

Joint SDG Fund
Evidence-Based Final Narrative Report
SDG FINANCING PORTFOLIO – COMPONENT 1

Date of Report: 25/05/2023 (DRAFT)

Programme Title and Country
Country: Nepal Joint Programme (Joint Programme) title: Reorienting Public Finance for SDG Acceleration and Leveraging Additional Resources in Nepal MPTF Office Project Reference Number: See footnote.¹

Programme Duration
Start date² (day/month/year): August 2021 Original End date³ (day/month/year): 31 December 2022 Actual End date⁴ (day/month/year): 31 March 2023
Have agencies operationally closed the programme in its system: Yes/ Expected financial closure date⁵: 31 March 2024
Participating Organizations/Partners
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Programme Budget (US\$)

¹ The MPTF Office Project Reference Number is the same number as the one on the Notification message. It is also referred to as "Project ID" on the project's factsheet page on the [MPTF Office GATEWAY](#).
² The start date is the date inserted in the original ProDoc submitted and approved by the Joint SDG Fund.
³ As per the approval of the original project document by the relevant decision-making body/Steering Committee.
⁴ If there has been an extension, then the revised and approved end date should be reflected here. If there has been no extension approved, then the current end date is the same as the original end date. The end date is the same as the operational closure date, which is when all activities for which a participating organization is responsible under the approved MPTF/Joint Programme are completed. As per the MOU, agencies are to notify the MPTF Office when a programme completes its operational activities. Please see [MPTF Office Closure Guidelines](#).
⁵ Financial Closure requires the return of unspent balances and submission of the [Certified Final Financial Statement and Report](#).

Total Budget (as per Programme Document, without co-funding):
Agency/Other Contributions/Co-funding (if applicable):

Joint SDG Fund Contribution⁶ and co-funding breakdown, by recipient organization:

Agency/others	Joint SDG Fund contribution	Co-funding	Total
PUNO1 - UNDP	660,607.30	70,000.00	730,607.30
PUNO2 – UN Women	201,359.02	90,000.00	291,359.02
PUNO3 - UNCDF	138,030.00	30, 000.00	168,030.00
Total	999,996.32	190,000.00	1,189,996.32

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⁶ The Joint SDG Fund contribution is the amount transferred to the participating UN organizations – see [MPTF Office GATEWAY](#).

Table of Contents

Executive summary	7
Context	8
Joint Programme Results	11
1. Overview of Strategic Final Results	11
1.1. Overall assessment.....	11
1.2 Key results achieved.....	11
1.3. Results achieved on SDG financing building blocks	13
1.4. Contribution to SDG acceleration.....	Error! Bookmark not defined.
1.5. Contribution to SDG financing flows	13
1.6. Results achieved on contributing to UN Development System reform.....	13
1.7. Results achieved on cross-cutting issues.....	14
1.8. Results achieved on COVID-19 recovery	15
1.9. Strategic partnerships	15
1.10. Additional financing mobilized	16
2. Results by Joint Programme Outcome and Output	17
2.1. Results achieved by Joint Programme Outcome	17
2.2. Results achieved by Joint Programme Output	18
3. Challenges and Changes	19
3.1. Challenges faced by the Joint Programme	19
3.2. Changes made to the Joint Programme	19
4.1. Sustainability and country ownership	20
5. Communications	21
5.1 Communication products	21
6. Lessons and Best Practices	22
6.1. Key lessons learned, best practices and recommendations on SDG financing	22
6.2. Key lessons learned and best practices and recommendations on Joint Programming.....	23
7. References	24
Annex 1: Consolidated results framework	26
Annex 2: List of strategic documents	30

Annex 3. Communications materials 32

Annex 4: List of stakeholders interviewed during final report preparation . 33

Annex 5: Progress report by outputs and activitiesError! Bookmark not defined.

Annex 6: Results frameworkError! Bookmark not defined.

Abbreviations

AAAA	Addis Ababa Action Agenda of the Third International Conference on Financing for Development
DFA	Development Finance Assessment
GESI	Gender Equality and Social Inclusion
GON	Government of Nepal
GRB	Gender-Responsive Budgeting
INFF	Integrated National Financing Framework
JP	Joint Programme – Reorienting Public Finance for SDG Acceleration and Leveraging Additional Resources in Nepal
LDTA	Local Development Training Academy
LGU	Local Government Unit
MOF	Ministry of Finance
MoFAGA	Ministry of Federal Affairs and General Administration
MOWCSC	Ministry of Women, Children and Senior Citizen
MTEF	Medium Term Expenditure Framework
NPC	National Planning Commission
NPD	National Project Director
NPM	National Project Manager
PFM	Public Finance Management
PLGSP	Provincial and Local Government Support Programme
PUNO	Participating UN Organization
RC	Resident Co-Ordinator
RCO	Resident Co-Ordinator Office
RIAP	Revenue Improvement Action Plan
SDGs	Sustainable Development Goals
ToT	Training of the Trainers
UNCDF	United Nations Capital Development Fund
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNDS	United Nations Development System
UNRCO	United Nations Resident Coordinator Office
UNWOMEN	United Nations Entity for Gender Equality and the Empowerment of Women

VLR Voluntary Local Review

Executive Summary

The joint programme 'Reorienting Public Finance for SDG Acceleration and Leveraging Additional Resources in Nepal' (hereafter called 'Joint Programme') has achieved significant results in developing and creating government ownership of various public finance management tools, including the SDG-Responsive Medium Term Expenditure Framework, SDG-based budget coding, and a public expenditure tracking and revenue improvement action plan. These tools are aimed at improving the efficiency of budget allocation for SDG-related programming, ensuring value for money and enhancing transparency and accountability. These accomplishments will ultimately contribute towards greater fiscal decentralization, equipping sub-national governments with more power to exercise sufficient authority and control in the use and management of their financial resources, and will also improve the transparency of government allocation and local autonomy in decision-making in the federal context.

Significant achievement has been made towards meeting the Joint Programme's outcome of accelerating the implementation of the SDGs through SDG-aligned planning and resource allocation through two outputs. The first output is the development of the SDG-Responsive Medium-Term Expenditure Framework (MTEF). The second one is SDG-based coding of the annual programmes and budgets as well as expenditure tracking. Gender equality and social inclusion (GESI) was integrated into the Joint Programme's outputs with the objective to improve GESI prioritization in the planning and budgeting process primarily at the sub-national level.

Preparing the SDG-responsive MTEF and budget coding is extremely important for linking the annual development plan and budget with the periodic plan to ensure an adequate budget for the SDGs. While the institutionalization and full realization of this is a long-term process, the development and implementation of public finance management (PMF) tools in seven provinces and 14 pilot municipalities under the Joint Programme within a period of 20 months is a significant achievement. It is possible that this will trigger multiplier effects, persuading other municipalities to adopt the same process in the future.

The Joint Programme has sensitised and created awareness on the importance of institutionalizing PFM tools in Nepal's newly created federal structure. With the development of resource books, approximately 1,400 (1,257 male and 143 female) political leaders and officials of federal, provincial and local governments received orientation training on preparing SDG-Responsive MTEFs, SDG-based coding of government annual budgets and programmes and gender-responsive budgeting as well as formulating revenue improvement action plans. These capacity development measures have significantly contributed to enhancing provincial and local governments' awareness and capacity in SDG-based programming and budgeting as well as tracking expenditures and achievements.

By building strategic partnerships with all three tiers of government, the Joint Programme has created government ownership of all PFM tools. The Joint Programme has made significant efforts in fostering ownership with all the three tiers of the Government of Nepal (GoN). The Joint Programme has been able to leverage opportunities provided by the existing legal and policy framework. This includes the mandatory provision for governments to use public finance management tools at the sub-national levels as stipulated by two acts: (i) the Intergovernmental Fiscal Management Act 2074(2018 A.D.) and (ii) the Financial Procedures & Fiscal Accountability Act 2076. As per clause 17(1) of the Intergovernmental Fiscal Management Act 2074, the federal, provincial and local governments are required to prepare MTEFs over the next three years. Clause 6 of the Financial Procedures and Fiscal Accountability Act 2076 provides the legal basis for formulating a three-year rolling MTEF, which includes a fiscal framework, budget framework and results framework as well as project activities, an estimated unit cost and time period for the proposed projects. Further, strong alignment with the GoN's ongoing efforts will ensure sustainability of the tools and resources developed under the Joint Programme. The Joint Programme's products and services are complementary to work being undertaken by the Ministry of Federal Affairs and General Administration and/or its flagship programme, the Provincial and Local Governance Support Programme. Moreover, the Joint Programme's tools build on existing government tools. All the resources developed under the Joint Programme have been published as the government's tools. This provides a further basis for making the government accountable for using them.

The Joint Programme also contributed to the goals of the UN Development System (UNDS) reform. The Joint Programme has also strengthened the practice of UN agencies working together, building on ongoing collaboration. The joint development of resources, tools and trainings provided an opportunity for cross-learning, harnessing the competencies of participating UN organizations, reducing duplication of efforts and costs and improving efficiency.

Underlying the success of the Joint Programme are three key factors. The first factor is its efficient design, which features coherent components. Secondly, the coordinated approach taken by the three participating United Nations organizations (PUNOs) in implementing the Joint Programme in close collaboration with the Resident Coordinator Office (RCO) and the effective support of political leaders and government officials at all levels has contributed to the Joint Programme's results. Finally, a strong policy framework – specifically, the two government acts that require each of Nepal's 753 local governments prepare MTEFs – provides a significant opportunity to scale up and sustain the Joint Programme's outputs.

Context

In 2015, the international community adopted the 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs), hereafter called '2030 Agenda.' Underlying the 2030 Agenda is the pledge of leaving no one behind. The 2030 Agenda and SDGs provide an excellent framework for addressing exclusion and inequality, including provincial inequality and gender-based inequality.

The GoN has made various efforts to localize the SDGs. It mainstreamed SDGs in its periodic plans, adapted SDG indicators in a national context and conducted a development finance assessment (DFA), needs assessment and costing studies. However, progress in achieving the SDGs was not happening at the pace required, even prior to the COVID-19 pandemic. At the SDG Summit in September 2019, world leaders noted slow progress and called for a 'Decade of Action,' pledging to mobilize financing, enhance national implementation and strengthen institutions to achieve the goals by the target year of 2030. The Decade of Action calls for transformative economic, social and environmental solutions.

Financing for the 2030 Agenda in Nepal is constrained by a range of issues. These include limited fiscal space and institutional capacity and underperforming PFM; misaligned incentives and regulations; limited awareness; difficulties in identifying, measuring and reporting on sustainable investments; and the delinking of planning and SDG-aligned strategies from financing and budgeting. Despite efforts made in the past, there has been a wide disconnect between planning and budgeting. This has been identified as one of the critical gaps in PFM in Nepal. The specific challenges include (i) lack of alignment of annual budget and programmes with multi-year planning; (ii) a mismatch in the annual investments proposed by respective line ministries against the plan priorities; (iii) the inclusion of projects in the budget without proper technical and financial feasibility analysis; and (iv) lengthy and cumbersome procurement processes without regular and effective monitoring⁷ The disconnect between planning and budgeting is starker at the sub-national level. Nepal's recently instituted provincial and local governments are tasked with massive responsibilities, such as making a balance between planning and finance as well as ensuring the availability of adequate resources to carry out their constitutionally mandated functions.

Wide developmental disparities on socio-economic fronts prevail across Nepal's provinces. For example, 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 other regions. These two regions are also more food insecure than other regions. In light of this reality, the Joint Programme has been of great relevance given its focus on developing and implementing SDG- and gender-responsive planning and budgeting at the sub-national level.

⁷ Joint Programme Document 2021.

Although addressing deficiencies in national public financial architecture is a larger structural problem that requires significant legal and institutional reforms, this Joint Programme focused on two strategic areas that offer significant opportunities to strengthen PFM in line with the SDGs: (i) SDG linkage from plan to budget through MTEF and (ii) tracking expenditure in the national and sub-national budgets against SDG and gender coding (Box 1). These efforts are guided by stakeholder dialogues conducted in support of Nepal’s SDG adoption, which identified three areas of support required to align the national planning and financing architecture towards the SDGs. The identified areas are SDG-based budget classification, through technical and methodological support for activity level budget coding; a comprehensive budget classification manual; and sectoral and project-level evaluation criteria embedded in the MTEF through an addendum in the federal and sub-national government’s MTEFs.

As per the constitution and laws, local governments in Nepal play an important role in delivering SDGs, as significant resources are transferred to them through inter-government fiscal transfers as well as their own internal revenue. Local governments also need to develop a MTEF in addition to an annual budget. The Ministry of Federal Affairs and General Administration (MoFAGA) is assigned to carry out capacity building, facilitation and coordination among local governments. It has been implementing the ‘Provincial and Local Governance Support Programme’ (PLGSP), a flagship programme to strengthen sub-national governance systems and procedures and enhance the capacity of governments to effectively deliver services and development outcomes to citizens. Apart from PLGSP, which is supported by various development partners including the European Union (EU), Government of Norway and the UN, some development partners have also been implementing programmes to strengthen Nepal’s federal system. The World Bank has been engaged in supporting the GoN to implement reforms aimed at moving towards fiscal federalism and strengthening PFM at all levels of government (World Bank 2021). The Joint Programme fits well with the MoFAGA’s ongoing efforts. In fact, the GoN initiated the development of financing tools, including a MTEF and annual business plans, during the start of its 10th Periodic plan in fiscal year (FY) 2002/03, when Nepal still had a unitary political system (Box 2).

Box 1: The Joint Programme: Expected outcome and outputs

Outcome: SDG implementation is accelerated through SDG-aligned planning and resource allocation.

Output 1.1: SDG-responsive MTEF is piloted in all seven provinces and selected local governments.

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

Activity 1.1.2: Provide technical support to all seven provinces and selected local governments to develop an SDG-responsive MTEF.

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

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

Activity 1.2.2: Conduct public expenditure tracking of national and sub-national budgets in the selected sector.

Activity 1.2.3: Strengthen the capacity of local governments for revenue mobilization.

Source: Joint Programme Document

Box 2: Medium-Term Expenditure Framework and Budget Coding

Medium-term expenditure frameworks (MTEFs) constitute an approach to budgeting and public financial management that address shortcomings in annual budgeting, including its shortsightedness. Most public programmes require funding and yield benefits over a period of years, but annual budgeting largely ignores future costs and benefits. The MTEF is multi-year budget planning that links the annual plan with the periodic plan. In Nepal, it is a three-year rolling plan that follows a three-stage process outlined below:

1. Specifying a medium-term envelope of aggregate resources.
2. Determining medium-term resource needs of spending agencies.
3. Agreeing on expenditure allocations and finalizing the annual budget.

Thus, the MTEF consists of a medium-term fiscal framework, a medium-term budgetary framework and a medium-term performance framework. It connects the inputs with the results/performance, considering the availability of resources.

In Nepal, the MTEF has been implemented since the 10th Periodic Plan (2002-2005). It has been instrumental in linking the annual budget with the periodic plan, as well as in project prioritization, ensuring a budget for high-priority projects. However, in the absence of dedicated laws, this did not become a mandatory planning tool and was discontinued almost a decade after the 10th Plan.

Under Nepal's 2015 constitution, it was made mandatory through government acts. As per Clause 16 and 17 (1) of the **Intergovernmental Fiscal Management Act 2074**, federal, provincial and local governments are required to prepare public expenditure statements annually. While preparing the statement, it is also mandatory that they formulate a three-year MTEF highlighting the objective of projects to be included, their outcome and outputs, sources of expenditure, the projection of output and outcome expected to be achieved and expenditure strategy. The MTEF also includes an actual statement of the achieved targets of ongoing projects. Similarly, Clause 6 of **the Financial Procedures and Fiscal Accountability Act 2076** provides the legal basis for formulating a three-year rolling MTEF and includes a fiscal framework, budget framework and results framework as well as activities, an estimated unit cost and time period for all the proposed projects.

Budget coding becomes prominent during the implementation of the MTEF. In the process of the prioritization, the first MTEF classified projects into three groups – P1, P2 and P3 – and planned to gradually eliminate the lowest priority projects (P3). The project classifications are also being presented yearly in the NPC annual development program and budget. This has offered a basis to track and allocate a budget for the priority projects. This process has culminated into budget coding, which is a method to identify fund allocations across various policies, programs and projects.

Source: World Bank 2013

In the absence of mandatory provisions, the MTEF was not consistently applied for almost a decade. With the launch of Nepal's federal structure in 2015, it has been imperative to develop a three-year MTEF as well as an annual development budget and programmes. Two binding government acts stipulate that all the municipalities need to prepare a MTEF. Towards this end, the Joint Programme and its results are highly relevant in Nepal's current federal planning and budgeting context.

Joint Programme Results

1. Overview of Strategic Final Results

1.1. Overall assessment

The Joint Programme made significant progress on both the outputs as mentioned in its results framework within the extended deadline of 31st March 2023. The COVID-19 pandemic and two elections held during the programme's intervention period caused some delay and resulted in a request for extension to complete remaining all activities.

Through its two outputs, which were aimed at creating an enabling policy environment, the Joint Programme contributed to its stated outcome: leveraging increased finance for SDGs acceleration. Since this was only a 20-month intervention (including the three-month extension), more time is needed to fully realize its outcome. On the whole, however, the Joint Programme has made strategic contributions in localizing SDGs at sub-national levels and also made notable progress towards implementing federalism in Nepal. This achievement was facilitated through the development of resources and tools, with significant outreach in over 600 municipalities (of the 753 local governments) and more than 1800 political leaders and government officials from all seven provinces. Moreover, national stakeholders have regarded its additional activities – such as an orientation programme for newly elected provincial parliamentarians – as timely interventions. In view of this, it can be inferred that the programme performance is above expectations.

- Above expectations (fully achieved expected Joint Programme results and made additional progress)
- In line with expectations (achieved expected Joint Programme results)
- Satisfactory (majority of expected Joint Programme results achieved, but with some limitations/adjustments)
- Not-satisfactory (majority of expected Joint Programme results not achieved due to unforeseen risks/challenges)

Justification for the assessment

Monitoring, evaluation and reporting is an important feature of the Joint SDG Fund Programme. As outlined in the Joint Programme document, reporting should be results-oriented and evidence-based. It consists of producing three narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat. This is the Final Consolidated Narrative Report for the Joint Programme.

An innovative approach was used to draft the final narrative report. An assessment was conducted to ascertain the strategic results delivered by the Joint Programme.

Document review and key informant interviews served as major sources of data and evidence. The programme document, annual progress reports, meeting notes, resource books and knowledge products produced under the Joint Programme were key documents used for extracting information and validating the results. They were further verified and/or supplemented by additional information gathered through key informant interviews with various stakeholders, including the programme participants, resource persons, programme personnel, focal points and heads of PUNOs.

The assessment has also generated inputs and insights for further course of action. The lessons learnt from the implementation of the Joint Programme will help improve future programming within Nepal and outside.

1.2 Key results achieved

The Joint Programme focused on building systems and tools. These tools are being used by all seven provinces and 14 pilot municipalities. Although their impact can only be assessed after the second round of their implementation in the subsequent year, the following three results of the Joint Programme are significant and will contribute to the realization of its system-wide impacts.

1. ***Systems and tools are developed and implemented at the sub-national level for SDG-aligned and gender-based planning and resource allocation.*** Three PFM tools have been developed and used to strengthen the implementation of the sub-national plans. These tools include a gender- and SDG-responsive MTEF and budget coding, revenue improvement action plans (RIAPs) and public expenditure tracking. The MTEF at the provincial and local levels has been strengthened as a key policy instrument for SDG financing. This was facilitated through the use of: (i) a resource book on SDGs-responsive MTEFs for local governments and (ii) a resource book on SDGs coding in local government programmes and budgets by local governments. Additionally, seven resource books (one for each province) on SDGs coding of provincial budgets and programmes were developed and disseminated. Gender was mainstreamed into these resource books, particularly in line with the Ministry of Finance's (MOF) GRB guideline for the provincial and local governments. Using these tools, SDG-responsive MTEFs for five provinces and 14 pilot municipalities were prepared.⁸ Following this, SDG-based public expenditure tracking surveys (PETS) for seven provinces were prepared to track expenditure. Similarly, a training of trainers (TOT) manual was developed for RIAP, helping to enhance capacities in 11 pilot municipalities. The Joint Programme supported the preparation of RIAPs in 11 pilot municipalities, while the development of RIAPs in the remaining 3 pilot municipalities were supported through the Provincial and Local Government Support Programme (PLGSP).

2. ***Capacity of provincial and local governments is strengthened to institutionalize PFM tools for the SDGs acceleration.***

The commitment of all three tiers of government is necessary to develop and apply SDG coding to the national budget, track expenditure against the coding and work towards shifting the basis on which allocations are made. Apart from building government capacity, engaging parliamentarians is critical for making strategic budget allocations in line with the SDGs. The capacity gap is much higher at the local level, where there is a need for orientations and trainings on planning and budgeting.

In view of the factors mentioned above, the Joint Programme conducted massive orientation trainings in each of Nepal's seven provinces, with 1,400 (1,257 male and 143 female) participants from over 600 municipalities. These included mayors, deputy mayors, chairpersons and government officials. The training had four sessions on SDG-responsive MTEF preparation, SDG-based coding of government budgets and programmes, GRB and RIAP. Training participants remarked that the sessions raised their awareness about the importance of PFM tools and will help contribute towards the institutionalisation of SDG-based programming and budgeting as well as tracking progress at the local level. Additionally, the capacities of 50 officials were strengthened on RIAP through partnerships with the government's local development training academy (LDTA). Also, the capacities of 1,090 federal, provincial and local government representatives (996 male and 94 female) from 615 local governments from all seven provinces and 42 GESI focal persons (6 male and 36 female) from Koshi Province were enhanced through participatory training on gender-responsive MTEF in line with the UN's leaving no one behind (LNOB) principle.

3. ***Evidence is generated for enhanced implementation of the SDG-based, gender-responsive planning and budgeting.*** The Joint Programme has significantly contributed towards developing gender-sensitive tools, strengthening the evidence base on SDG- and gender-responsive public financing. A compendium of good practices on gender integration in MTEF was developed and informed the GRB MTEF training. Insights generated during the interaction with stakeholders during the provincial training and a consultation with vulnerable

⁸ In order to create ownership, the support provided under the Joint Programme was demand driven. Accordingly, technical support was provided to formulate the SDG-responsive MTEF in five out of the seven provinces that demanded for the support.

women’s group (*Baadi* community⁹) informed the resource book ‘Local Governance and SDG-Responsive MTEF: Improving GESI Prioritization & Financing’. An assessment titled ‘Gender-Focused Public Expenditure Review of Agriculture Sector in Nepal’ was also initiated under the Joint Programme and is currently underway. All these tools and resources help improve the implementation of the SDG-responsive plan through a gender lens.

1.3. Results achieved on Integrated National Financing Framework/SDG financing building blocks (max 2 pages)

Implementation stages	Planned (0%)	Emerging (1-49% progress)	Advancing (50-99% progress)	Complete (100% progress)	Previously completed	Not applicable
1. Inception phase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Assessment & diagnostics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Financing strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Monitoring & review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Governance & coordination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

1.5. Contribution to SDG financing flows

The 2030 Agenda and the SDGs are ambitious. Their achievement depends on establishing successful and effective partnerships as stipulated in the Addis Ababa Action Agenda on Financing for Development (AAAA). A key element of the SDG Fund was its matching fund system, which required the Fund’s financial contributions to be complemented by the Joint Programme partners. These partners include national and sub-national governments, UN agencies, the private sector and civil society.

While the Joint Programme has been able to garner some support, including contributions from the GoN and the three PUNOs, it has yet to mobilize resources from donors. However, the Joint Programme has complemented the government’s flagship programme, the PLGSP, with a budget of USD 130 million; its objective is much wider but includes the Joint Programme’s objective of strengthening fiscal federalism. PLGSP is a multi-donor programme, and UNDP is one of its contributors. UNDP has also been providing technical assistance to the PLGSP. UN Women has also contributed resources to strengthen the gender equality components. It is expected that the effective implementation of the Joint Programme could motivate development partners to contribute additional funds to implement the PLGSP.

However, the main aim of the MTEF and budget coding tools developed under the Joint Programme is efficient expenditure management so that more funds are allocated towards prioritized interventions, including the SDGs. These two PFM tools are complemented by a revenue action plan to generate revenue at the municipal level. These tools were implemented for the first time in five provinces and 14 pilot municipalities. It is expected that the continued use of these tools and exercises (such as the RIAPs) in subsequent years will result in increased allocation and/or increased revenue collection.

1.6. Results achieved on contributing to UN development system reform

Against the backdrop of 2030 Agenda, UN development system (UNDS) reform began in 2018, with the objective of placing sustainable development at the heart of the UN’s work. The reform reinvigorates

⁹ Baadi are categorized under "Hill Dalit" among the nine broad social groups, along with Damai, Sarki, Kami and Gaine by the Government of Nepal. This community is traditionally engaged in entertaining through music and also sex work, and continue to face discrimination due to historical lineage.

the role of the Resident Coordinator (RC), empowering the RC to effectively coordinate the work of the UN country teams (UNCTs). The UNDS reform centrally promotes and encourages more collaborative work and joint programming among UN agencies at the country level. The Joint SDG Fund is as an important financing mechanism to accelerate the SDGs and advance UNDS reform at the country level.

UN agencies in Nepal have been coordinating their efforts and working together even before UNDS reform. However, the Joint Programme has further strengthened collaboration among them. It has brought the three PUNOs together, promoting a culture of sharing, cross-learning and joint programming. The Joint Programme has enabled UNDP and UNCDF to integrate gender dimensions into their activities for the Joint Programme, with support from UN Women. The Joint Programme was also intentional in its effort to reduce transaction costs by building synergies across the interventions. For example, the three PUNOs developed an integrated training package that combined three components – GRB, MTEF and RIAP – and delivered a Joint Training Programme to 1,800 political leaders and local government officials. This joint initiative achieved three results in terms of coherence and efficiency. First, it offered an opportunity to mobilize expertise and harness the comparative advantages of the three PUNOs. It also promoted complementarity among their initiatives for greater impact. Second, by developing the integrated package and organizing joint events, it helped reduce transaction costs, reducing the number of transactions and operations/logistical activities. Third, it helped make efficient use of the government’s time since all three PUNOs jointly conducted meetings with the GoN while implementing the Joint Programme.

Moreover, the Joint Programme contributed to the development of the UN Sustainable Development Cooperation Framework (UNSDCF). All the three PUNOs contributed inputs to the UNSDCF, drawing on the Joint Programme’s work in the areas of SDG financing, involving the private sector, revenue mobilization, gender mainstreaming and working at the provincial and local levels to strengthen ongoing federalization efforts. On the whole, the Joint Programme has contributed, to realize the objectives of UNDS reform.

1.7. Results achieved on cross-cutting issues

The Joint Programme addressed several cross-cutting issues, including gender equality, women’s empowerment, SDG data, the LNOB principle and human rights. It achieved this through the following activities:

- The Joint Programme ensured that gender was mainstreamed across key tools and resources, including the resource book on SDG-responsive MTEFs and SDG coding for the local government programme. Additionally, dedicated knowledge products and diagnostic studies, such as “A compendium of good practices on gender integration in MTEF” and the resource book on “Local Governance and SDG-Responsive Medium-Term Expenditure Framework: Improving GESI Prioritization & Financing,” identified specific strategies and entry points to strengthen integration of gender in PFM mechanisms and processes. Further, an assessment titled “Gender-Focused Public Expenditure Review of the Agriculture Sector in Nepal” was also commissioned. To achieve gender outcomes in SDG financing, the Joint Programme mainstreamed GRB in line with the MTEF and SDG coding during an orientation/capacity building training for 1800 federal, provincial and local government representatives.
- Through the development of the SDG coding resource book and the orientation/capacity building training for 1,400 representatives, the need for SDG data in local-level budgeting and planning was realized. The government’s programme activities and budget are being coded into the system, which provides a basis for tracking SDG-aligned expenditure at the provincial and local levels.
- In line with LNOB and human rights principles, a consultation between *Baadi* women’s groups, GESI focal points and former deputy mayors in Koshi Province was organized to understand the challenges that women from excluded groups face while engaging in budgetary processes. The insights from the consultation strengthened the Joint Programme’s knowledge base from the LNOB perspective and will enable a stronger focus on human rights principles to make public financing more gender-responsive and inclusive going forward.

1.8. Results achieved on COVID-19 recovery

The JP did not directly work on strengthening ways to finance the recovery from COVID-19 pandemic. COVID 19 pandemic was one of the Risks outlined in the JP document. PUNOs adapted their implementation strategies to minimize the COVID impact.

1.9. Strategic partnerships

Mainstreaming the SDGs into financing architecture requires that many different actors make concerted efforts to implement complementary initiatives over time. The objective of this Joint Programme is to establish a coherent PFM process centred on the achievement of SDGs in collaboration with a range of stakeholders who have direct and indirect links to the process. The partner institutions for this Joint Programme are the MoFAGA, NPC, MoWCSC and provincial and local governments. Without active involvement from Nepal’s three tiers of government, it would have been a formidable task to produce several resource tools and foster government ownership.

Partnership with MoFAGA and PLGSP

A close partnership has been established with the MoFAGA, which engaged in all the milestones of the Joint Programme, from the signing of the programme document to the development and dissemination of the resource books/tools and knowledge products and the organization of major capacity building events. The MoFAGA sent the Knowledge Products and guidelines, which were published as government documents, to all the municipalities, which were instructed to use them while preparing the MTEF and coding the annual budgets and programmes.

A strategic partnership has been fostered between MoFAGA’s flagship programme, PLGSP, and the Joint Programme due to their complementary nature. The PLGSP has three outcomes and 14 outputs. The Joint Programme connects mainly with following outcome and outputs of PLGSP:

Outcome 1. Government institutions and inter-governmental mechanisms at all levels are fully functioning in support of federal governance as per the constitution	Output 1: Federal-level institutions develop legislations and policies to support provincial and local Governments
	Output 2: Federal-level institutions develop tools and systems to support PLGs in a consultative process
Outcome 2. Provincial and local governments have efficient, effective, inclusive and accountable institutions.	Output 5: Modernized PG systems enable horizontal and vertical accountability to all citizens and mainstream GESI
	Output 10: Local Governments systems mainstream GESI in their service delivery
Source: MoFAGA, PLGSP ProDoc	

The Joint Programme worked closely with the PLGSP in the process of developing the MTEF, RIAP and other planning and tracking tools. For example, the PLGSP has already formulated the RIAP in three out

of 14 pilot municipalities and the Joint Programme has been engaged in developing the remaining 11 pilot municipalities, of which three were developed through the LDTA and 8 RIAPs were developed through a contractual services firm in close consultation with MoFAGA. Moreover, the Joint Programme coordinated trainings at the sub-national level through the Provincial Centre for Good Governance, which is a technical wing of the PLGSP. The strategic partnership with the MoFAGA and/or PLGSP has been consistent and effective. This was facilitated to a great extent by engaging the NPD of PLGSP as the NPD of the Advisory Committee of the Joint Programme. As a result of this, close coordination between the PLGSP and Joint Programme's interventions were ensured, with a clear exit strategy for the latter.

Partnership with the provincial governments

All seven provincial governments in Nepal were closely engaged in developing and finalizing the provincial-level MTEF resource book. They were also part of the Training of the Trainers (TOT) event conducted in Bhairahawa, Nepal. The Provincial Good Governance Centre has been engaged in supporting the development of orientation trainings conducted in all seven provinces for all municipalities.

Partnership with local governments

A close partnership was maintained between the Joint Programme and 14 pilot municipalities. This partnership helped build the pilots into 'model municipalities' through the following efforts: (i) developing the SDG-responsive MTEF, (ii) carrying out SDG coding of the municipality's budget and programmes, (iii) preparing the VLR and (iv) developing the RIAP.

Partnership with NPC and MOF

In the process of developing the MTEF resource book, a review of the government's PFM software was conducted. At present, there are three software platforms being developed and refined, including Line Ministry Budget Information System (LMBIS) for the federal level and Provincial (LMBIS) for the provincial level under the overall guidance of NPC. Inputs were provided to include a results framework apart from the budgetary framework for these tools. Similarly, the SUTRA software was reviewed and the PUNOs continue to advocate for SDGs coding and revenue components/modules to be included in this software. These three software platforms can be instrumental in connecting planning data with budgeting data, ensuring that governments allocate resources strategically and provide effective public services.

Partnership with the Local Development Training Academy

A partnership was fostered with the Local Development Training Academy (LDTA), an accredited national organization focused on developing the capacity of local governments, to strengthen the Joint Programme's capacity development initiatives. The LDTA conducted a three-day ToT in Godavari and Bhairahawa. Moreover, it also conducted a weeklong training on the development of the RIAP and supported the formulation of the RIAP in 11 pilot municipalities.

However, the Joint Programme was not able to forge a strategic partnership with the private sector. This might have been due to the nature of the Joint Programme, which required partnerships mainly with different tiers of the government. However, efforts were made to involve the private sector, including the district-level Chamber of Commerce in the process of developing the RIAP. The district-level Chamber of Commerce also issued useful suggestions to the Joint Programme, such as using a digital payment system to increase revenue mobilization. Use of digital tools can significantly enhance PFM systems.

1.10. Additional financing mobilized

As mentioned earlier, the PUNOs have contributed a matching fund to the Joint Programme. In light of the limited Joint Programme period, the PUNOs were engaged in developing and piloting the PFM tools.

However, the strong government ownership that was garnered over the course of the Joint Programme’s implementation will ensure that the continued implementation of these tools results in increased financing. Moreover, these tools will contribute to enhancing resource efficiency, revenue mobilization, accountability and transparency.

Source of funding	Yes	No	Type of co-funding/co-financing	Name of organization	Amount (USD)	Comments
Government	<input type="checkbox"/>	<input checked="" type="checkbox"/>		MoFAGA		
Donors/IFIs	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
Private sector	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
PUNOs	<input checked="" type="checkbox"/>	<input type="checkbox"/>		UNDP, UN Women, UNCDF	190,000	
Other partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>				

2. Results by Joint Programme Outcome and Output

2.1. Results achieved by Fund’s global results (max 500 words)

The SDG implementation has been accelerated through the adoption of SDG-based budget classification that aligned budget allocation with the SDG indicators; and, facilitating to help leverage additional resource to address SDG financing gap. The JP was designed to contribute to the Global Output 4, indicator 4.2 on ‘number of integrated financing strategies that have been implemented with partners in lead’. The JP produced 19 financing strategies for sub-national governments. These include five MTEF for the provincial governments and 14 MTEF for the local governments for accelerating SDG progress.

2.2. Results achieved by Joint Programme Outcome

Under the Joint Programme, the linkages were strengthened between development plans and priorities with the financing instruments enabling resource allocation and the tracking of expenditure and its efficient and effective utilization to accelerate SDG implementation at federal and subnational level. For this, four integrated (SDG-responsive and gender-responsive) PFM tools were developed. These tools were piloted in seven provinces and 14 municipalities. These pilots have generated important insights and identified entry points to replicate and scale up in other municipalities. The first entry point is the legal provisions mandating MTEF budget coding as well as devolution of authority to the local level for planning and mobilizing revenue. The second reason is the political will to use such tools for efficient planning and budgeting. This will be fostered among participants during the orientation training conducted by the Joint Programme. Key informant interviews conducted with local leaders indicated that they are willing to use these tools but require technical support to ensure their quality. The demand for the development and use of the MTEF and revenue improvement action plan is growing. It is expected that PLGSP will continue providing technical support after the Joint Programme is phased out.

The PUNOs worked together using respective comparative advantage to develop the tools and delivered joint training under the JP. The resource persons and participants found this approach to be comprehensive and coherent in addressing various issues. This also resulted in resource efficiency and non-duplication of efforts.

2.3. Results achieved by Joint Programme Output

The JP was designed with two interlinked outputs focusing on formulation of MTEFs, SDGs coding of province and local governments' budgets, expenditure tracking of sub-national budgets from a SDGs lens and improving the revenue base for the sub-national governments. Integration of gender and institutional capacity building were integral part of both outputs. The JP made significant progress on both outputs, with most indicators exceeding their targets. The JP contributed towards enhanced capacities of sub-national governments on SDGs responsive planning, budgeting and expenditure tracking through policy tools, technical assistance and delivery of trainings packages. Importantly, the JP delivered all these results by ensuring the highest level of commitment and ownership of the provincial and local governments.

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

The JP made significant progress on this output and succeeded in creating a solid foundation for integrating SDGs in MTEF through a number of policy tools combined with capacity building initiatives. The JP exceeded targets on two of the three indicators. Five provincial government and 14 local governments developed SDG responsive MTEFs. Gender has been integrated in the guidelines developed. The JP provided technical assistance and capacity development support to these 19 sub-national governments. Further 1800 officials of sub-national governments enhanced their capacities on MTEFs, significantly exceeding the JP target of 1500. The following policy tools/resource books were developed with support from the JP: With JP's technical assistance, the resource book on the SDG-responsive MTEF for local governments was published by the Ministry of Federal Affairs and Local government (MOFAGA)

- (i) 19 SDGs responsive Medium Term Expenditure Frameworks (MTEFs) prepared - Five for province governments and 14 pilot municipalities.
- (ii) A compendium of global good practices on integration of gender in MTEF
- (iii) A resource pack on "Local Governance and SDG-Responsive MTEF: Improving GESI Prioritization & Financing".

To strengthen citizen engagement in the planning and budget making process, especially those from excluded groups, a consultation with Baadi women's groups was organised, and a set of recommendations generated to inform policy and support advocacy. The consultation highlighted critical challenges for citizen engagement in the process, despite legal and policy provisions enabling civic engagement in local planning processes. Key challenges included: lack of information and awareness of the planning and budget process and limited opportunities for participation. Insights generated from this dialogue, with continue to inform the advocacy efforts of the PUNOs, going forward.

Output 1.2: An SDG budget coding and expenditure tracking system is developed and piloted at the federal and sub-national level.

Significant progress was made on the second output. Targets were exceeded in five of the six output level indicators. Key policy instruments on SDGs coding and revenue improvement plans were developed and piloted with technical and funding support from the JP. A key milestone was the development and adoption of the SDG Resource Book by the MOFAGA; which was subsequently disseminated to all 753 municipalities. Building on it, seven SDGs coding resource books were developed and adopted by respective province governments. Five provincial and 14 local governments included SDG coding in their budgets with support from the JP, and 11 Revenue Improvement Action Plans were finalised in 11 of 14 pilot LGUs. Additionally, the same pool of 1800 participants (referenced in Output 1.1) also

enhanced their capacities on SDG coding and GRB. Further the evidence base on fund flow mechanisms was significantly strengthened with the publication of. A budget tracking from a gender perspective was also commissioned for Nepal's agriculture sector and is currently underway.

3. Challenges and Changes

3.1. Challenges faced by the Joint Programme

The Joint Programme faced two major sets of challenges in the inception and implementation phase. These challenges are outlined below.

i) Political and institutional challenges

The Joint Programme proposal, which was submitted by the PUNOs, was approved by the Joint SDG Fund Secretariat in mid-2020. However, the project document was signed only in August 2021. This was due to the onset of the COVID-19 pandemic in early 2020, which altered the government's needs and priorities. Rather than initiating new development programmes, the GoN's priority was responding to the COVID-19 crisis. As the attention of the GoN shifted to COVID-19 management and response, it was difficult for the PUNOs to get the government's signature of the final Joint Programme document, which was needed to launch the project. Furthermore, the original proposal focused on the federal level. However, due to political and bureaucratic changes, it was difficult to secure commitment from all proposed government agencies. In this context, and in line with recommendations from key stakeholders, the focus of the Joint Programme was realigned to support the emerging need for capacity development at the sub-national level.

ii) Operational challenges

The implementation of the Joint Programme was also impacted by the subsequent phases of the COVID-19 pandemic. Key interventions planned under the Joint Programme, including in-person/physical trainings, were significantly delayed. Moreover, the 2022 elections (both local and general) affected the implementation of some Joint Programme activities. Since government officials were heavily engaged in managing the elections over an extended period of time, Joint Programme activities such as trainings for local government officials were delayed and also resulted in low participation. In line with the compliance rule of the election, the trainings were subsequently conducted in two batches in Nepal's far-western province.

Despite these challenges, all key Joint Programme activities were completed. To fast-track implementation, UNDP regional/provincial offices were mobilized. Their intensive involvement in planning and organizing these trainings resulted in high turnout, with outreach to over 600 municipalities out of 753. They were instrumental in ensuring close engagement and coordination with provincial and local governments, including the provincial centres of good governance set up under the PLGSP. The Joint Programme also leveraged digital platforms to bring together key stakeholders to inform the preparation of knowledge products and policy tools.

Most of the activities performed and results achieved were outlined in the Joint Programme's plan. However, certain activities were delayed due to external factors, such as the COVID-19 pandemic and the local and general elections held in 2022. This included the budget tracking studies and the preparation of the RIAP. However, all activities except the expenditure review of the agriculture sector have been completed by the extended deadline of 31st March 2023.

3.2. Changes made to the Joint Programme

As a result of the aforementioned challenges, the timeline for implementation of certain activities was affected and could not be completed by the end of December 2022. In order to complete them and also utilize some of the surplus from the Joint Programme fund (mainly on account of the appreciation of the US dollar), the Advisory Committee and Steering Committee decided to request an extension of the Joint Programme.

In addition to the stated activities in the project document, a one-day orientation on SDGs financing was organized for over 300 newly elected lawmakers from all seven provincial assemblies. This engagement with the new political leadership was extremely timely, and it created a space for provincial stakeholders to undertake a strategic dialogue on reorienting financing to accelerate the achievement of the SDGs.

4. Sustainability and Country Ownership

4.1. Sustainability and country ownership

The Joint Programme has secured strong ownership among the GoN. Key government ministries/agencies were engaged in the formulation and inception of the Joint Programme as well as its implementation. All knowledge products and diagnostic assessments were conducted in close consultation with the government and have been endorsed by the MoFAGA, which is the nodal ministry.

The Joint Programme was aligned with the government's national flagship programme, PLGSP, a multi-donor funded flagship programme focusing on implementation and institutionalization of Nepal's federal system. Several of the Joint Programme's activities are complementary to the PLGSP (e.g., training on PFM). Some activities initiated by the PLGSP have been carried over/implemented by the Joint Programme, such as the RIAP initially developed by PLGSP in the three pilot municipalities. This was subsequently implemented by the Joint Programme in 11 other municipalities. Emphasis was placed on consolidating the learnings and findings from these initiatives in order to strengthen future implementation and preparation of similar revenue enhancement plans. In order to strengthen the complementarity, the National Programme Director of the PLGSP served as the chairperson of the Advisory Committee of the Joint Programme. The close alignment with PLGSP will also ensure that the policy tools and guidelines developed under the Joint Programme to support the development MTEF in all 753 municipalities are replicated and scaled up.

Further, the design and scale of the capacity development initiatives at the provincial and local levels will ensure sustainability of project results. The Joint Programme has trained a critical mass of representatives from over 600 (out of 753) municipalities. A total of 1,400 government officials, mayors, deputy mayors, rural municipality chairpersons, Chief Executive Officers and Planning Officers, among others, have been trained. However, noting the differences in the level of awareness and capacity, the application of the tools and skills may not be consistent across provinces. There is a need for continued capacity development, advocacy as well as review and follow-up of the programme tools and products by different stakeholders at the provincial and local levels.

The Joint Programme's close alignment with the PLGSP provides a suitable exit strategy. During key informant interviews, the NPD and National Project Manager (NPM) of the PLGSP underscored that the level of ownership of tools and their sustained use depends on the quality of the tools. It was further noted that the tools produced under the Joint Programme are considered high-quality and have been endorsed by the government. All the resources and knowledge products are published as government documents and uploaded onto their respective websites. This also makes various tiers of the government accountable. Effective follow-up and support by UN agencies and non-government organizations will be necessary to ensure the continued application and implementation of these tools as well.

Furthermore, all three PUNOs have expressed their intention to take forward the Joint Programme's initiatives. For example, UNCDF will review the forthcoming annual programmes and budgets of the pilot municipalities and assess whether the actions advanced in the RIAPs are included. Similarly, UNDP and UN Women continue their follow-up as part of their ongoing PFM and GRB related initiatives. While such reviews and follow-ups can ensure the implementation of the tools produced under the Joint Programme,

an institutional arrangement, such as the provision of a joint follow-up and review committee among the PUNOs, could help in communicating more effectively to the government about the sustainability of the Joint Programme's outputs and services.

5. Communications

5.1 Communication products

Communications and advocacy are an important component of an intervention. It not only helps disseminate the information but also garners required support for the effective implementation. While the Joint Programme did not have a designated communications strategy, the three PUNOs have leveraged their existing communications platforms to amplify the Joint Programme's tools and results. This includes publishing all key knowledge products on the PUNOs' websites, including that of UNDP (<https://www.undp.org/nepal>) as well as on websites of the provincial and federal governments. Visibility of the Joint Programme events was ensured through the PUNOs' social media platforms, including their official Twitter handles. Further, an op-ed is being developed by the PUNOs highlighting the results of the JP.

Significant efforts have been made to produce resource books and PFM tools in Nepali to broaden outreach and promote effective use at the sub-national level. This has been an important communication strategy. However, some of the documents have also been translated into English for vertical reporting, including to the Joint SDG Fund Secretariat.

In addition, the Joint Programme has produced two audio-visual materials on PFM tools, such as the MTEF, and disseminated them on various platforms. These materials are listed below:

Enhancing fiscal discipline, advancing SDGs

Link to English-language video: <https://www.youtube.com/watch?v=JGPnPF02B6w>

Link to Nepali-language video: <https://www.youtube.com/watch?v=1YyG7dhUT7Y>

These communication materials are very much in line with the envisaged communication strategy of the Joint SDG Fund. They combine human stories with data and short explanations of the innovations and impact that the programme outputs are bringing to the communities where the Joint Programme provided its extensive support. In fact, the Joint Programme has focused on broader outreach by publishing knowledge products in Nepali and discussing these topics at the local level.

5.1 Events

Type of event	Yes	No	Number of events	Brief description and any highlights
Joint Programme launch event (mandatory)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	<i>There was no formal launch; however, a kick off meeting was organised with the GoN</i>
Annual donors' event* (mandatory)	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<i>Due to COVID and elections of three levels of governments, donor meeting could not be done.</i>
Partners' event** (optional)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2	<i>Featured learning and experience sharing</i>

*The donors include the EU and the governments of Denmark, Germany, Ireland, Luxembourg, Monaco, Netherlands, Norway, Portugal, Spain, Sweden and Switzerland. Please note that this event can be held together with a launch event or a partner's event.

**Key advocacy outreach events with high-level Joint Programme partners.

6. Lessons and Best Practices

6.1. Key lessons learned, best practices and recommendations on SDG financing

The need for higher participation of civil society and local-level staff in training: One of the best practices of the Joint Programme was the effective organization of trainings/orientations that featured expertise from UN partner organizations. The trainings and orientations served as good platforms for disseminating the MTEF and coding resource books/tools. However, it would have been better to engage representatives from civil society so that they can monitor and review their effective use by the governments. Nevertheless, the JP included two university teachers (in Economics) from each of the seven provinces in the ToT event conducted by LDTA in Bhairahawa to expand the local capacity.

The frequent transfer of bureaucrats posed challenges in institutionalizing the JP's results. The training should have been extended to locally recruited staff to address this issue.

Capacity development through longer trainings: Huge capacity development needs emerged, mainly on using the PFM tools and strengthening fiscal federalism. Key informant interviews conducted with the relevant stakeholders indicated that the one-day orientation training was useful for sensitization and awareness-raising in over 600 municipalities. However, this length of time is inadequate to equip participants with the necessary knowledge and skills on the SDG-responsive MTEF and SDG coding. The ToT on the MTEF and a weeklong training on RIAP helped in developing the required expertise and skills of the participants, who are generally from the federal and provincial levels. Furthermore, these trainings were limited in coverage. In light of this reality, longer-term trainings need to be conducted in the municipalities to develop capacity at the local level.

Focus on data collection and developing a monitoring and evaluation (M&E) framework: Effective planning and budgeting require data at the local level, which is currently lacking. In the absence of data, it is difficult to properly develop PFM tools at the local level. Therefore, investing in data collection and maintaining databases at the local level is very much necessary.

Fostering digital transformation: Apart from data and monitoring frameworks, investing in digitalisation will also help improve governance by enhancing transparency and accountability. This will ultimately strengthen mutual trust between the local governments and citizens. To raise revenue via tax collection and deliver effective services to people, building trust is necessary.

6.2. Key lessons learned, best practices and recommendations on Joint Programming

Dissemination of information about the results from the Joint Programme: The Joint Programme was launched after the UNCT decided which agencies would participate and submit the proposal. Once the Secretariat and GoN endorsed the concept note, the programme was developed and approved by the three PUNOs that have been engaged in performing the Joint Programme activities and producing outputs more efficiently and effectively. These results need to be shared at a wider level so as to provide inputs and insights on other joint programmes, which could help harness the comparative advantages of UN agencies, reduce duplication of their work and achieve resource/cost efficiency.

Joint planning with the government: The strategic partnership with the MoFAGA and/or the PLGSP was instrumental in the success of the Joint Programme. In fact, the Joint Programme's outcome and outputs complemented the PLGSP's Outcome 1 as well as its outputs. Furthermore, the provision that the NPD serve as the NPD of the Joint Programme's Advisory Committee helped strengthen coordination between the PLGSP and Joint Programme's work and offer a clear exit strategy. Working with the PLGSP contributed to the government's ongoing efforts and provided an opportunity to sustain its outputs and services.

A long-term Joint Programme is necessary for systemic change such as strengthening the fiscal federalism in Nepal: Any sustainable change or system strengthening cannot happen in one year, with a limited budget. To realise the outcome and impact of the systems and tools developed under a Joint Programme like this one, much more time is needed, along with sustainable funding that extends beyond a couple of years. Moreover, the SDG Joint Fund needs to align with the country context, depending on which kind of funding model needs to be adopted.

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Annex 1: Consolidated results framework

1. Joint Programme contribution to global programmatic results (full programme duration)

Joint SDG Fund Global Outcome 2: Additional financing is leveraged to accelerate SDG achievement.

Indicators	Baseline 2019	Target (end of Joint Programme)	Result (end of Joint Programme)	Notes
2.1: US dollar and ratio of financing for integrated multi-sectoral solutions leveraged and disaggregated in terms of public and private sector funds				

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress are implemented.

Indicators	Baseline 2019	Targets (end of Joint Programme)	Results (end of Joint Programme)	Notes
4.1: Number of integrated financing strategies/instruments that were tested				
4.2: Number of integrated financing strategies that have been implemented with partners in lead		14	30	19 SDG-responsive MTEFs for 14 municipalities and 5 province governments and 11 Revenue Improvement Action Plans (RIAPs) for 11 municipalities
4.3: Number of functioning partnership frameworks for integrated financing strategies to accelerate SDG progress				

2. Selected global operational effectiveness indicators (full programme duration)

2.1. Did your Joint Programme contribute to the improvement of the overall UNCT coherence?

- Yes, considerably contributed
 Yes, contributed
 No

Explain briefly: The Joint Programme has significantly helped in harnessing the competencies of the PUNOs. Making a joint decision as to which agencies will work together on a particular proposal/intervention fosters coherence not only among the PUNOs but also throughout the UNCT.

2.2. Did your Joint Programme contribute to avoiding duplication of efforts for the participating UN agencies in interaction with national/regional and local authorities and/or public entities?

- Yes,
 No
 N/A (if there are no other joint programmes in the country)

Explain briefly: By interacting and working directly with the three tiers of the GoN, the Joint Programme has significantly contributed towards reducing the duplication of efforts. This has reduced the government's responsibility for dealing separately with the three PUNOs on similar initiatives. Moreover, the Joint Programme has also demonstrated to the government that UN agencies can work more effectively together and in a coherent manner.

3. Results as per the Joint Programme Results Framework

Results/Indicators	Baseline	Target	Results (end of Joint Programme)
Outcome 1: SDG implementation is accelerated through SDG-aligned planning and resource allocation.			
Indicator 1.1: Sub-national budget aligned with SDGs			Province annual budgets of 2022/23 and the budget of 14 pilot LGs have aligned with SDGs, informed by MTEFs prepared with Joint Programme's technical support.
Output 1.1: SDG-responsive medium-term expenditure framework is piloted in all seven provinces and selected local governments.			
1.1.1 Number of provinces and local governments that develop SDG-aligned MTEF	0	14	19 (Five provincial governments and 14 local governments) sub national governments developed SDG-responsive MTEFs.

1.1.2 Number of government officials at the sub-national level trained on SDG-responsive MTEF.	0	1,500	1800 officials (1,400 LGs officials and 400 province level officials) of federal, provincial and local governments were trained on developing SDG-responsive MTEFs.
1.1.3. Proportion of recommendations from women's groups incorporated in MTEFs for select provincial and local governments	0	80%	The target for this indicator has not been met. Recommendations from women's groups have been documented through a consultation and will inform advocacy and policy advisory efforts in UN Women's ongoing programming.
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	Available	SDG Budget Coding Resource Book for local governments prepared and adopted by MoFAGA.
			SDG Budget Coding Resource Book for all seven provincial governments prepared and adopted by respective local governments.
1.2.2 Number of local governments that present their annual budget with SDG coding	0	14	14 local governments presented their budget with SDG budget coding in 2022.
			5 provincial governments presented their budget with SDG coding in 2022.
1.2.3 Number of government officials trained on SDG budget coding	0	1,500	1800 officials (1,400 LGs officials and 400 province level officials) of federal, provincial and local governments trained on SDG budget coding for provincial- and local-level government programmes.
1.2.4 Number of expenditure tracking reports available	0	7 tracking reports	7 Public Expenditure Tracking Surveys (PETS) of seven province governments published and disseminated.
1.2.5 Number of local governments with Revenue Improvement Action Plans (RIAP)			11 RIAPs were produced for 11 local governments (one RIAP for each municipality). Since RIAPs of three pilot municipalities were already prepared.

1.2.6. Analysis from GE-specific PETS	Not Available	Available	The target has not been achieved. Budget tracking (from a gender lens) in Nepal's agriculture sector is underway.
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Annex 2: List of strategic documents

1. Strategic documents that were produced by the Joint Programme

Title of document	Date (month and year) finalized	Document type (policy/strategy, assessment report, guidance/training material, etc.)	Brief description of the document and the role of the Joint Programme in finalizing it
SDG-Responsive MTEF Preparation Resource Book for Local Governments (completed, printed and rolled out in all local governments)	December 2021	Guidance/training material	The resource book produced under the Joint Programme provides guidance on making the MTEF SDG-responsive.
SDG-responsive MTEF of 14 pilot municipalities (2 municipalities from each province)	August 2022	Policy/strategy	The Joint Programme has provided significant technical support to 14 municipalities on developing an SDG-responsive MTEF (using a participatory process) in order to foster ownership.
SDG-responsive MTEF of 5 provinces	*Koshi Province (June 2022) *Sudurpaschim Province (July 2022) *Gandaki Province (July 2022) *Madhesh Province (July 2022) *Bagmati Province (July 2022)	Policy/strategy	A consultative process was adopted to prepare the provincial MTEF. It was demand driven – prepared only in provinces where the support was requested. This process increased its ownership.
Two short videos on SDG-responsive MTEF preparation (teaching materials)	*Godavari TOT video completed in August 2022 *Bhairahawa TOT video completed in Oct 2022	Guidance/training material	
SDG Budget Coding Resource Book for local governments	May 2022	Guidance/training material	The development of the coding resource book was necessary to help municipalities code their budgets and programmes.
SDG Budget Coding Resource Books of all provincial governments	December 2022	Policy/strategy	The Joint Programme produced this to assess the SDG-responsiveness of programmes and budgets in 14 municipalities. This exercise will help increase the budgets of SDG-related programmes.
SDG voluntary local review reports of 14 municipalities	March 2023	Assessment report	The Joint Programme conducted VLRs to assess development statuses and provide a baseline to track future SDGs/development indicators.

Title of document	Date (month and year) finalized	Document type (policy/strategy, assessment report, guidance/training material, etc.)	Brief description of the document and the role of the Joint Programme in finalizing it
SDG based public expenditure tracking survey of all provinces	March 2023	Assessment report	The public expenditure tracking was done and inputs provided in their finalization.
SDG based public expenditure tracking survey of agriculture sector with sample of Federal Agricultural Ministry, one provincial agriculture development ministry and one local government	March 2023 (not finalized)	Assessment report	It is not finalized. The assessment is still in process of data analysis.
Revenue improvement action plan preparation of 11 municipalities	March 2023	Strategy and action plan	Three of the RIAPs were prepared through the LDTA along with training manual. Eight were prepared through support of consultants who updated the methodology and expanded the engagement with wide range of stakeholders. Joint Programme reviewed the documents and attended some of the pilot validation workshops and provided feedback for the finalization.
A compendium of good practices on gender integration in MTEF	Nov 2022	Assessment	The aim of the compendium is to document MTEF and gender integration practices globally and to learn from these diverse models to guide similar initiatives that can be customised to the country context.
The resource book 'Local Governance and SDG-Responsive MTEF: Improving GESI Prioritization & Financing	March 2023	Resource book	The resource book was planned as a companion or supplementary resource to the UNDP SDG resource book. The objective is to better understand GESI perspective within the local level MTEF process through all stages of planning and approvals.

2. Strategic documents to which the Joint Programme directly contributed

Title of the document	Date (month; year) when finalized	Document type (policy/strategy, assessment, guidance, training material, methodology etc.)	Brief description of the document and the role of the Joint Programme in finalizing it

Annex 3. Communications materials

1. Human interest story

- **Attach at least 1 human interest story** that summarizes the background, results achieved, impact made, and beneficiaries reached by the joint programme in line with the objective of the portfolio to support increased SDG financing flows and policy reforms.

2. Communication products

Title of the document	Date when finalized (MM/YY)	Brief description and hyperlink (if it exist)
Video on the SDG responsive MTEF preparation (Training materials) – English	August 2022	<p>The Video was prepared to use in the Training for trainers organized for three days in Godavari, Nepal</p> <p>English Link https://www.youtube.com/watch?v=JGPnPF02B6w</p>
Video on the SDG responsive MTEF preparation (training materials) – Nepali	Oct 2022	<p>The Video was prepared to use in the Training for trainers organized for three days in Bhairahawa, Nepal</p> <p>Nepali link https://www.youtube.com/watch?v=1YyG7dhUT7Y</p>

Annex 4: List of stakeholders interviewed during final report preparation

No	Name of entity	Name of representative	Title	Contact information	Role in the programme	Summary of feedback
1.	National Planning Commission – GoN	Min Bahadur Shrestha	Vice Chairperson			The performance of the Joint Programme is satisfactory. The software developed for budget coding should also incorporate MTEF for its effective implementation.
2.	Provincial Planning Commission – Gandaki Province	Giridhari Paudel	Vice Chairperson			The Joint Programme has made significant progress in strengthening the system. It has developed and piloted several PFM tools that will contribute to strengthening fiscal federalism.
3.	MoFAGA	Balram Rijyal	Joint Secretary/NPD		National Project Director	The capacity of mayors/chairs of the municipalities on PFM tools need to be enhanced. The federal grants need to be tied up with resource mobilisation at the local level to sustain the programme.
4.	MoFAGA	Hem Raj Aryal	Undersecretary/NPM		National Project Manager – PLGSP	The Revenue Improvement Action Plan should be short, simple and feasible to implement – it should outline the activities, deadline and responsible person/organization.
5.	MoFAGA	Rajesh Gautam	Undersecretary		Resource person on revenue mobilization	The work in 14 municipalities should be continued and advanced as models so that they can influence other municipalities to effectively use the PFM tools, including the RIAP.
6.	MoFAGA	Resham Kadel	Undersecretary/former coordinator			PFM tools like MTEF and RIAP should be prepared by municipalities themselves rather than by consultants/outside for their effective implementation.
7.	MoFAGA	Ram Prasad Acharya	CEO, Jiri municipality		Chief staff of the mayor's office	The capacity development and skills transfer of relevant municipality staff is necessary for improving planning and budgeting.
8.	Suryodaya municipality, Koshi Province	Ran Bahadur Rai	Mayor	9852642006		<p>The orientation training was useful, as it covered relevant subjects. The MTEF and other guidelines developed were useful. We have already started implementing MTEF, but municipality lacks technical capacity; therefore, capacity development and tools/guidelines are necessary for other sectors too.</p> <p>We have a periodic plan and revenue improvement action plan, and we would like to review and assess the situation of other sectors, like the social sector.</p>

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						We need guidelines and capacity development in other sectors too.
9.	Banepa municipality, Bagmati Province	Shanti Ratna Shakya	Mayor	9851010383		The Joint Programme has been helpful for planning. We face challenges concerning sanitation and the environment, which are also SDGs-related, and we are looking for technical support.
10.	Parwanipur municipality, Madhesh Province	Ram Kshatriya Prasad Kurmi	Mayor			The municipality has been running several income-generating and skills-related programmes, which could help in revenue generation.
11.	Kushma municipality, Gandaki Province	Ram Chandra Joshi	Mayor	9857630017		The Joint Programme has helped in the development of the MTEF and other tools that are useful.
12.	Kushma municipality, Gandaki Province	Kuman Singh Gurung	CEO	9857630017		The MTEF was prepared following a participatory process; however, it would be good to devote more time toward preparing, which could enhance the participation of all the sections of the office as well as others. The development of the MTEF in Kushma helped inform its preparation in other municipalities, such as Phalebas, Jaljala and Madi.
13.	Buddhabhumi municipality, Lumbini Province	Keshav Kumar Shrestha	Mayor	9857050290		The Joint Programme provided quality support in the MTEF preparation. We can prepare the next MTEF with some facilitation support from the Programme.
14.	Amargadhi municipality, Sudurpashchim Province	Dilli Raj Joshi	Mayor	9841314294		The Joint Programme's support in strengthening the planning was useful.
15.	Pashuram municipality, Sudurpaschim Province	Bharat Joshi	Mayor	9858488935	Head of the municipality	The orientation training conducted under the Joint Programme was useful for creating awareness on planning and budgeting. We intend to prepare a periodic plan, MTEF and other plans that require some technical and financial support. Currently, we have been working on digital connectivity to improve service delivery in the municipality.
16.	Provincial Policy and Planning Commission,	Kumari Bhubneshwory Dhami	Statistics Officer	9848758955	Engaged in the development	The preparation of the provincial MTEF and Public Expenditure Tracking Report will help us identify lagging SDGs, which will in turn provide information for the annual planning and budget.

No	Name of entity	Name of representative	Title	Contact information	Role in the programme	Summary of feedback
	Sudurpaschim Province				of provincial MTEF	
	UNDP	Ayshanie Labe	Resident Representative		Head of UNDP – technical lead of the Joint Programme	The Joint Programme has made significant accomplishments despite the constraints posed by COVID-19 in 2021, when the focus of the government was on managing the crisis. This is due to the active role played by the technical lead who worked closely with the other two PUNOs.
17.	UN Women	Navanita Sinha	Representative a.i.			The Joint Programme has contributed to the development of systems and tools. Strengthening systems require longer time; therefore, this programme requires a sustainable funding mechanism.
18.	UNCDF	Saroj Nepal	Representative		Country Relationship Manager	The Joint Programme brought three PUNOs together, promoting cross-learning. More resources should be allocated towards joint programming. The RIAP can enrich revenue mobilization among the municipalities, allowing them to invest more in vulnerable communities.
19.	UNRCO	Subhash Nepali	Economic/SDGs Advisor			The Joint Programme has been successful in reducing the duplication of efforts/costs and harnessing the competitive advantages of PUNOs. Strengthening UNDS reform requires engagement from the RCO in all phases of the Joint Programme.
20.	UNDP	Dharma Swarnakar	Economic Advisor	9851029459	Lead PUNO Focal Point	The Joint Programme had an excellent design with coherent components that were useful for strengthening the federal system in Nepal.
21.	UN Women	Priti Shrestha			PUNO Focal Point	Gender-responsive budgeting is useful for addressing 2030 Agenda's LNOB principle. It has been incorporated into the SDG-responsive MTEF and SDG-based coding.
22.	UNCDF	Pragyan Joshi			PUNO Focal Point	MoFAGA's sense of ownership over the RIAP is evident through the work they are doing on the RIAP in other municipalities.
23.	Government of Nepal	Teertha Raj Dhakal	Former Secretary/MTEF Expert		Resource Person	The provision of act is necessary for sustaining the PFM tools, and consultants should play only a minimal role in the process of formulating the MTEF.

No	Name of entity	Name of representative	Title	Contact information	Role in the programme	Summary of feedback
24.	Former NPM of UNCDF Project	Bishnu Puri	Independent Consultant		Resource Person	Increasing revenue at the local level is necessary for not only increasing the availability of resources but also enhancing the authority of municipalities.
25.	Independent Consultant	Sangram Singh Lama	Gender Expert		Resource Person	This Joint Programme is evidence that UN organizations can work together more effectively.

Source: Key informant interviews

