province governments and 14 pilot local governments have been prepared and

published. These MTEFs have contributed to integrate SDGs in programs and budgets of province and local governments as well as created enabling environment in accelerating the implementation of SDGs.

- iii) Altogether, 11 local government RIAPs were initiated and will be finalized and published in 2023.
- iv) A paper on “a compendium of good practices on gender integration in MTEF”

Similarly, the JP is in process of finalizing following four knowledge products:

- v) A resource book on “local governance and SDG responsive MTEF: improving GESI prioritization & financing” is being finalized in consultation with vulnerable women groups.
- vi) An assessment titled “Gender Focused Public Expenditure Review of the Agriculture Sector in Nepal” is also undergoing.
- vii) SDG based public expenditure tracking survey reports of seven provinces
- viii) The training of trainers manual for capacity building on RIAP is drafted by LDTA and will be finalized in 2023 in 2023

**Main Challenges, adjustments and lessons:**

The 2022 Elections (both local and general) affected the implementation of JP activities. Since the government officials particularly local government officials were fully occupied for few months for elections management, few of the JP activities such as trainings to the officials of local governments were delayed and also resulted in low participation.

**SDG Acceleration**

- SDG target 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” has been contributed to through mainstreaming gender in the SDG coding and MTEF resource book. Also GRB training to the government representatives across three levels contributed to strengthened capacities to mainstream gender in the local level planning. The consultation with the vulnerable group provided insights for foregrounding perspectives of women from excluded groups across the budgeting cycle.
- The JP has directly contributed to SDG target 17.1 on “Strengthening domestic resources mobilization including through international support to developing countries and to improve capacities for tax and revenue collection” by leveraging the local level public financing with SDG targets.
- Similarly, SDG target 17.9 on “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” has been contributed to through targeting training on MTEF, SDG Coding, GRB and RIAP.

**Updates on SDG financing framework**

	Assessment Diagnostics	Monitoring	Governance
Inception phase	Financing Strategy	Review	Coordination

**Descriptions on progress by INFF building blocks**

**Inception Phase:**

**Assessment & Diagnostics:**

**Financing Strategy:**

**Monitoring & Review:**

**Governance & Coordination:**

## **Annual Reporting on Results**

**JP contributions to the Joint SDG Fund's global cost of living crisis**

### **Next steps, scaling and sustainability [400 words]**

Train all newly elected parliamentarians of all 7 provinces of Nepal on SDG indicators adopted by Nepal and respective province, revenue mobilization and SDG financing at provincial levels, role of provincial on regional development and SDG and gender responsive programming and planning.

Finalize and publish SDG VLR reports of 14 municipalities

Finalize and publish SDG based PETS reports of 7 provinces

Finalize and publish an assessment titled "Gender Focused Public Expenditure Review of the Agriculture Sector in Nepal" will be completed.

Finalization of technical paper on "Local governance and SDG responsive medium-term expenditure framework: Improving GESI prioritization & financing

Finalize and publish RIAP of 11 municipalities (3 RIAPs prepared by PLGSP programme)

Finalize training manual on RIAP preparation

## **Priority Cross-cutting Issues**

### **Cross-cutting results/issues**

The SDG JP addressed the cross cutting result including gender equality and women empowerment, SDG data, LNOB and human rights.

1) The JP ensured the gender perspective is mainstreamed in the MTEF at the provincial and local level: Resource book on SDGs responsive MTEFs and SDGs coding of local government programme. Also, JP completed "A compendium of good practices on gender integration in MTEF and is in the process of finalizing a resource book on "Local governance and SDG responsive medium-term expenditure framework: Improving GESI prioritization & financing (draft)" and, an assessment entitled "Gender Focused Public Expenditure Review of the Agriculture Sector in Nepal" . To achieve gender outcomes in the SDG financing, the JP mainstreamed the "Gender Responsive Budgeting" in line with the MTEF and SDG coding in the capacity building training to 1090 federal, provincial and local government representatives.

2) Through the SDG coding resource book and orientation to the 1400 representatives, the cross-cutting theme of SDG data in the local level budgeting and planning has been developed. Once fully functional, the government

activities will be coded in the system and thereby enabling the tracking of SDG aligned expenditure from the Line Ministries Budget Information System at provincial and local level.

3) In line with LNOB and Human Rights perspective, consultation with the vulnerable women’s group, as well as with the current GESI focal and ex-deputy mayors of Province 1 was organized to understand the bottlenecks of the marginalized groups to engage in budgetary processes . The insights from the consultation will inform the way forward for the JP from the LNOB perspective, and will support a stronger focus on Human Rights principles, to make the public financing more gender responsive and inclusive.

### How did the JP apply the Gender Marker

The JP is Gender-sensitive (for example, the JP acknowledged and aimed to address gender to enhance the policy/programme, such as undertaking gender analysis to ensure policies/programmes do no harm). Evidence, data collection and analysis (e.g. gender assessments of programmes; policy briefs, costing for scale-up of social services);Policy dialogues, advocacy (e.g. direct inputs to national policies, strategies, laws, including women’s and girls’ rights groups in coordination mechanisms);Capacity development (e.g. training of social workers, local governments, local communities);

### Focus on LNOB cross cutting principles

Human Rights	Persons with disabilities	Youth	Environmental and social standards
Yes	No	No	Yes

## Strategic Partnerships, Documents and Communications

### How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

Strategic partnerships fostered by the JP in the area of SDG Localization with Sub national governments, provinces, Ministry of Federal Affairs and General Administration (MoFAGA) and the Local Development Training Academy.

Support was received from MoFAGA’s flagship Provincial and Local Government Support Programme (PLGSP) for coordinating the trainings at the subnational level through the Provincial Center for Good Governance.

### Donor and Strategic events attended by JP in 2022

JP steering committee/ programme board meeting	Strategic partners/ donors event	Closing meeting/ event
Yes	No	No

### JP contribution to SDG Financing

Drafted a bill, strategy, and/or approved a law increasing the fiscal space for the policy focus	Produced financing, costing, diagnostic and feasibility analyses as a basis to invest or increase spending on the SDGs	Improved efficiency (cost savings) in management programmes/scheme	Improved effectiveness of (value for money; i.e. social impact of \$1 spent) sector investment on the SDGs	Drafted policies/regulatory frameworks or developed tools to leverage private additional funding	Structured financial instruments (public, private or blended) to leverage additional funding
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No	Yes	Yes	Yes	Yes	Yes
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**Main capacity building activities supported by the JP that allowed people to expand their knowledge on SDG Financing and INFFs**

The JP implemented capacity building of 1400 officials of federal, provincial and local governments on SDGS financing.